MICHIGAN PUBLIC SCHOOL EMPLOYEES' RETIREMENT SYSTEM

Annual Comprehensive Financial Report for the Fiscal Year Ended September 30, 2024

MPSERS

A Fiduciary Component Unit of the State of Michigan

Prepared by:
Financial Services
For
Office of Retirement Services
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Certificate of Achievement for Excellence in Financial Reporting

Presented to

Michigan Public School Employees' Retirement System

For its Annual Comprehensive Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill
Executive Director/CEO

PPCC

Public Pension Coordinating Council

Public Pension Standards Award For Funding and Administration 2024

Presented to

Michigan Office of Retirement Services

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

Presented by the Public Pension Coordinating Council, a confederation of

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

Alan H. Winkle

Alan H. Winkle
Program Administrator

Michigan Public School Employees'
Retirement System
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STATE OF MICHIGAN

GRETCHEN WHITMER, Governor

DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET

February 27, 2025

The Honorable Gretchen Whitmer
Governor, State of Michigan,

Members of the Legislature
State of Michigan,

Retirement Board Members
and
Members, Retirees and Beneficiaries

Ladies and Gentlemen:

We are pleased to present the annual comprehensive financial report of the Michigan Public School Employees' Retirement System (System) for fiscal year 2024.

INTRODUCTION TO REPORT

The System was established by legislation under Public Act 136 of 1945 (the former Michigan Public School Employees Retirement Act), and is administered by the Office of Retirement Services (ORS). The number of active and retired members and beneficiaries of the System is presented in Note 1 of the financial statements in the Financial Section in this report. The purpose of the System is to provide retirement, disability, death, and healthcare benefits for all public school employees. The services performed by ORS staff provide benefits to members, retirees, and beneficiaries.

Responsibility

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the leadership team of the System. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the System.

Internal Control Structure

The leadership team of the System is responsible for maintaining adequate internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's general or specific authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America. The internal control structure is designed to provide reasonable assurance regarding the safekeeping of assets and reliability of all financial records.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. This internal control structure includes maintaining written policies and procedures. Discussion and analysis of fiduciary net position and related additions and deductions are presented in the Management Discussion and Analysis which can be found immediately following the Independent Auditor's Report.

Independent Auditors and Actuary

The Office of the Auditor General (OAG), independent auditors, conducted an annual audit of the System. The independent auditor's report on the System's financial statements is included in the Financial Section in this report.

An actuarial valuation is conducted annually. The purpose of the valuation is to evaluate the mortality, service, compensation, and other financial experience of the System and to recommend employer contribution rates. The annual actuarial valuation was completed by Gabriel, Roeder, Smith & Company for the fiscal year ended September 30, 2023, and recommends employer contribution rates for the fiscal year ended September 30, 2026. Actuarial certification and supporting statistics are included in the Actuarial Section in this report.

Management's Discussion and Analysis (MD&A)

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of an MD&A. This letter of transmittal is intended to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the Independent Auditor's Report.

PROFILE OF THE GOVERNMENT

In accordance with Public Act 300 of 1980 (the Michigan Public School Employees Retirement Act), on October 31, 1980, the Public School Employees' Chapter I Retirement Fund merged with the Public School Employees' Chapter II Retirement Fund to establish the Public School Employees' Retirement System. Public Acts 136 of 1945 and 259 of 1974, respectively, created the two original funds. A 12-member board and the director of the Department of Technology, Management, and Budget (DTMB), govern the System. The System serves approximately 394,000 members from over 680 participating public school employers in Michigan. The System is funded by employer contributions, member contributions, and investment earnings. A detailed plan description is included in Note 1 of the Financial Section in this report.

ECONOMIC CONDITIONS AND OUTLOOK

Despite a long-term mix of both challenging and robust economic times, the System continues to show steady performance.

Investments

The State of Michigan Investment Board is the investment fiduciary and custodian of all investments of the System pursuant to State law. The primary investment objective is to maximize the rate of return on the total investment portfolio, consistent with a high degree of prudence and sufficient diversity to eliminate inordinate risks and to meet the actuarial assumption for the investment rate of return. The investment activity for the year produced a total rate of return on the portfolio of 15.5 percent for the pension plan and other postemployment benefits (OPEB) plans. For the last five years, the System has experienced an annualized rate of return of 9.7 percent for the pension and OPEB plans. A summary of asset allocation and rates of return is presented in the Investment Section in this report.

Accounting System

Transactions of the System are reported on the accrual basis of accounting. Revenues are recorded when earned, and expenses are recorded when incurred. Participants' benefits are recorded when payable by law. We believe that the accounting and administrative internal controls established by the System provide reasonable assurance the System is carrying out its responsibilities in safeguarding its assets, in maintaining the reliability of the financial records for preparing financial statements, and in maintaining accountability for its assets.

Funding

Funds are derived from the excess of additions to plan fiduciary net position over deductions from plan fiduciary net position. Funds are accumulated by the System to meet future benefit obligations to retirees and beneficiaries. The percentage computed by dividing the actuarial value of assets by the actuarial accrued liability is referred to as the "funded ratio." This ratio provides an indication of the funding status of the System and generally, the greater this percentage, the stronger the System.

Pension – The actuarial value of the assets and actuarial accrued liability for pension benefits of the System were

$65.9 billion and $95.8 billion, respectively, resulting in a funded ratio of 68.8 percent as of September 30, 2023. A historical perspective of funding levels for the Pension Plan is presented on the Schedule of Funding Progress in the Actuarial section in this report.

OPEB – Prefunding for OPEB began in fiscal year 2013. The actuarial value of the assets and actuarial accrued liability for OPEB were $12.5 billion and $9.8 billion, respectively, resulting in a funded ratio of 127.0 percent as of September 30, 2023. A historical perspective of funding levels is presented on the Schedule of Funding Progress in the Actuarial section in this report.

MAJOR GOALS ACCOMPLISHED

Agile transformation

Implementing Agile methodology transformed our information technology (IT) team culture and development at ORS. The process shift laid the foundation for our technology modernization efforts underway.

The transformation, which started in 2021 and was fully implemented by March 2024, has cultivated transparency and collaboration.

The results are new teams and processes with enhanced collaboration and engagement, with the Microsoft Azure DevOps platform as the conduit for change.

Key achievements of our Agile adoption include reduced backlogs, shorter release testing times, and stronger alignment with our objectives.

We work as one with Agency Services Supporting Retirement and the DTMB Enterprise Portfolio Management Office to craft quality products for our customers and employers and optimize solutions for our organization.

We continue to seek further ways to draw Agile thinking and approaches into our business mindset. The results are clear: a doubling of IT development work, a two-thirds reduction in emergency releases, and more effective, efficient releases, all demonstrating improved business value.

Ask Our Experts

ORS wants to keep our members informed as their trusted partner.

That is why we enhanced our ORS YouTube channel, color-coding the offerings into dedicated playlists to make matters more accessible. Those include Ask Our Experts, 1½- to 2½-minute videos on varied topics tailored to life stages and retirement plans.

The "Ask Our Experts" column has been offered for years in our quarterly Connections retiree newsletter, answering commonly asked questions. To better serve our customers, we created Ask Our Experts videos hosted by our retirement experts and customer service representatives.

The idea came from our Customer Education team to increase content for our social media channels, which also include Facebook, Instagram, and X. A new Ask Our Experts logo was created for the feature's video expansion.

Since its Sept. 25, 2023, debut in the Connections newsletters and Proactive newsletter's defined benefits (DB) edition, fifteen videos have been released. Topics include state tax changes and tax withholding updates, Medicare benefits clarification, snowbird advice, and avoiding phishing emails and spam. The series has more than 18,000 views.

Public Act 147 of 2023 - working after retirement rules

Public Act (PA) 147 of 2023 changes working after retirement rules for public school retirees in Michigan.

Under the law, public school retirees may return to work at a reporting unit after retirement with no impact on their pension or premium subsidy benefit, provided they have a bona fide termination and either earn less than $15,100 in a calendar year from their public school employment or have been retired for at least six consecutive months. It also changes the rules for retired superintendents who return to work at a reporting unit.

Effective Oct. 10, 2023, through Oct. 10, 2028, PA 147 of 2023 was communicated to reporting units and partners; emails and letters were sent to our impacted retirees; announcements were posted on Facebook and X; and updates were made to the ORS website, our employer information website, and Customer Service resources.

Public Act 158 of 2023 – dependent eligibility

Public Act (PA) 158 of 2023 allows for a child to remain on retiree insurance until the month in which that child turns 26 years old, regardless of enrollment in post-secondary education or dependency status for tax purposes.

With PA 158 in effect Feb. 13, 2024, anyone wanting to enroll a child eligible could do so as soon as March 1, 2024, with submittal of a completed Insurance Enrollment/Change Request and required proofs on or before Feb. 29, 2024.

For requests received before Sept. 1, 2024, coverage is effective the first of the following month. For enrollments and required proofs received on or after Sept. 1, 2024, coverage starts the first of the sixth month after receipt.

PA 158 was among state laws passed to protect provisions in the federal Patient Protection and Affordable Care Act (ACA) after a challenge was filed in a north Texas federal district court.

Changes were made to all retiree healthcare plans (including dental and vision), publications, messaging, websites, forms, and social media for the Michigan Public School Employees' Retirement System (MPSERS), State Employees' Retirement System (SERS), State Police Retirement System (SPRS), and Judges Retirement System (JRS). In addition, Clarety and miAccount were updated; and Employee Benefits Division and MPSERS vendors were informed.

The sole required proof now is the child’s birth certificate.

Public Act 250 of 2023 – default retirement option

Public Act 250 of 2023 changed the default retirement option for employees new to the System from the Defined Contribution (DC) Plan to the Pension Plus 2 Plan.

The change affects public school employees whose first day of work was on or after July 1, 2024.

Employees get 75 calendar days after the last day of their first pay period to select their retirement plan. If they don’t choose by the deadline, they will default into the Pension Plus 2 Plan. Once they select a plan or the deadline passes, their selection is irrevocable — even if they leave employment and return at a later date.

DC Plan participants are enrolled in the State of Michigan 401(k) and 457 Plans (the Plans), which are tax-deferred retirement savings accounts. The Pension Plus 2 Plan pairs a pension component with a savings component.

ORS tailored communications for each audience: new hires before July 1, 2024, and new hires on or after July 1, 2024. Each included a revised seven-minute new hire video. Other changes were made for new publications and educational videos, website tweaks, and revised letters.

SECURE Act 2.0

The federal Setting Every Community Up for Retirement Enhancement (SECURE) Act 2.0 of 2022 makes changes to qualified retirement plans and Individual Retirement Accounts (IRAs).

This includes 401(k) and governmental 457 plans like the State of Michigan 401(k) and 457 Plans (the Plans), with provisions that expand coverage, increase retirement savings, and simplify rules for retirement plans. Some initial provisions, including increases in age for required minimum distributions for participants and spousal beneficiaries, are already in effect.

In effect Dec. 29, 2022, with provisions being rolled out through 2030, the law enhances the SECURE Act of 2019.

ORS is working with Voya Financial, the Plans' recordkeeper, to make the necessary changes to information technology systems, policies, websites, communications, and forms for affected participants in the State Employees' and Michigan Public School Employees' retirement systems.

As more SECURE 2.0 details emerge and different provisions are phased in and implemented, ORS is publicizing the changes through its quarterly Proactive and Connections newsletters; on its websites; and through its Facebook, Instagram, and X social media channels. ORS is also monitoring IRS guidance for the SECURE 2.0 Act as it is issued.

Situational self-leadership

At ORS, we recognize true growth comes from continuous evolution. Our foundation for supporting this is Blanchard Exchange's Situational Leadership II (SLII) program.

We are building to sustain the program through situational self-leadership. Staff learn and use a shared language to discuss task-level development and performance, yielding more effective conversations with supervisors.

Started in 2018, the SLII program's self-leadership focus builds the mindset and skillset of leaders. The focal points include challenging assumed constraints, goal setting, diagnosing, matching, activating points of power, and being proactive to gain the direction and support needed.

Participants achieve self-leadership individually and through one-on-ones with supervisors.

To foster better engagement, a 12-person SLII champions group guides ORS. The SLII champions meet regularly to brainstorm and collaborate on awareness, create posts on the ORS Intranet news feed, and create talking points and presentations for team meetings. The SLII champions also lead quarterly sessions for teams on topics including mastering self-leadership and the program's focal points.

Survivor option factors

The Michigan Public School Employees' Retirement Board, State of Michigan Retirement Board, Michigan State Police Retirement System Board, and Department of Technology, Management and Budget director approved new factors to calculate pensions when a survivor option is chosen.

As part of our fiduciary responsibility and fiscal best practices, an actuarial experience study is performed every five years. As part of this study, the actuary for ORS analyzed the existing survivor option factors and recommended changes to ensure the long-term health and stability of the retirement systems. The changes were implemented May 1, 2024, for MPSERS and June 1, 2024, for SERS, SPRS, and JRS.

ORS sent letters and emails to public school, state, judicial, and state police employees who submitted retirement applications. Because the survivor option was introduced for SPRS in 2006, the change did not affect many SPRS members.

The new factors apply to MPSERS members in the DB pension plan, retiring on or after May 1, 2024, regardless of their first day worked. For retiring and deferred state employees and judges, regardless of their first day worked, along with state police members who first worked on or after July 1, 2006, the new factors are used for those in the DB pension plans who retired on or after June 1, 2024.

If a member elects a survivor option at retirement, their pension is reduced throughout the retiree's lifetime. However, upon the retiree's death, the pension continues for the lifetime of the survivor pension beneficiary.

HONORS

Public Pension Standards Award

ORS was awarded the 2024 Standards Award from the Public Pension Coordinating Council Standards Program (PPCC) for both funding and administration. ORS has received these awards every year since 2004. The PPCC Standards reflect expectations for public retirement system management and administration and serve as a benchmark for all DB public plans to be measured.

Government Finance Officers Association Award

The Government Finance Officers Association (GFOA) of the United States and Canada awarded the retirement system with the Certificate of Achievement for Excellence in Financial Reporting for the fiscal year 2023 Annual Comprehensive Financial Report (ACFR). This marks the 33rd consecutive year ORS has received this prestigious award.

Plan Sponsor of the Year Award

The Michigan Office of Retirement Services (ORS) has been named 2024 Plan Sponsor of the Year. The recognition was announced at the Excellence in Retirement Awards, as part of the PlanSponsor National Conference, held June 4-7 in Chicago. Plan Development and Compliance Director Allison Wardlaw accepted the honor on behalf of ORS.

ACKNOWLEDGEMENTS

The preparation of this report was accomplished with the dedication and cooperation of many people. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and as a means for determining responsible stewardship of the funds of the System.

We would, therefore, like to express our appreciation for the assistance given by staff, the advisors, and the many people who contributed to its preparation. We believe their combined efforts have produced a report that will enable employers and plan members to better evaluate and understand the System. Their cooperation contributes significantly to the success of the System.

Sincerely,

Michelle Lange, Director
Department of Technology, Management & Budget

Anthony J. Estell, Director
Office of Retirement Services

RETIREMENT BOARD MEMBERS *

As of February 27, 2025

Glenda Booker
Active Classroom Teacher
Term Expires March 30, 2028

Timothy Raymer, Chair
Retired Finance/Operations
Term Expires March 30, 2027

Dr. Patricia Chatman
Community College Trustee
Term Expires March 30, 2028

Liz Eastway, Vice Chair
Retired Non-Certified Support
Term Expires March 30, 2025

Mark Greathead
Active Superintendent
Term Expires March 30, 2026

Brandon Way
General Public – Investments
Term Expires March 30, 2028

Kevin Philipps
Active Finance/Operations, Non-Superintendent
Term Expires March 30, 2028

Katie Cihak
Reporting Unit Board of Control
Term Expires March 30, 2028

Brian Kwiatkowski
Active Classroom Teacher
Term Expires March 30, 2025

Michelle Dollis-Brady
General Public - Actuary/Health Insurance
Term Expires March 30, 2026

James Pearson
Retired Teacher
Term Expires March 30, 2026

Dr. Michele Harmala, for Dr. Michael Rice
State Superintendent of Education, ex officio

* Statute provides that board members may continue to serve after their term expires until they are replaced or reappointed.

ADVISORS AND CONSULTANTS

As of February 27, 2025

Actuaries
Gabriel, Roeder, Smith & Co.
Mita D. Drazilov
Southfield, Michigan

Independent Auditors
Doug A. Ringler, C.P.A., C.I.A.
Auditor General
State of Michigan

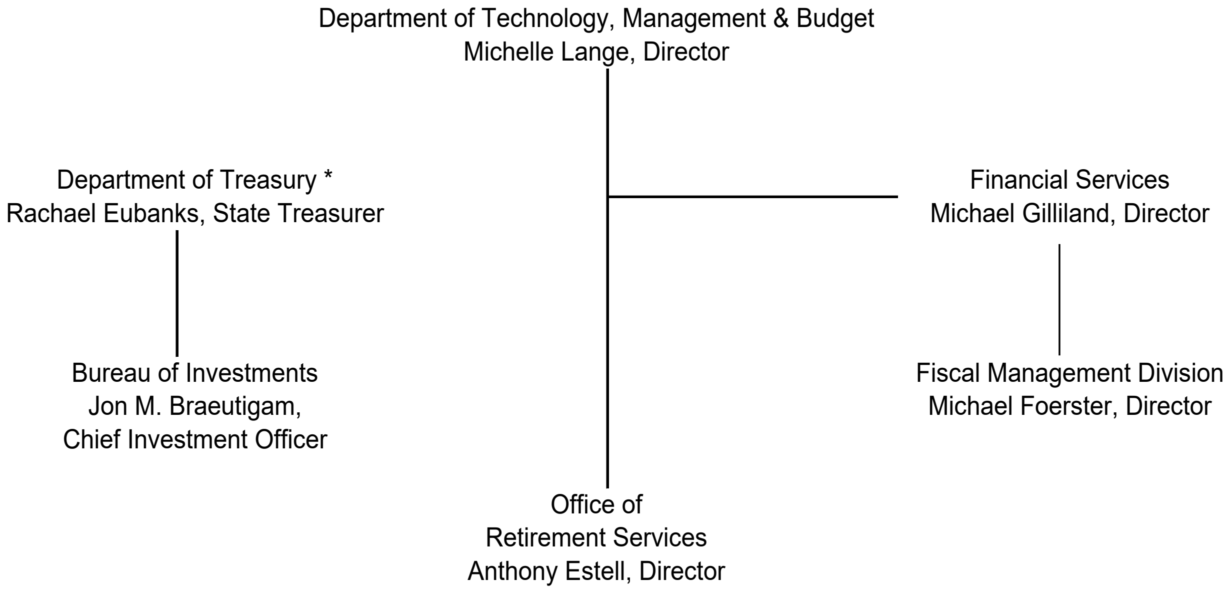
Investment Manager and Custodian
Rachael Eubanks
State Treasurer
State of Michigan

Legal Advisor
Dana Nessel
Attorney General
State of Michigan

Investment Performance Measurement
State Street Corporation
State Street Investment Analytics
Boston, MA

ORGANIZATION CHART

As of February 27, 2025



* The investments of the System are managed by the Michigan Department of Treasury. Information on the investments and the fiduciary, Michigan Department of Treasury, can be found in the Investment Section, Introduction. In addition, see the Investment Section, Schedule of Investment Fees (page 79) and Schedule of Investment Commissions (page 80), for information regarding the investment fees and commissions paid as well as investment professionals utilized by the System.

FINANCIAL SECTION

Independent Auditor's Report
Management's Discussion and Analysis
Basic Financial Statements
Notes to Basic Financial Statements
Required Supplementary Information
Note to Required Supplementary Information
Supporting Schedules

OAG
Office of the Auditor General
Doug A. Ringler, CPA, CIA
Auditor General
201 N. Washington Square, Sixth Floor • Lansing, Michigan 48913 • Phone: (517) 334-8050 • audgen.michigan.gov

Independent Auditor's Report on the Financial Statements
and Other Reporting Required by *Government Auditing Standards*

Timothy Raymer, Chair
Michigan Public School Employees' Retirement System Board
Stevens T. Mason Building
and
Michelle Lange, Director
Department of Technology, Management, and Budget
Elliott-Larsen Building
and
Anthony J. Estell, Director
Office of Retirement Services
Stevens T. Mason Building
Lansing, Michigan

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of the Michigan Public School Employees' Retirement System (System), a fiduciary component unit of the State of Michigan, as of and for the fiscal year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Michigan Public School Employees' Retirement System as of September 30, 2024 and the changes in fiduciary net position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability, schedule of changes in net OPEB liability, schedules of contributions, schedules of investment returns, and related note, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

Timothy Raymer, Chair
Michelle Lange, Director
Anthony J. Estell, Director
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We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The supporting schedules, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supporting schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, actuarial, and statistical sections and acknowledgments, as listed in the table of contents, but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we will also issue a report dated February 27, 2025 on our consideration of the System's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the System's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the System's internal control over financial reporting and compliance.

Doug Ringler

Doug Ringler
Auditor General
February 27, 2025

Our discussion and analysis of the Michigan Public School Employees' Retirement System's (System) financial performance provides an overview of the System's financial activities for the fiscal year ended September 30, 2024. Please read it in conjunction with the transmittal letter in the Introductory Section on page 4 and the basic financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- System assets exceeded liabilities at the close of fiscal year 2024 by $87.1 billion (reported as *Net Position Restricted for Pension Benefits and OPEB*). Fiduciary net position is restricted to meet future benefit payments.
- Additions for the year were $17.7 billion, which are comprised primarily of contributions of $6.0 billion and net investment income of $11.7 billion.
- Deductions totaled $6.3 billion, a slight increase of 1.0% as compared to the prior year. This increase is primarily the result of an increase in retirement benefits, offset by a reduction in health benefit costs.

THE STATEMENT OF PLAN FIDUCIARY NET POSITION AND THE STATEMENT OF CHANGES IN PLAN FIDUCIARY NET POSITION

This Annual Comprehensive Financial Report (ACFR) consists of two financial statements: The *Statement of Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position* (page 20) and The *Statement of Changes in Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position* (page 21). These financial statements report information about the System, as a whole, and about its financial condition that should help answer the question: Is the System, as a whole, better off or worse off as a result of this year's activities? These statements include all assets and liabilities using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, all revenues and expenses are taken into account regardless of when cash is received or paid.

The *Statement of Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position* presents all of the System's assets and liabilities, with the difference between the two reported as fiduciary net position. Over time, increases and decreases in fiduciary net position measure whether the System's financial position is improving or deteriorating. The *Statement of Changes in Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position* presents how the System's fiduciary net position changed during the most recent fiscal year. These two financial statements should be reviewed along with the Schedule of Changes in Net Pension Liability (page 52), the Schedule of Changes in Net OPEB Liability (page 54), and Schedules of Contributions (page 56) to determine whether the System is becoming financially stronger or weaker.

FINANCIAL ANALYSIS

System total assets as of September 30, 2024, were $89.7 billion and were mostly comprised of investments and securities lending collateral. Total assets increased $11.2 billion or 14.2% between fiscal years 2023 and 2024, due primarily to net investment income.

Total liabilities as of September 30, 2024, were $2.7 billion and were comprised of accounts payable, unearned revenue, and obligations under securities lending. Total liabilities decreased $147.5 million or 5.3% between fiscal years 2023 and 2024 primarily due to a decrease in accounts payable.

System assets exceeded its liabilities at the close of fiscal year 2024 by $87.1 billion. Total fiduciary net position restricted for pension and OPEB increased $11.3 billion or 15.0% from the previous year, primarily due to net investment income.

PLAN FIDUCIARY NET POSITION
(in thousands)

	2024	2023	Increase (Decrease)
Assets			
Equity in common cash	$ 250,954	$ 276,643	(9.3) %
Receivables	576,111	578,243	(0.4)
Investments	86,270,086	75,153,844	14.8
Securities lending collateral	2,624,368	2,540,650	3.3
Total assets	89,721,518	78,549,381	14.2
Liabilities			
Unearned revenue	9,090	6,822	33.3
Accounts payable and other accrued liabilities	28,280	261,775	(89.2)
Obligations under securities lending	2,624,368	2,540,650	3.3
Total liabilities	2,661,738	2,809,247	(5.3)
Net Position Restricted for Pension Benefits and OPEB	$ 87,059,780	$ 75,740,134	15.0 %

ADDITIONS TO PLAN FIDUCIARY NET POSITION

The reserves needed to finance pension and other postemployment benefits are accumulated through the collection of employer and employee contributions and through earnings on investments. Contributions and net investment income for fiscal year 2024 totaled approximately $17.7 billion.

Total additions for fiscal year 2024 increased approximately $5.5 billion or 44.8% from those of fiscal year 2023 due primarily to net investment income. Total member contributions increased between fiscal years 2023 and 2024 by $19.7 million or 3.0%, while employer contributions decreased $589.9 million or 10.5%. The Investment Section of this report reviews the results of investment activity for fiscal year 2024.

DEDUCTIONS FROM PLAN FIDUCIARY NET POSITION

The expenses of the System include the payment of pension benefits to members and beneficiaries; payment for health, dental and vision benefits; refund of contributions; and the cost of administering the System. Total deductions for fiscal year 2024 were $6.3 billion, an increase of 1.0% over fiscal year 2023 deductions.

The health, dental and vision care expenses during the year decreased $47.0 million or 9.5%, from $492.7 million to $445.7 million. The payment of pension benefits increased $113.3 million or 2.0% between fiscal years 2023 and 2024. In fiscal year 2024, the increase in pension retirement benefit payments resulted in an increase in the overall System's benefit expenses. In fiscal year 2024, the decrease in health, dental, and vision care expenses were a result of decreased claims cost.

CHANGES IN PLAN FIDUCIARY NET POSITION
(in thousands)

	2024	2023	Increase (Decrease)
Additions			
Member contributions	$ 672,555	$ 652,879	3.0 %
Employer contributions	5,035,793	5,625,704	(10.5)
Other governmental contributions	281,663	214,638	31.2
Net investment income (loss)	11,661,575	5,698,975	104.6
Miscellaneous income	271	162	68.1
Total additions	17,651,857	12,192,358	44.8
Deductions			
Pension benefits	5,648,206	5,534,949	2.0
Health care benefits	445,682	492,671	(9.5)
Refunds and transfers to other systems	33,646	34,215	(1.7)
Administrative and other expenses	204,677	205,709	(0.5)
Total deductions	6,332,211	6,267,545	1.0
Net Increase (Decrease) in Net Position	11,319,646	5,924,813	91.1
Net Position Restricted for Pension Benefits and OPEB:			
Beginning of Year	75,740,134	69,815,321	8.5
End of Year	$ 87,059,780	$ 75,740,134	14.9 %

RETIREMENT SYSTEM AS A WHOLE

The System's overall Fiduciary Net Position experienced an increase in fiscal year 2024. The System's rate of return for the Pension Plan's investments increased an overall 7.2% from an 8.3% return in fiscal year 2023 to a 15.5% return during fiscal year 2024. The System's rate of return for the OPEB Plan's investments also increased an overall 7.2% from an 8.3% return in fiscal year 2023 to a 15.5% return during fiscal year 2024. Management believes that the System remains financially sound and positioned to meet its ongoing benefit obligations due, in part, to a prudent investment program, cost controls, and strategic planning.

CONTACTING SYSTEM FINANCIAL MANAGEMENT

This financial report is designed to provide the Retirement Board, our membership, taxpayers, investors, and creditors with a general overview of the System's finances and to demonstrate the System's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Office of Retirement Services by phone at 1-800-381-5111, or visit the website at www.michigan.gov/ors/contact-ors.

STATEMENT OF PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFIT PLAN FIDUCIARY NET POSITION

As of September 30, 2024
(in thousands)

	Pension Plan	OPEB Plan	Total
Assets:			
Equity in common cash	$ 203,475	$ 47,479	$ 250,954
Receivables:			
Amounts due from members	366	-	366
Amounts due from employers	216,328	37,964	254,292
Amounts due from other	-	304,773	304,773
Amounts due from employer - long-term	7,068	-	7,068
Amounts due from other - long-term	-	8,940	8,940
Interest and dividends	561	110	671
Total receivables	224,323	351,788	576,111
Investments:			
Short term investment pools	3,191,497	617,289	3,808,786
Fixed income pools	7,367,935	1,455,634	8,823,570
Domestic equity pools	15,459,662	3,041,591	18,501,253
Real estate and infrastructure pools	6,412,713	1,261,749	7,674,463
Private equity pools	15,308,646	3,011,609	18,320,255
International equity pools	10,334,206	2,033,241	12,367,447
Absolute return pool	7,203,118	1,416,762	8,619,880
Real return and opportunistic pools	6,814,242	1,340,191	8,154,433
Total investments	72,092,018	14,178,067	86,270,086
Securities lending collateral	2,192,131	432,236	2,624,368
Total assets	74,711,947	15,009,570	89,721,518
Liabilities:			
Unearned revenue	8,485	605	9,090
Accounts payable and other accrued liabilities	3,761	24,519	28,280
Obligations under securities lending	2,192,131	432,236	2,624,368
Total liabilities	2,204,378	457,360	2,661,738
Net Position Restricted for Pension Benefits and OPEB:	$ 72,507,570	$ 14,552,210	$ 87,059,780

The accompanying notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN PENSION PLAN AND OTHER POSTEMPLOYMENT BENEFIT PLAN FIDUCIARY NET POSITION

For Fiscal Year Ended September 30, 2024
(in thousands)

	Pension Plan	OPEB Plan	Total
Additions:			
Contributions:			
Member contributions	$ 470,393	$ 202,162	$ 672,555
Employer contributions:			
Colleges and universities	237,974	44,997	282,971
School districts and other	3,994,288	758,534	4,752,822
Other governmental contributions	-	281,663	281,663
Total contributions	4,702,654	1,287,357	5,990,011
Investment income (loss):			
Net increase (decrease) in fair value of investments	8,622,174	1,647,091	10,269,265
Interest, dividends, and other	1,450,127	278,273	1,728,400
Investment expenses:			
Other investment expenses	(288,270)	(55,471)	(343,740)
Securities lending activities:			
Securities lending income	124,594	24,530	149,124
Securities lending expenses	(118,176)	(23,298)	(141,474)
Net investment income (loss)	9,790,450	1,871,126	11,661,575
Miscellaneous income	187	85	271
Total additions	14,493,290	3,158,568	17,651,857
Deductions:			
Benefits paid to plan members and beneficiaries:			
Retirement benefits	5,648,206	-	5,648,206
Health benefits	-	366,013	366,013
Dental/vision benefits	-	79,669	79,669
Refunds of contributions	33,517	129	33,646
Administrative and other expenses	26,814	177,863	204,677
Total deductions	5,708,538	623,674	6,332,211
Net Increase (Decrease) in Net Position	8,784,753	2,534,893	11,319,646
Net Position Restricted for Pension Benefits and OPEB:			
Beginning of Year	63,722,817	12,017,317	75,740,134
End of Year	$ 72,507,569	$ 14,552,210	$ 87,059,779

The accompanying notes are an integral part of these financial statements.

NOTE 1 – PLAN DESCRIPTION

ORGANIZATION

The Michigan Public School Employees' Retirement System (System) is a cost-sharing, multiple employer, state-wide, defined benefit public employee retirement plan and a fiduciary component unit of the State of Michigan (State) originally created under Public Act 136 of 1945, recodified and currently operating under the provisions of Public Act 300 of 1980, as amended. Section 25 of this act establishes the board's authority to promulgate or amend the provisions of the System. The board consists of twelve members – eleven appointed by the Governor and the State Superintendent of Instruction, who serves as an ex-officio member. The Governor-appointed board members consist of:

- Two active classroom teachers or other certified school personnel
- One active member or retirant from a non-certified support position
- One active school system superintendent
- One active finance or operations (non-superintendent) member
- One retirant from a classroom teaching position
- One retirant from a finance or operations management position
- One administrator or trustee of a community college that is a reporting unit of the System
- Two from the general public, one with health insurance or actuarial science experience and one with institutional investment experience
- One elected member of a reporting unit's board of control

The System's pension plan was established by the State to provide retirement, survivor and disability benefits to public school employees. In addition, the System's health plan provides all retirees with the option of receiving health, prescription drug, dental and vision coverage under the Michigan Public School Employees' Retirement Act. There are 688 participating employers. A list of employers is provided in the Statistical Section. The System is a qualified pension trust fund under section 401(a) of the Internal Revenue Code. By statute, employees of K-12 public school districts, public school academies, district libraries, tax-supported community colleges and seven universities may be members. The seven universities are: Eastern Michigan, Central Michigan, Northern Michigan, Western Michigan, Ferris State, Michigan Technological and Lake Superior State. Employees, who first become employed by one of the seven universities on or after January 1, 1996, become members of an alternative plan.

The System is included in the pension and other employee benefit trust fund financial statements in the State of Michigan Annual Comprehensive Financial Report.

The System is administered by the Office of Retirement Services within the Michigan Department of Technology, Management & Budget (DTMB). The Department Director appoints the Office Director, with whom the general oversight of the System resides. The State of Michigan Investment Board serves as the investment fiduciary and custodian for the System.

MEMBERSHIP

At September 30, 2024, the System's pension plan membership consisted of the following:

Inactive plan members or their beneficiaries currently receiving benefits:	
Regular benefits	201,758
Survivor benefits	20,624
Disability benefits	5,204
Total	227,586
Inactive plan members entitled to but not yet receiving benefits:	14,898
Active plan members:	
Vested	84,809
Non-vested	66,784
Total[1,2]	151,593
Total plan members	394,077

[1] Includes 2,262 people who elected not to continue future accruals in the DB plan as a result of PA 300.
[2] Excludes 7,004 records with both $0 salary and 0 service provided as of September 30, 2024.

Enrollment in the OPEB plan is voluntary. The number of participants is as follows:

Health, Dental and Vision Plan

Medical, Dental/Vision Eligible participants[3]		
Retirees and survivors		201,292
Inactive vested		2,607
Active members		207,010
Participants receiving benefits:		
Health		151,348
Dental/Vision		166,677
Expenses for the year (in thousands)	$	623,674
Employer payroll contribution rates		1.53 - 8.31 %

[3] Includes individuals who participate in Personal Health Fund and may be eligible for a one-time cash payment upon termination of employment.

BENEFIT PROVISIONS – PENSION

Introduction

Benefit provisions of the defined benefit pension plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions for the defined benefit (DB) pension plan. Retirement benefits for DB plan members are determined by final average compensation and years of service. DB members are eligible to receive a monthly benefit when they meet certain age and service requirements. The System also provides disability and survivor benefits to DB plan members.

A DB member or Pension Plus member who leaves Michigan public school employment may request a refund of his or her member contributions to the retirement system account. A refund cancels a former member's rights to future benefits. However, returning members who previously received a refund of their contributions may reinstate their service through repayment of the refund upon satisfaction of certain requirements.

Pension Reform 2010

On May 19, 2010, the Governor signed Public Act 75 of 2010 into law. As a result, any member of the Michigan Public School Employees' Retirement System (System) who became a member of the System after June 30, 2010, is a Pension Plus member. Pension Plus is a hybrid plan that contains a pension component with an employee contribution (graded, up to 6.4% of salary) and a flexible and transferable defined contribution (DC) tax-deferred investment account that earns an employer match of 50% (up to 1% of salary) on employee contributions. Retirement benefits for Pension Plus members are determined by final average compensation and years of service. Disability and survivor benefits are available to Pension Plus members.

Pension Reform 2012

On September 4, 2012, the Governor signed Public Act 300 of 2012 into law. The legislation grants all active members who first became a member before July 1, 2010, and who earned service credit in the 12 months ending September 3, 2012, or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their pension. Any changes to a member's pension are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under the reform, members voluntarily chose to increase, maintain, or stop their contributions to the pension fund.

Option 1 – members voluntarily elected to increase their contributions to the pension fund as noted below, and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they terminate public school employment.

- Basic Plan members: 4% contribution
- Member Investment Plan (MIP)-Fixed, MIP-Graded, and MIP-Plus members: a flat 7% contribution

Option 2 – members voluntarily elected to increase their contribution to the pension fund as stated in Option 1 and retain the 1.5% pension factor in their pension formula. The increased contribution would begin as of their transition date and continue until they reach 30 years of service. If and when they reach 30 years of service, their contribution rates will return to the previous level in place as of the day before their transition date (0% for Basic Plan members, 3.9% for MIP-Fixed, up to 4.3% for MIP-Graded, or up to 6.4% for MIP-Plus). The pension formula for any service thereafter would include a 1.25% pension factor.

Option 3 – members voluntarily elected not to increase their contribution to the pension fund and maintain their current level of contribution to the pension fund. The pension formula for their years of service as of the day before their transition date will include a 1.5% pension factor. The pension formula for any service thereafter will include a 1.25% pension factor.

Option 4 – members voluntarily elected to no longer contribute to the pension fund and therefore are switched to the Defined Contribution plan for future service as of their transition date. As a DC participant they receive a 4% employer contribution to a tax-deferred 401(k) account and can choose to contribute up to the maximum amounts permitted by the IRS to a 457 account. They vest in employer contributions and related earnings in their 401(k) account based on the following schedule: 50% at 2 years, 75% at 3 years, and 100% at 4 years of service. They are 100% vested in any personal contributions and related earnings in their 457 account. Upon retirement, if they meet age and service requirements (including their *total* years of service), they will also receive a pension (calculated based on years of service and final average compensation as of the day before their transition date and a 1.5% pension factor).

Members who did not make an election before the deadline defaulted to Option 3 as described above. Deferred or nonvested public school employees on September 3, 2012, who return to public school employment on or after September 4, 2012, will be considered as if they had elected Option 3 above. Returning members who made the retirement plan election will retain whichever option they chose.

Employees who first work on or after September 4, 2012, and before February 1, 2018, choose between two retirement plans: the Pension Plus plan described above and a DC plan that provides a 50% employer match (up to 3% of salary) on employee contributions. New employees hired between September 4, 2012, and February 1, 2018, are automatically enrolled as members in the Pension Plus plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus plan and become a qualified participant in the DC plan; if no election is made they will remain in the Pension Plus plan. If they elect to opt out of the Pension Plus plan, their participation in the DC plan will be retroactive to their date of hire.

Pension Reform of 2017

On July 13, 2017, the Governor signed Public Act 92 of 2017 into law. The legislation closed the Pension Plus plan to newly hired employees as of February 1, 2018, and created a new, optional Pension Plus 2 plan with similar benefit calculations but containing a 50/50 contribution share between the employee and the employer, including the cost of future unfunded liabilities. The assumed rate of return on the Pension Plus 2 plan is 6%. Further, under certain adverse actuarial conditions, the Pension Plus 2 plan will close to new employees if the actuarial funded ratio falls below 85% for two consecutive years. The law included other provisions to the retirement eligibility age, plan assumptions, and unfunded liability payment methods.

New employees hired between February 1, 2018, and June 30, 2024, are automatically enrolled as members in the Pension Plus 2 plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus 2 plan and become a qualified participant in the DC plan; if no election is made they will default to the DC plan. If they elect to opt out of the Pension Plus 2 plan, their participation in the DC plan will be retroactive to their date of hire.

Pension Reform of 2023

On November 29, 2023, the Governor signed Public Act 250 of 2023 into law. New employees hired after June 30, 2024, are automatically enrolled as members in the Pension Plus 2 plan as of their date of hire. They have 75 days from the last day of their first pay period, as reported to ORS, to elect to opt out of the Pension Plus 2 plan and become a qualified participant in the DC plan; if no election is made they will remain in the Pension Plus 2 plan. If they elect to opt out of the Pension Plus 2 plan, their participation in the DC plan will be retroactive to their date of hire.

Regular Retirement

The pension benefit for DB and Pension Plus members is based on a member’s years of credited service (employment) and final average compensation (FAC). The FAC is calculated based on the member’s highest total wages earned during a specific period of consecutive calendar months divided by the service credit accrued during that same time period. For a MIP member, who became a member of the System prior to July 1, 2010, the averaging period is 36 consecutive months. For a Pension Plus member, who became a member of the System after June 30, 2010, the averaging period is 60 consecutive months. For a Basic Plan member, this period is the 60 consecutive months yielding the highest total wages. The annual pension is paid monthly for the lifetime of a retiree. The calculation of a member’s pension is determined by their pension election under PA 300 of 2012 and is shown below:

Option 1 – FAC × total years of service × 1.5%

Option 2 – FAC × 30 years of service × 1.5% + FAC × years of service beyond 30 × 1.25%

Option 3 – FAC × years of service as of transition date × 1.5% + FAC × years of service after transition date × 1.25%

Option 4 – FAC as of transition date × years of service as of transition date × 1.5%

A MIP member who became a member of the System prior to July 1, 2010 may retire at:

- age 46 with 30 or more years of credited service; or
- age 60 with 10 or more years of credited service; or
- age 60 with 5 years of credited service provided the member has worked through his or her 60^{th} birthday and has credited service in each of the five school fiscal years immediately preceding the retirement effective date

A Pension Plus member may retire at age 60 with 10 or more years of credited service.

A Pension Plus 2 member may retire at age 60 with 10 or more years of credited service. Section 81c(5) of PA 300 as amended requires the regular retirement age to be increased in whole year increments based on the results of mortality analysis five-year actuarial experience studies performed after October 1, 2019, and the actuarial funding status of the plan. If the regular retirement age for Pension Plus 2 members is increased in accordance with this provision, members within five years of retirement from the effective date of the increase are automatically exempted and the retirement board may additionally authorize those between five and eight years of the then current retirement age to be exempted.

A Basic Plan member may retire at:

- age 55 with 30 or more years of credited service; or
- age 60 with 10 or more years of credited service

There is no mandatory retirement age.

Early Retirement

A MIP or Basic member may retire with an early permanently reduced pension:

- after completing at least 15 but less than 30 years of credited service; and
- after attaining age 55; and
- with credited service in each of the 5 school years immediately preceding the pension effective date

The early pension is computed in the same manner as a regular pension, but is permanently reduced 0.5% for each full and partial month between the pension effective date and the date the member will attain age 60.

Deferred Retirement

If a member terminates employment before attaining the age qualification, but after accruing 10 or more years of credited service, the member becomes a deferred member and is eligible for a pension at the time the age qualification is attained.

Nonduty Disability Benefit

Any member with 10 or more years of credited service who becomes totally and permanently disabled due to any non-duty related cause, and who has not met the age requirement for a regular pension is eligible for a non-duty disability pension computed in the same manner as an age and service pension, upon recommendation from the member's personal physician and the Retirement Board physician and the approval of the Retirement Board. An Annual Certification of Disability is conducted each January. Upon prior approval, total disability benefits plus authorized outside earnings are limited to 100% of final average compensation (increased by 2% for each year retired; first year 100%, next year 102%, etc.).

Duty Disability Benefit

Any member who becomes totally and permanently disabled as a result of a duty-related cause, who has not met the age and service requirement for a regular pension, and who is in receipt of weekly workers' compensation is eligible for a duty disability pension computed in the same manner as an age and service pension (but based upon a minimum of 10 years of service) upon recommendation from the member's personal physician and the Retirement Board physician and the approval of the Retirement Board. An Annual Certification of Disability is conducted each January. Upon prior approval, total disability benefits plus authorized outside earnings are limited to 100% of final average compensation (increased by 2% for each year retired; first year 100%, next year 102%, etc.).

Pension Payment Options

The election of a pension payment option is made at the time of application. Once a member has retired, the option choice is irrevocable. The pension effective date is the first of the calendar month following the date the member has satisfied the age and service requirements, has terminated public school employment and has the completed application forms on file with the System for a period of 15 days. A retroactive pension can be paid for no more than 12 calendar months. Thus, delay in filing the application can result in a loss of some retroactive pension benefits. An applicant may select only one of the following options.

Straight Life Pension

The Straight Life Pension pays the largest level pension a retiree can receive during his or her lifetime and stops with the month of a retiree's death. There are no monthly benefits for a beneficiary. The pension benefit is computed with no beneficiary rights. If the retiree made contributions while an employee and has not received the total accumulated contributions before death, a refund of the balance of the contributions is made to the beneficiary of record. If the retiree did not make any contributions, there will not be payments to any beneficiaries.

Survivor Options

Under the Survivor Options, 100% Survivor Pension, 100% Equated, 75% Survivor Pension, 75% Equated, 50% Survivor Pension and 50% Equated, the reduction is an actuarial determination dependent upon the combined life expectancies of a retiree and a beneficiary and varies from case to case. A beneficiary may only be a spouse, brother, sister, parent or child (including an adopted child) of a retiring member. If the beneficiary predeceases a retiree, the pension will revert to either the Straight Life or Straight Life Equated amount ("pop-up" provision). If, however, a retiree was single at the time of retirement and subsequently married, the retiree can request to nominate a new spouse if they elected the straight life option at retirement. Also, if a retiree was married at the time of retirement and has since been widowed and remarried, the retiree can request to nominate a new spouse as a pension beneficiary as long as they elected a survivor option for the spouse at the time of retirement.

100% Survivor Pension

Pays a reduced pension to a retiree. The month after a retiree's death, the same amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

75% Survivor Pension

Pays a reduced pension to a retiree. The month after a retiree's death, 75% of the pension amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

50% Survivor Pension

Pays a reduced pension to a retiree. The month after a retiree's death, 50% of the pension amount will be paid to a designated beneficiary for the remainder of his or her lifetime.

Equated Plan

For MIP and Basic members, the Equated plan may be combined with the Straight Life, 100% Survivor, 75% Survivor, or 50% Survivor Pension by any member under age 61, except a disability applicant. The Equated Plan provides a higher pension every month until age 62, at which time the monthly pension is permanently decreased to a lower amount than the Straight Life, 100%, 75%, or 50% Survivor alone would provide.

The intent of the Equated Plan is for the retiree's pension to decrease at age 62 by approximately the same amount as that person's Social Security benefit will provide. The System pension until age 62 should be about the same as the combined System pension and Social Security after age 62.

The projected Social Security pension the retiring member obtains from the Social Security Administration and furnishes to the System is used in the Equated Plan calculation. The actual Social Security pension may vary from the estimate.

NOTE: The reduction in the pension at age 62 pertains to the Equated Plan only and affects only the retiree. A beneficiary under 100% Equated, 75% Equated or 50% Equated will receive the 100%, 75%, or 50% Survivor amount the month following the retiree's death as if the Equated Plan had not been chosen. A beneficiary does not participate in the Equated Plan.

Survivor Benefit

A non-duty survivor pension is available if a MIP member has 10 years of credited service or, if age 60 or older, with five years of credited service; the date they became a MIP member does not matter. The Basic plan provides a survivor pension with 15 years of credited service or, if age 60 or older, with 10 years of credited service. The Pension Plus plan provides for a survivor pension with 10 years of credited service. An active member may nominate as a survivor beneficiary a spouse, child(ren) (including adopted child(ren)), brother, sister, or parent. If other than the spouse is nominated and a spouse exists, the spouse must waive this benefit. If no beneficiary has been nominated, the beneficiary is automatically the spouse; or, if there is no spouse, unmarried children under age 18 share the benefit equally until age 18. The benefit is computed as a regular pension but reduced in accordance with a 100% survivor pension factor. The pension begins the first of the month following the member's death. In the event of the death of a deferred member, the System begins payment to the nominated beneficiary at the time the member would have attained the minimum age qualification.

A duty survivor pension is payable if weekly workers' compensation is being paid to the eligible beneficiary due to the member's death. A spouse receives the benefit (based on a minimum of 10 years of service credit) reduced in accordance with a 100% survivor pension factor. If there is no spouse, unmarried children under age 18 share the benefit equally until age 18; if there is no spouse or child(ren), a disabled and dependent parent is eligible.

Postemployment Adjustments

A retiree who became a MIP member prior to July 1, 2010, receives an annual post-retirement non-compounded increase of 3% of the initial pension in the October following twelve months of retirement. Basic plan members do not receive an annual post-retirement increase, but are eligible to receive a supplemental payment in those years when investment earnings exceed actuarial assumptions. Pension Plus members do not receive an annual post-retirement increase.

On January 1, 1990, pre-October 1, 1981, retirees received an increase that ranged from 1% to 22% dependent upon the pension effective date. On October 1, 1990, the base pension of all retirees with an effective pension date of January 1, 1987, or earlier was increased to include all prior post-retirement adjustments.

On January 1, 1986, all recipients through calendar year 1985 received a permanent 8% increase that established the 1986 base pension. In addition, each October, retirees with a pension effective date of January 1, 1987, or earlier receive a fixed increase equal to 3% of the base pension. Both increases are deducted from the distribution of excess investment income, if any. Beginning in 1983, eligible recipients receive an annual distribution of excess investment income, if any.

Member Contributions

Mandatory member contributions were phased out between 1974 and 1977, with the plan remaining noncontributory until January 1, 1987, when the Member Investment Plan (MIP) was enacted. MIP members enrolled prior to January 1, 1990, contribute at a permanently fixed rate of 3.9% of gross wages. The MIP contribution rate was 4.0% from January 1, 1987, the effective date of the MIP, until January 1, 1990, when it was reduced to 3.9%. Members first hired between January 1, 1990, and June 30, 2008, and returning members who did not work between January 1, 1987, through December 31, 1989, contribute at the following graduated permanently fixed contribution rates: 3% of the first $5,000; 3.6% of $5,001 through $15,000; 4.3% of all wages over $15,000. Members first hired July 1, 2008, or later including Pension Plus plan members, contribute at the following graduated permanently fixed contribution rates: 3% of the first $5,000; 3.6% of $5,001 through $15,000; 6.4% of all wages over $15,000. Pension Plus 2 plan members contribute a flat 50% of the total calculated contribution rate including the Unfunded Actuarial Accrued Liability (UAAL) contribution rate associated with the Pension Plus 2 plan, if any.

For a limited period ending December 31, 1992, an active Basic plan member could enroll in the MIP by paying the contributions that would have been made had enrollment occurred initially on January 1, 1987, or on the date of hire, plus interest. MIP contributions at the rate of 3.9% of gross wages begin at enrollment. Actuarial rate of interest is posted to member accounts on July 1 on all MIP monies on deposit for 12 months. If a member leaves public school service and no pension is payable, the member's accumulated contributions plus interest, if any, are refundable.

Under Public Act 300 of 2012, eligible members voluntarily chose between increasing, maintaining, or stopping their contributions to the pension fund as of the transition date. Their options are described in detail under Pension

Reform 2012 beginning on page 24. Members who elected to increase their level of contribution contribute 4% (Basic plan) or 7% (MIP); by doing so they maintain a 1.5% pension factor in their pension formula. Members who elected to maintain their level of contribution will receive a 1.25% pension factor in their pension formula for their years of service as of their transition date. Their contribution rates are described above. Members who elected to stop their contributions became participants in the Defined Contribution plan as of their transition date.

Employer Contributions

Each school district or reporting entity is required to contribute the full actuarial funding contribution amount to fund pension benefits.

BENEFIT PROVISIONS – OTHER POSTEMPLOYMENT

Introduction

Benefit provisions of the postemployment healthcare plan are established by State statute, which may be amended. Public Act 300 of 1980, as amended, establishes eligibility and benefit provisions. Retirees have the option of health coverage, which, through 2012, was funded on a cash disbursement basis. Beginning fiscal year 2013, it is funded on a prefunded basis. The System has contracted to provide the comprehensive group medical, prescription drug, dental and vision coverage for retirees and beneficiaries. A subsidized portion of the premium is paid by the System with the balance deducted from the monthly pension of each retiree healthcare recipient. For members who first worked before July 1, 2008, (Basic, MIP-Fixed, and MIP-Graded plan members) the subsidy is the maximum allowed by statute. To limit future liabilities of Other Postemployment Benefits, members who first worked on or after July 1, 2008, (MIP-Plus plan members) have a graded premium subsidy based on career length where they accrue credit towards their insurance premiums in retirement, not to exceed the maximum allowable by statute. Public Act 300 of 2012 sets the maximum subsidy at 80% beginning January 1, 2013; 90% for those Medicare eligible and enrolled in the insurances as of that date.

Public Act 75 of 2010 requires each actively employed member of the System after June 30, 2010, to annually contribute 3% of their compensation to offset employer contributions for healthcare benefits of current retirees.

Dependents are eligible for healthcare coverage if they meet the dependency requirements set forth in Public Act 300 of 1980, as amended.

Applications for enrollment after retirement are accepted anytime during the year, with coverage effective six months following the receipt of the application.

Retiree Healthcare Reform of 2012

Public Act 300 of 2012 granted all active members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 3, 2012, or were on an approved professional services or military leave of absence on September 3, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

Under Public Act 300 of 2012, members were given the choice between continuing the 3% contribution to retiree healthcare and keeping the premium subsidy benefit described above, or choosing not to pay the 3% contribution and instead opting out of the subsidy benefit and becoming a participant in the Personal Healthcare Fund (PHF), a portable, tax-deferred fund that can be used to pay healthcare expenses in retirement. Participants in the PHF are automatically enrolled in a 2% employee contribution into their 457 account as of their transition date, earning them a 2% employer match into a 401(k) account. Members who selected this option stop paying the 3% contribution to retiree healthcare as of the day before their transition date, and their prior contributions were deposited into their 401(k) account.

Members who did not make an election before the deadline retain the premium subsidy benefit and continue making the 3% contribution toward retiree healthcare. Deferred or nonvested members on September 3, 2012 who are rehired on or after September 4, 2012, will contribute 3% to retiree healthcare and will retain the premium subsidy benefit. Returning members who made the retirement healthcare election will retain whichever option they chose.

Those who elected to retain the premium subsidy continue to annually contribute 3% of compensation into the healthcare funding account. A member or former member age 60 or older, who made the 3% healthcare contributions but who does not meet eligibility requirements may request a refund of their contributions. Similarly, if a retiree dies before the total value of the insurance subsidy paid equals the total value of the contributions the member made, and there are no eligible dependents, the beneficiary may request a refund of unused funds. Refunds of member contributions to the healthcare funding account are issued as a supplemental benefit paid out over a 60-month period.

- Retirees with at least 21 years of service, who terminate employment after October 31, 1980, with vested deferred benefits, are eligible for subsidized employer-paid health benefit coverage.
- A delayed premium subsidy applies to retirees who became a member of the retirement system before July 1, 2008 and who purchased service credit on or after July 1, 2008. Such individuals are eligible for premium subsidy benefits at age 60 or when they would have been eligible to retire without having made a service purchase, whichever comes first. They may enroll in the insurances earlier but are responsible for the full premium until the premium subsidy begins.

Under Public Act 300 of 2012, the state no longer offers an insurance premium subsidy in retirement for public school employees who first work on or after September 4, 2012. Instead, all new employees will be placed into the Personal Healthcare Fund where they will have support saving for retirement healthcare costs in the following ways:

- They will be automatically enrolled in a 2% employee contribution into a 457 account as of their date of hire, earning them a 2% employer match into a 401(k) account.
- They will receive a credit into a Health Reimbursement Account (HRA) at termination if they have at least 10 years of service at termination. The credit will be $2,000 for participants who are at least 60 years of age at termination or $1,000 for participants who are less than 60 years of age at termination.

Participants in the Personal Healthcare Fund who become disabled for any reason are not eligible for any employer-funded health insurance premium subsidy. If a PHF participant suffers a nonduty-related death, his or her health benefit dependents are not eligible to participate in any employer funded health insurance premium subsidy. If a PHF participant suffers a duty death, the state will pay the maximum health premium allowed by statute for the surviving spouse and health benefit dependents. The spouses' insurance subsidy may continue until his or her death, the dependents' subsidy may continue until their eligibility ends (through marriage, age, or other event). Upon eligibility for a duty death benefit, the 2% employer matching contributions and related earnings in the member's 401(k) are forfeited and the state will pay for the subsidy. The beneficiaries receive the member's personal contributions and related earnings in the member's 457 account.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING AND PRESENTATION

The System's financial statements are prepared using the accrual basis of accounting. Contributions from the members and employers are recognized as revenue when due and payable. Benefits and refunds are recognized when due and payable in accordance with the terms of the System. The reserves are described below, and details are provided in the supporting schedules.

Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans*, as amended, and Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, which were adopted during the year ended September 30, 2014 and 2017, addresses accounting and financial reporting requirements for pension and other postemployment benefit plans, respectively. The requirements for both GASB Statement No. 67 and 74 require changes in presentation of the financial statements, notes to the financial statements, and required supplementary information. Significant changes include an actuarial calculation of total and net pension and other postemployment benefit liabilities. It also includes comprehensive note disclosures regarding the pension and other postemployment benefit liability, the sensitivity of the net pension and other postemployment benefit liability to the discount rate, and increased investment activity disclosures. The implementation of GASB Statement No. 67 and 74 did not significantly impact the accounting for accounts receivable and investment balances. The total pension and other postemployment benefit liability, determined in accordance with GASB Statement No. 67 and 74, is presented in Note 4 on page 35, Note 5 on page 38, and in the Required Supplementary Information beginning on page 52.

As of September 30, 2016, the System applied GASB Statement No. 72, *Fair Value Measurement and Application*, as amended. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements.

RESERVES

Reserve for Employee Contributions

This reserve represents active member contributions and interest less amounts transferred to the Reserve for Retired Benefit Payments for regular and disability retirement, amounts refunded to terminated members, and amounts transferred to the Reserve for Employer Contributions representing unclaimed funds. Members no longer contribute to this reserve except to purchase eligible service credit or repay previously refunded contributions. At September 30, 2024, the balance in this reserve was $1.4 billion.

Reserve for Pension Plus Employee Contributions

This reserve represents active member contributions and interest less amounts transferred to the Reserve for Pension Plus Retired Benefit Payments for regular retirement, amounts refunded to terminated members, and amounts transferred to the Reserve for Pension Plus Employer Contributions representing unclaimed funds. This reserve was established under the provisions of Public Act 75 of 2010. At September 30, 2024, the balance in this reserve was $834.8 million.

Reserve for Pension Plus 2 Employee Contributions

This reserve represents active member contributions and interest less amounts transferred to the Reserve for Pension Plus 2 Retired Benefit Payments for regular retirement, amounts refunded to terminated members, and amounts transferred to the Reserve for Pension Plus 2 Employer Contributions representing unclaimed funds. This reserve was established under the provisions of Public Act 92 of 2017. At September 30, 2024, the balance in this reserve was $194.6 million.

Reserve for Member Investment Plan

This reserve represents MIP contributions and interest less refunds and transfers to the Reserve for Retired Benefit Payments. At September 30, 2024, the balance in this reserve was $8.7 billion.

Reserve for Employer Contributions

This reserve represents all reporting unit contributions, except payments for health benefits. Interest from the Reserve for Undistributed Investment Income is credited annually. Amounts are transferred annually to the Reserve for Retired Benefit Payments to bring the balance of that reserve into balance with the actuarial present value of retirement allowances. At September 30, 2024, the balance in this reserve was ($16.5) billion.

Reserve for Pension Plus Employer Contributions

This reserve represents all reporting unit contributions for Pension Plus members, except payments for health benefits. Interest from the Reserve for Undistributed Investment Income is credited annually. Amounts are transferred annually to the Reserve for Retired Pension Plus Benefit Payments to bring the balance of that reserve into balance with the actuarial present value of retirement allowances. This reserve was established under the provisions of Public Act 75 of 2010. At September 30, 2024, the balance in this reserve was $636.4 million.

Reserve for Pension Plus 2 Employer Contributions

This reserve represents all reporting unit contributions for Pension Plus 2 members, except payments for health benefits. Interest from the Reserve for Undistributed Investment Income is credited annually. Amounts are transferred annually to the Reserve for Retired Pension Plus Benefit Payments to bring the balance of that reserve into balance with the actuarial present value of retirement allowances. This reserve was established under the provisions of Public Act 92 of 2017. At September 30, 2024, the balance in this reserve was $200.0 million.

Reserve for Retired Benefit Payments

This reserve represents payments of future retirement benefits to current retirees. At retirement, a member's accumulated contributions plus interest are transferred into this reserve. Monthly benefits, which are paid to the retiree, reduce this reserve. At the end of each fiscal year, an amount, determined by an annual actuarial valuation, is transferred from the Reserve for Employer Contributions to bring the balance of this reserve into balance with the actuarial present value of retirement allowances. At September 30, 2024, the balance in this reserve was $60.8 billion.

Reserve for Pension Plus Retired Benefit Payments

This reserve represents payments of future retirement benefits to current Pension Plus retirees. At retirement, a member's accumulated contributions plus interest are transferred into this reserve. Monthly benefits, which are paid to the retiree, reduce this reserve. At the end of each fiscal year, an amount, determined by an annual actuarial valuation, is transferred from the Reserve for Pension Plus Employer Contributions to bring the balance of this reserve into balance with the actuarial present value of retirement allowances. This reserve was established under the provisions of Public Act 75 of 2010. At September 30, 2024, the balance in this reserve was $21.2 million.

Reserve for Pension Plus 2 Retired Benefit Payments

This reserve represents payments of future retirement benefits to current Pension Plus 2 retirees. At retirement, a member's accumulated contributions plus interest are transferred into this reserve. Monthly benefits, which are paid to the retiree, reduce this reserve. At the end of each fiscal year, an amount, determined by an annual actuarial valuation, is transferred from the Reserve for Pension Plus 2 Employer Contributions to bring the balance of this reserve into balance with the actuarial present value of retirement allowances. This reserve was established under the provisions of Public Act 92 of 2017. At September 30, 2024, the balance in this reserve was $0.

Reserve for Undistributed Investment Income

This reserve represents investment earnings. Interest is transferred annually to the other reserves. Administrative expenses of the System are paid from the Reserve for Administrative Expenses, which is credited with amounts from the Reserve for Undistributed Investment Income to cover the expenses. For ease of reporting and understanding, the two reserves are presented as one reserve in the supporting schedules. Public Act 143 of 1997 established a stabilization subaccount within the Reserve for Undistributed Investment Income to which any over funding is credited. As of September 30, 2024, the balance in the subaccount was $0. At September 30, 2024, the balance in this reserve was $16.2 billion.

Reserve for Health (OPEB) Related Benefits

This reserve is credited with employee and employer contributions for retirees' benefits. Starting in fiscal year 2013, the employer contribution is based on a prefunded basis and represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liability (or funding excess) over a period not to exceed 30 years. In addition, in fiscal year 2024, this reserve includes revenue from the federal government for the Employer Group Waiver Plan (EGWP). Premiums for health, dental and vision benefits are paid from this reserve. At September 30, 2024, the balance in this reserve was $14.6 billion.

REPORTING ENTITY

The System is a fiduciary component unit of the State of Michigan. As such, the System's financial statements are included as a pension and other employee benefit trust fund in the State of Michigan Annual Comprehensive Financial Report. The System and its Board are not financially accountable for any other entities or other organizations. Accordingly, the System is the only entity included in this financial report.

BENEFIT PROTECTION

Public Act 100 of 2002 was passed by the Michigan Legislature to protect pension benefits of public employees from alienation (being transferred). Alienation is attachment, garnishment, levy, execution, bankruptcy or other legal process except for divorce orders or eligible domestic relation orders. The statutes governing the System contained an "anti-alienation" clause to provide for this protection; however, many smaller public pension systems did not have the benefit of this protection. Therefore, Public Act 100 of 2002 was passed to establish legal protection of pension assets that encompasses all public employees.

INVESTMENTS

Generally, investments are reported at fair value, consistent with the provisions of GASB Statement No. 72. Short-term, highly liquid debt instruments including commercial paper are reported at amortized cost. Additional disclosures describing investments are provided in Note 6 on page 41.

INVESTMENT INCOME

Dividend and interest income is recognized on the accrual basis. Fair value changes are recorded as investment income or loss. Purchases and sales of investments are recorded as of the trade date (the date upon which the transaction is initiated), except for purchase and sale of mortgages, real estate, and private equity investments which are recorded as of the settlement date (the date upon which the transaction is ultimately completed). The effect of recording such transactions as of the settlement date does not materially affect the financial statements.

COSTS OF ADMINISTERING THE SYSTEM

Each year a restricted general fund appropriation is requested to fund the ongoing business operations of the System. These administrative costs are ultimately funded by the System through the regular transfer of funds from the System to the State's general fund based on either a direct cost or allocation basis depending on the nature of the expense. Costs of administering the System are financed by undistributed investment income of the System.

PROPERTY AND EQUIPMENT

Office space is leased from the State on a year-to-year basis. Office equipment is capitalized if the value exceeds $5,000. These assets are recorded at cost and are reported net of depreciation in the *Statement of Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position*. Such assets are depreciated on a straight-line basis over 10 years. The System does not have equipment that falls within these parameters.

RELATED PARTY TRANSACTIONS

Leases and Services

The System leases operating space and purchases certain administrative, data processing, legal and investment services from the State. The space and services are not otherwise available by competitive bid. The schedule below summarizes costs incurred by the System for such services.

	2024 (in thousands)
Building Rentals	$ 999
Technological Support	14,615
Attorney General	380
Investment Services	13,076
Personnel Services	12,070

Cash

At September 30, 2024, the System had $251.0 million in a common cash investment pool maintained for various State operating funds. The participating funds in the common cash pool earn interest at various rates depending upon prevailing short-term interest rates. Earnings (Losses) from these activities amounted to $14.7 million for the year ended September 30, 2024.

NOTE 3 – CONTRIBUTIONS

The majority of members currently participate in the pension and OPEB plans on a contributory basis. Reporting units are required by Public Act 300 of 1980, as amended, to contribute amounts necessary to finance the coverage of pension benefits and OPEB. Contribution provisions are specified by State statute and may be amended only by action of the State Legislature.

Employer contributions to the System are determined on an actuarial basis using the entry age normal actuarial cost method. Under this method, the actuarial present value of the projected benefits of each individual included in the actuarial valuation is allocated on a level basis over the service of the individual between entry age and assumed exit age. The normal cost is the annual cost assigned under the actuarial funding method, to the current and subsequent plan years. The remainder is called the actuarial accrued liability. Normal cost is funded on a current basis.

Pension and OPEB contributions made in the fiscal year ending September 30, 2024 were determined as of the September 30, 2021 actuarial valuations. The pension and OPEB unfunded (overfunded) actuarial accrued liabilities (UAAL) as of September 30, 2021 are amortized over a 15 year period beginning October 1, 2023 and ending September 30, 2038. The schedules below summarize pension and OPEB contribution rates in effect for fiscal year 2024.

PENSION CONTRIBUTION RATES

Benefit Structure	Member	Employer
Basic	0.0 - 4.0 %	13.90 - 23.03 %
Member Investment Plan	3.0 - 7.0	13.90 - 23.03
Pension Plus	3.0 - 6.4	19.17
Pension Plus 2	6.2	20.10
Defined Contribution	-	13.90

OPEB CONTRIBUTION RATES

Benefit Structure	Member	Employer
Premium Subsidy	3.0 %	1.53 - 8.31 %
Personal Healthcare Fund	-	0.00 - 7.06

The System is required to reconcile with actuarial requirements annually. If the System reconciles in a year, any funding deficiency for pension benefits is smoothed over a maximum of five years, with at least one-fifth (20%) of the funding deficiency included in the subsequent year's contribution. This payment is not recognized as a receivable in the accounting records. If the System does not reconcile in a year, any funding deficiency for pension benefits is accounted for in subsequent required contributions over the remaining amortization period.

In May 1996, the Internal Revenue Service issued a private letter ruling allowing the System's members to purchase service credit and repay refunds using tax-deferred (pre-tax) dollars. The program was implemented in fiscal year 1998, and payments began in fiscal year 1999. Public Act 92 of 2017 discontinued the option to initiate a service credit purchase for the majority of service credit types as of September 29, 2017.

The program allowed members to purchase service credit and repay refunds on a tax-deferred basis. Members sign an irrevocable agreement that identifies the contract duration, monthly payment, total contract amount and years of service credit being purchased. The duration of the contract can range from 1 to 20 years. The payment amounts are withheld from members' paychecks and are treated as employer pick-up contributions pursuant to Internal Revenue Code Section 414(h). Contracts entered into prior to the September 29, 2017 deadline remain in effect.

At September 30, 2024, there were 1,180 agreements. The agreements were discounted using the contractual interest rate of 8.00% for September 30, 2024. The average remaining length of a contract was approximately 7.89 years for 2024. The short-term receivable was $2.9 million, and the discounted long-term receivable was $7.1 million at September 30, 2024.

NOTE 4 – NET PENSION LIABILITY

MEASUREMENT OF THE NET PENSION LIABILITY

The net pension liability is to be measured as the total pension liability, less the amount of the pension plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the fair value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Net Pension Liability

(in thousands)

Total Pension Liability	$	96,901,934
Plan Fiduciary Net Position		72,507,570
Net Pension Liability	$	24,394,365
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		74.83 %
Net Pension Liability as a Percentage of Covered Payroll		221.90 %
Total Covered Payroll	$	10,993,521

LONG-TERM EXPECTED RETURN ON PLAN ASSETS

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of September 30, 2024, are summarized in the following table:

Asset Allocation

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.3 %
International Equity Pools	15.0	6.5
Private Equity Pools	16.0	9.0
Real Estate and Infrastructure Pools	10.0	7.1
Fixed Income Pools	13.0	2.2
Absolute Return Pool	9.0	5.2
Real Return and Opportunistic Pools	10.0	6.9
Short-Term Investment Pools	2.0	1.4
TOTAL	100.0 %	

* Long-term rates of return are net of administrative expenses and 2.3% inflation.

RATE OF RETURN

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on pension plan investment, net of pension plan investment expense, was 15.47%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

DISCOUNT RATE

The Michigan Public Schools Employees' Retirement System's Board adopted a Dedicated Gains Policy to lower the discount rate in years where investment returns exceed the current assumption. The DTMB Director and the Board modified the dedicated gains policy to limit the reduction in the discount rate to no lower than 6.00%. A single discount rate of 6.00% was used to measure the total pension liability for fiscal year 2024. In fiscal year 2023, the single discount rate used to measure the pension liability was 6.00% (6.00% for the Pension Plus 2 Plan). This single discount rate was based on the expected rate of return on pension plan investments of 6.00% (6.00% for the Pension Plus 2 Plan). The projection of cash flows used to determine this single discount rate was based on the assumption that in the future, plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE

As required by GASB Statement No. 67, we determined the sensitivity of the net pension liability to changes in the single discount rate. The following table presents the plan's net pension liability, in thousands, calculated using a single discount rate of 6.00%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Discount Rate Assumption	1% Increase
5.00%	6.00%	7.00%
$ 35,908,256	$ 24,394,365	$ 14,804,025

TIMING OF THE VALUATION

An actuarial valuation to determine the total pension liability is required to be performed at least every two years. If the actuarial valuation is not calculated as of the plan's fiscal year end, the total pension liability is required to be rolled forward from the actuarial valuation date to the pension plan's fiscal year end.

The total pension liability as of September 30, 2024, is based on the results of an actuarial valuation date of September 30, 2023 and rolled-forward using generally accepted actuarial procedures.

ACTUARIAL VALUATIONS AND ASSUMPTIONS

Actuarial valuations for the pension plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment and mortality. Amounts determined regarding the funded status of the plan and the actuarially determined contributions (ADC) are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedules of Contributions in Required Supplementary Information present trend information about the amounts contributed to the plan by employers in comparison to the ADC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 67 for pension.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date	September 30, 2023
Actuarial Cost Method	Entry-Age, Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Wage Inflation Rate	2.75%
Investment Rate of Return	
- MIP and Basic Plans	6.00% net of investment expenses
- Pension Plus Plan	6.00% net of investment expenses
- Pension Plus 2 Plan	6.00% net of investment expenses
Projected Salary Increases	2.75% - 11.55%, including wage inflation at 2.75%
Cost-of-Living Pension Adjustments	3% annual non-compounded for MIP Members
Mortality	
Retirees	PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Actives	PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Disabled Retirees	PubNS-2010 Male and Female Disabled Retiree Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Notes	Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the determination of the total pension liability beginning with the September 30, 2023 valuation.

NOTE 5 – NET OPEB LIABILITY

MEASUREMENT OF THE NET OPEB LIABILITY

The net OPEB liability is to be measured as the total OPEB liability, less the amount of the OPEB plan's fiduciary net position. In actuarial terms, this will be the accrued liability less the fair value of assets (not the smoothed actuarial value of assets that is often encountered in actuarial valuations performed to determine the employer's contribution requirement).

Net OPEB Liability
(in thousands)

Total OPEB Liability	$	10,108,228
Plan Fiduciary Net Position		14,552,210
Net OPEB Liability	$	(4,443,982)
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		143.96 %
Net OPEB Liability as a Percentage of Covered Payroll		(40.42) %
Total Covered Payroll	$	10,993,521

LONG-TERM EXPECTED RETURN ON PLAN ASSETS

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return were provided by the Bureau of Investments (BOI) for each major asset class included in the OPEB plan's target asset allocation as of September 30, 2024. These best estimates are summarized in the following table:

Asset Allocation

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return*
Domestic Equity Pools	25.0 %	5.3 %
International Equity Pools	15.0	6.5
Private Equity Pools	16.0	9.0
Real Estate and Infrastructure Pools	10.0	7.1
Fixed Income Pools	13.0	2.0
Absolute Return Pool	9.0	5.2
Real Return and Opportunistic Pools	10.0	6.9
Short-Term Investment Pools	2.0	1.4
TOTAL	**100.0 %**	

* Long-term rates of return are net of administrative expenses and 2.3% inflation.

RATE OF RETURN

For the fiscal year ended September 30, 2024, the annual money-weighted rate of return on OPEB plan investment, net of OPEB plan investment expense, was 15.45%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

DISCOUNT RATE

The Michigan Public Schools Employees' Retirement System's Board adopted a Dedicated Gains Policy to lower the discount rate in years where investment returns exceed the current assumption. The DTMB Director and the Board modified the dedicated gains policy to limit the reduction in the discount rate to no lower than 6.00%. A single discount rate of 6.00% was used to measure the total OPEB liability for fiscal year 2024. In fiscal year 2023, the single discount rate used to measure the OPEB liability was 6.00%. This single discount rate was based on the expected rate of return on OPEB plan investments of 6.00%. The projection of cash flows used to determine this single discount rate was based on the assumption that in the future plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

SENSITIVITY OF THE NET OPEB LIABILITY TO CHANGES IN THE DISCOUNT RATE

As required by GASB Statement No. 74, we have determined the sensitivity of the net OPEB liability to changes, in thousands, in the single discount rate. The following table presents the plan's net OPEB liability, calculated using a single discount rate of 6.00%, as well as what the plan's net OPEB liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease 5.00%	Current Discount Rate Assumption 6.00%	1% Increase 7.00%
$ (3,456,063)	$ (4,443,982)	$ (5,298,152)

SENSITIVITY OF THE NET OPEB LIABILITY TO HEALTHCARE COST TREND RATE

As required by GASB Statement No. 74, we have determined the sensitivity of the net OPEB liability to changes, in thousands, in the healthcare cost trend rates. The following table presents the plan's net OPEB liability, calculated using the assumed trend rates as well as what the plan's net OPEB liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher:

1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
$ (5,298,687)	$ (4,443,982)	$ (3,526,878)

TIMING OF THE VALUATION

An actuarial valuation to determine the total OPEB liability is required to be performed at least every two years. If the actuarial valuation is not calculated as of the plan's fiscal year end, the total OPEB liability is required to be rolled forward from the actuarial valuation date to the OPEB plan's fiscal year end.

The total OPEB liability as of September 30, 2024, is based on the results of an actuarial valuation date of September 30, 2023 and rolled-forward using generally accepted actuarial procedures.

ACTUARIAL VALUATIONS AND ASSUMPTIONS

Actuarial valuations for the OPEB plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the actuarially determined contributions (ADC) are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The Schedules of Contributions in Required Supplementary Information present trend information about the amounts contributed to the plan by employers in comparison to the ADC, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 74 for OPEB.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The information presented in the required supplementary schedules was determined as part of the actuarial valuation at the date indicated. Additional information as of the latest actuarial valuation follows:

Summary of Actuarial Assumptions

Valuation Date	September 30, 2023
Actuarial Cost Method	Entry Age, Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Wage Inflation Rate	2.75%
Investment Rate of Return	6.00% net of investment expenses
Projected Salary Increases	2.75% - 11.55%, including wage inflation at 2.75%
Healthcare Cost Trend Rate[2]	
	Pre-65: 7.25% Year 1 graded to 3.50% Year 15
	Post-65: 6.50% Year 1 graded to 3.50% Year 15
Mortality	
Retirees	PubT-2010 Male and Female Retiree Mortality Tables scaled by 116% for males and 116% for females and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Actives	PubT-2010 Male and Female Employee Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Disabled Retirees	PubNS-2010 Male and Female Disabled Retiree Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2021 from 2010.
Other Assumptions: [1]	
Opt Out Assumption	21% of eligible participants hired before July 1, 2008 and 30% of those hired after June 30, 2008 are assumed to opt out of the retiree health plan.
Survivor Coverage	80% of male retirees and 67% of female retirees electing two-person coverage are assumed to have coverage continuing after the retiree's death.
Coverage Election at Retirement	Of those not opting out, 75% of male and 60% of female future retirees who elect coverage are assumed to elect coverage for 1 or more dependents.
Notes:	Assumption changes as a result of an experience study for the period 2017 through 2022 have been adopted by the System for use in the determination of the total OPEB liability beginning with the September 30, 2023 valuation.

[1] Applies to individuals hired before September 4, 2012.

[2] Applies to medical, Rx and Medicare payments.

NOTE 6 – INVESTMENTS

INVESTMENT AUTHORITY

The State of Michigan Investment Board (Board) was created by Executive Order 2018-10 (Order) and serves as the investment fiduciary over the assets of the State sponsored defined benefit retirement systems. The Board is responsible for investing the System's assets in accordance with the duties and powers enumerated in the Order and with Public Act 380 of 1965, as amended. Investments are made subject to the Public Employee Retirement System Investment Act, Public Act 314 of 1965, as amended. The Public Employee Retirement System Investment Act authorizes, with certain restrictions, the investment of System assets in stocks, corporate and government bonds and notes, mortgages, real estate, and certain short-term and private equity investments. Investments must be made for the exclusive purposes of providing benefits to active members, retired members and beneficiaries, and for defraying the expenses of investing the assets.

DERIVATIVE INSTRUMENTS

The Board employs the use of derivative instruments in the investment of the pension and other employee benefit trust funds (the trust funds).

Derivative instruments are used in managing the trust funds' portfolios but uses do not include speculation or leverage of investments. State investment statutes limit total derivative instrument exposure to 15% of a fund's total asset value and restrict uses to replication of returns and hedging of assets. Swap agreements represent the largest category of derivative instrument investments subject to this limitation. Option and Future contracts traded daily on an exchange and settling in cash daily or having a limited and fully defined risk profile at an identified, fixed cost are not subject to the derivative instrument exposure limitation. Less than 15% of the total trust funds' portfolio has been invested from time to time in future contracts, swap agreements, structured notes, options and forward contracts.

The derivative instrument fair values are reported on the *Statement of Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position* as of September 30, 2024, in their respective investment pool's fair value. Derivative instrument net increase and decrease are reported on the *Statement of Changes in Pension Plan and Other Postemployment Benefit Plan Fiduciary Net Position* for fiscal year ended September 30, 2024, under "Investment income (loss)", in "Net increase (decrease) in fair value of investments". Bond interest, swap payments, and dividends are reported under "Investment income (loss)", in "Interest, dividends, and other".

Derivative Instrument Investments

As of September 30, 2024
(in millions)

Investment & Investment Type	Percent of Fair Value	Notional Value	Investments at Fair Value	Net Increase (Decrease) in Fair Value	Investment Income Gain (Loss)	Fair Value Subject to Credit Risk
Future contracts - Fixed Income and International Equity Investments	- %	$ 94.9	$ (0.3)	$ 5.5	$ -	$ -
Option contracts - Equity, Fixed Income and International Equity Investments	0.9	43,491.2	745.4	786.4	-	-
Swap agreements - Fixed Income and International Equity Investments	2.1	3,182.3	1,855.9	850.8	(110.7)	16.2
Totals		$46,768.4	$ 2,600.9 $	$ 1,642.7	$ (110.7)	$ 16.2

To diversify the trust funds' portfolio, the Board will enter into international swap agreements with investment grade counterparties, which are tied to stock market indices in approximately forty-six foreign countries. Generally, the notional amount of equity swap tied to foreign stock market indices is executed via a net total return USD index. The swap agreements provide that the System will pay quarterly or at maturity over the term of the swap agreements, interest indexed to the Secured Overnight Financing Rate (SOFR) or the U.S. Federal Funds Rate, adjusted for an interest rate spread, on the notional amount stated in the agreements. International equity swap agreement maturity dates range from October 2024 to June 2025. U.S. Treasury Bonds, U.S. Corporate Bonds and other public market fixed income securities, as well as other investments are held to correspond with the notional amount of the international swap agreements.

The value of the international synthetic equity structures is a combination of the value of the swap agreements and the value of the notes and other investments in the collateral portfolio. The book value represents the cost of the bonds, notes, and other investments. The current value represents the current value of the bonds, notes, and other investments and the change in the value of the underlying indices from the inception of the swap agreements. The current value is used as a representation of the fair value based on the intention to hold all swap agreements until maturity. At the maturity of the swap agreements, the trust funds will either receive the increase in the value of the equity indices from the level at the inception of the agreements or pay the decrease in the value of the indices. U.S. Treasuries, cash, publicly traded fixed income investments and private market investments are held in the collateral portfolio to correspond with the notional amount of the swap agreements. The combined swap structure generally realizes gains and losses on a rolling basis.

To reduce the risk in the Fixed Income and International Equity portfolios, the Board has entered into foreign exchange (FX) swap agreements, interest rate swap agreements and credit default swap agreements with investment grade counterparties. The FX swap agreements are tied to foreign currency forward exchange rates and are used to reduce the currency risk within the Fixed Income portfolio. The swap agreements are entered into on an as-needed basis and are generally tied to the maturity of a foreign government bond indenture denominated in a foreign currency. The purpose of the FX swap agreement that has a final maturity date of less than three months, is to reduce or eliminate the currency risk on foreign bond transactions. U.S. Domestic SOFR-based floating rate notes, U.S. Treasury securities, and portfolio cash are held to correspond with the notional amount of FX swap agreements within the Fixed Income and International Equity Portfolios. Interest rate swaps are used to adjust interest rate and yield curve exposures and substitute for physical securities. Long swap positions that receive fixed rate increase exposure to long-term interest rates; short swap positions that pay fixed rate, decrease exposure. Credit default swaps (CDS) are used to manage credit exposure without buying or selling securities outright. Written CDS increase credit exposure, selling protection, obligating the portfolio to buy bonds from counterparties in the event of a default. Purchased CDS decrease exposure, buying protection, providing the right to "Put" bonds to the counterparty in the event of a default.

Counterparty credit risk is the maximum loss amount that would be incurred if the counterparties to the derivative instrument failed to perform according to the terms of the contract, without respect to any collateral or other security, or netting arrangement. For the Over-the-Counter (OTC) derivative instrument investments, the System held collateral of $126.0 million in cash deposits and $188.8 million in securities on behalf of counterparties. Collateral securities in the amount of $0 were held on the behalf of the System by counterparties.

The Board traded bond future contracts to manage duration, yield curve exposure, adjust interest rate exposures and replicate bond positions.

To enhance returns while limiting downside risk, the Board traded equity options in single securities and on indices in the Large Cap Core and All Cap GARP funds. Attractively priced equity options were used for the purpose of stock replacement in order to drive excess returns over the S&P 500, as well as to provide added exposure to strong equity markets while limiting principal at risk. Put options are used to protect against large negative moves in the market indices. Options traded by the Board in the Fixed Income and International Equity pools are used to manage interest rate and volatility exposures. Written options generate income in expected interest rate scenarios and may generate capital losses, if unexpected interest rate environments are realized. Both written and purchased options will become worthless at expiration if the underlying instrument does not reach the strike price of the option. However, purchased options are often sold well before expiration in order to lock in profits at prices well below listed strike prices, and thereby generate consistent returns.

SECURITIES LENDING

The System, pursuant to a Securities Lending Authorization Agreement, has authorized State Street Bank and Trust Company ("State Street") to act as the System's agent in lending System's securities to approved borrowers. State Street, as agent, enters into Securities Loan Agreements with borrowers.

During the fiscal year, State Street lent, on behalf of the Board, certain securities of the System held by State Street as custodian and received cash or other collateral including securities issued or guaranteed by the United States government. The types of securities lent were equity, and fixed income, which includes government and corporate bonds and notes. State Street does not have the ability to pledge or sell collateral securities delivered absent a borrower default. Borrowers were required to deliver collateral for each loan equal to at least 100% of the fair value of the loaned securities.

Pursuant to the Securities Lending Authorization Agreement, State Street had an obligation to indemnify the System in the event of default by a borrower. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year that resulted in a declaration or notice of default of the Borrower.

During the fiscal year, the System and the borrowers maintained the right to terminate securities lending transactions upon notice. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. As of September 30, 2024, such investment pool had an average duration of 5 days and an average weighted final maturity of 99 days for USD. Because the loans were terminable at will their duration did not generally match the duration of the investments made with cash collateral. On September 30, 2024, the System had no credit risk exposure to borrowers. The fair value of collateral held and the fair value (USD) of securities on loan for the System as of September 30, 2024, was $2.6 billion and $2.6 billion, respectively.

RISK

In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures,* as amended, investments require certain disclosures regarding policies and practices and the risks associated with them. The credit risk (including custodial credit risk and concentration of credit risk), the interest rate risk, and the foreign currency risk are discussed in the following paragraphs. Amounts represent the pro rata share of the underlying investments as required by GASB Statement No. 40. These investments are held in internal investment pools and reported as such in the financial statements.

Credit Risk

Credit risk is the risk that an issuer will not fulfill its obligations.

- Short-Term Fixed Income Investments – Eligible commercial paper investments must be rated within one of the two highest rating classifications ("1" or "2") at the time of purchase from two of the nationally recognized statistical ratings organizations (NRSROs) specified in Public Act 314 of 1965, as amended. Borrowers must have at least $400.0 million in commercial paper outstanding, and the Board may not invest in more than 10% of the borrower's outstanding debt.

- Long-Term Fixed Income Investments – Investment grade and noninvestment grade securities may be acquired in compliance with the parameters set forth in Public Act 314 of 1965, as amended, and the Board's Investment Policy Statement for the System. Public Act 314 defines investment grade as investments in the top four major grades, rated by one of the NRSROs. At September 30, 2024, the System was in compliance with Public Act 314 and the Investment Policy Statement in all material aspects.

Rated Debt Investments

(in thousands)
As of September 30, 2024

Investment Type	Fair Value	S&P	Fair Value	Moody's
Short-Term	$ 4,668,127	A-1	$ 4,571,005	P-1
	252,963	A-2	72,056	P-2
	-	NR	278,029	NR
Money Market	100,934	AAA	100,934	Aaa
Government Securities				
U.S. Agencies-Sponsored	178	AAA	2,212,090	Aaa
	2,210,017	AA	-	Aa
	1,895	A	-	A
Fixed Income	99,221	AAA	276,181	Aaa
	164,969	AA	112,615	Aa
	383,123	A	410,580	A
	701,270	BBB	547,268	Baa
	186,199	BB	212,551	Ba
	120,931	B	169,100	B
	46,578	CCC	67,583	Caa
	8,049	CC	47,806	Ca
	2,832	C	7,979	C
	10,479	D		D
	1,618,906	NR	1,490,895	NR
Fixed Income ETF	565,231	NR	565,231	NR
Mutual Funds	8,799	BB	-	Ba
	114,443	NR	123,243	NR
Securities Lending Collateral				
Short-Term	284,229	A-1	339,040	P-1
Fixed Income	90,831	AA	559,816	Aa
	2,195,706	A	705,659	A
	54,812	NR	1,021,061	NR
Total	$ 13,890,722		$ 13,890,722	

NR – Not Rated

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of a failure of the counterparty, the State will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government and are held by either the counterparty or the counterparty's trust department or agent, but not in the government name.

The Board does not have a policy for custodial credit risk. However, the State's custodial bank had a credit rating of A at September 30, 2024. As of September 30, 2024, no securities were exposed to custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

Other than obligations issued, assumed or guaranteed by the United States, its agencies or United States government sponsored enterprises, the System is prohibited by Public Act 314 of 1965, as amended, from investing more than 5% of the outstanding obligations of any one issuer or investing more than 5% of a System's assets in the obligations of any one issuer. When calculating the amount of outstanding obligations, the System includes publicly issued and privately held debt.

At September 30, 2024, there were no investments in any single issuer that accounted for more than 5% of the System's assets. The System held no investments that exceeded the 5% cap in obligations of any one issuer.

Interest Rate Risk – Fixed Income Investments

Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment.

The Boards policy states that cash equivalents are invested in short-term fixed income securities with an average weighted maturity of less than one year to provide liquidity and safety of principal from capital market and default risk. At September 30, 2024, the fair value of the System's short-term investments was $5.0 billion with the weighted average maturity of 35 days.

The Board does not have a policy regarding interest rate risk for long-term debt investments. However, the trust funds are invested with a long-term strategy. The goal is to balance higher returns while accepting minimum risk for the return. Analyzing the yield curve on individual securities as compared to U.S. Treasuries determines, in part, what is an acceptable risk for the return. Therefore, market conditions such as lower interest rates result in shorter duration and higher interest rates result in longer duration.

Debt Securities

(in thousands)
As of September 30, 2024

	Fair Value	Effective Duration in Years
Government		
U. S. Treasury	$ 2,055,164	12.3
U. S. Agencies - Backed	713,773	5.6
U. S. Agencies - Sponsored	2,212,090	4.9
Corporate	4,031,030	2.6
International*		
U. S. Treasury	1,245,669	1.0
Total	$ 10,257,726	

Debt securities are exclusive of securities lending collateral.

* International contains Domestic Government as a part of their derivative instrument strategies. The interest rates reset on a quarterly basis for these securities.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit.

The System invests in various securities denominated in foreign currencies. Authorized global securities include equities, fixed income, mutual funds, real estate, and limited partnerships. These investments are limited to 30% of the total assets of the System with additional limits of not more than 5% of the outstanding global securities of any one issuer and no more than 5% of the System's assets in the global securities of any one issuer. In addition to these limits, the Board cannot acquire securities with companies that have active business operations in the state sponsors of terror as identified by the United States Secretary of State. At September 30, 2024, the total amount of foreign investment subject to foreign currency risk was $7.6 billion, which amounted to 8.8% of total investments (exclusive of securities lending collateral) of the System.

Foreign Currency Risk

(in thousands)
September 30, 2024

Region	Country	Currency	Equity Fair Value in U.S. $	Fixed Income Fair Value in U.S. $	International & Absolute Return Fair Value in U.S. $	Private Equity, Real Estate, & Infrastructure Fair Value in U.S. $
AMERICA						
	Brazil	Real	$ -	$ 3,475	$ 27,414	$ -
	Canada	Dollar	19,145	1,800	109,561	4,624
	Mexico	Peso	1,199	3,130	33,496	-
	Peru	Sol	-	774	-	-
	Chile	Peso	-	2,085	851	-
PACIFIC						
	Austrailia	Dollar	8,266	8,285	83,288	-
	Hong Kong	Dollar	-	-	137,952	-
	India	Rupee	-	4,882	40,010	-
	Indonesia	Rupiah	1,116	7,661	5,014	-
	Japan	Yen	1,562	22,548	199,820	-
	Malaysia	Ringgit	-	9,143	2,178	-
	Taiwan	New Dollar	-	-	29,277	-
	China	Renminbi	4,848	-	22,035	-
	Singapore	Dollar	1,431	4,316	7,447	-
	South Korea	Won	-	9,435	47,265	-
	Thailand	Baht	-	1,646	41,163	-
	New Zealand	Dollar	-	2,089	14,134	-
	China	Yuan	122	(2,014)	5,061	-
	China	Yuan Offshore	-	10,447	3,400	-
	Philippines	Peso	-	-	345	-
	United Arab Emirates	Dirham	86	-	785	-
EUROPE						
	Denmark	Krone	8,893	-	79,247	-
	European Union	Euro	160,693	29,221	526,149	533,971
	Hungary	Forint	-	782	2,009	-
	Norway	Krone	-	-	1,651	21,439
	Poland	Zloty	-	593	8,208	-
	United Kingdom	Pound Sterling	27,063	8,277	197,052	47,131
	Romania	Leu	-	350	-	-
	Sweden	Krona	12,136	946	122,640	-
	Switzerland	Franc	6,044	-	55,532	-
	Türkiye	Lira	-	-	4,607	-
	Czech Republic	Koruna	-	434	-	-
AFRICA						
	South Africa	Rand	-	1,033	3,735	-
	Egypt	Pound	-	2,956	-	-
	Liberia	Dollar	8,955	-	-	-
MIDDLE EAST						
	Israel	New Shekel	-	-	1,218	-
	Saudi Arabia	Riyal	-	-	366	-
WORLD-WIDE						
	Various	Various	-	-	4,820,635	-
	Total		$ 261,557	$ 134,291	$ 6,633,542	$ 607,165

FAIR VALUE MEASUREMENTS

The System categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Not all investments held by the System are recorded at fair value. GASB Statement No. 72 allows for certain investments to be recorded at cost (or amortized cost or any other valuation method), and therefore, they are not presented in the fair value hierarchy table. Equity and Fixed Income securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Equity Swaps and Fixed Income securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique and other significant observable inputs. Equity and Fixed Income securities classified as Level 3 of the fair value hierarchy are valued using third party data and reports that are unobservable. Securities reported at Net Asset Value (NAV) are valued using the most recent third-party statement adjusted for cash flows as of September 30, 2024. Investments that are measured at fair value using the Net Asset Value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The System’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Investments by fair value level:	Balance at September 30, 2024	Fair Value Measurement (in thousands) Using Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Total cash and cash equivalents	$ 3,416	$ 3,416	$ -	$ -
Equity				
Depository Receipts	161,991	161,991	-	-
Common Stocks	16,596,637	16,595,914	-	723
Preferred Stocks	8,930	8,930	-	-
Real Estate Investments Trusts	857,180	857,180	-	-
Swaps	359,356	-	359,356	-
Commingled Funds, ETF's, and PTP's	4,575,095	4,576,012	(917)	-
Options	746,303	746,303	-	-
Covertible Bonds	36,763	-	36,763	-
Rights	29	29	-	-
Total Equity	23,342,284	22,946,359	395,202	723
Fixed Income				
Asset Backed	870,432	-	870,432	-
Corporate Bonds	1,241,418	-	1,227,512	13,906
Commercial Mortgage-Backed	1,368,872	-	1,361,149	7,723
Government Issues	3,482,583	3,276,152	206,431	-
Swaps	10,596	-	10,596	-
US Agency Issues	2,569,187	-	2,569,187	-
Commingled Funds, ETF's, and PTP's	695,728	695,728	-	-
Options	2,096	-	2,096	-
Total Fixed Income	10,240,911	3,971,879	6,247,403	21,629
Total investments by fair value level	**$ 33,586,610**	**$ 26,921,653**	**$ 6,642,605**	**$ 22,352**
Investments measured at the net asset value (NAV)				
Private Equity Total	18,192,211			
Real Estate and Infrastructure Total	7,070,982			
Absolute Return Total	8,560,200			
Real Return Total	8,115,904			
Other Limited Partnership	5,713,586			
Total investments measured at the NAV	**$ 47,652,884**			
Total investments measured at fair value	**$ 81,239,494**			

Additional disclosures for fair value measurements of investments in certain entities that calculate the Net Asset Value per Share (or its equivalent):

Private Equity Funds

(in billions)

Total investments measured at the NAV	$ 18.2
Unfunded commitments	5.9

These types of investments include approximately 300 partnerships that invest in leveraged buyouts, venture capital, mezzanine debt, distressed debt, secondary funds and other investments. These types of investments can never be redeemed with the funds, but distributions are received through the liquidation of the underlying assets of the fund. It's expected that the underlying assets of the fund are liquidated over a period of five to eight years. However, as of September 30, 2024, it is probable that all of the investments in this group will be sold at an amount different from the NAV per share (or its equivalent). Therefore, the fair values of the investments in this type have been determined using recent observable transaction information for similar investments and nonbinding bids received from potential buyers of the investments. As of September 30, 2024, a buyer for these investments has not been identified.

Real Estate and Infrastructure

(in billions)

Total investments measured at the NAV	$ 7.1
Unfunded commitments	2.2

Real Estate and Infrastructure funds include approximately 117 accounts (limited partnerships, limited liability companies, etc.) that invest in real estate or infrastructure related assets. The fair value of the Real Estate and Infrastructure funds have been determined in accordance with generally accepted accounting principles using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These types of investments cannot be redeemed with the funds. Distributions from these funds will be received as the underlying investments are sold and liquidated over time. It is expected that the underlying assets will be sold over the next 5 – 15 years. However, buyers have not been determined so the fair value has been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital.

Absolute Return Portfolio

(in billions)

Total investments measured at the NAV	$ 8.6
Unfunded commitments	2.6

This type includes approximately 5 investments in hedge funds and hedge funds and approximately 61 investments in private credit strategies. These investments seek to diversify risk and reduce volatility. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the investments. Most of the investments are redeemable or have a final fund term that is 10 years or less.

Real Return and Opportunistic Portfolio

(in billions)

Total investments measured at the NAV	$ 8.1
Unfunded commitments	2.5

This type includes approximately 40 funds that invest in private credit, tangible and intangible real assets, or other real return and opportunistic strategies. The fair values of the investments in this type have been determined using the NAV per share (or its equivalent) of the Plan's ownership interest in partners' capital. These investments can never be redeemed with the funds. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated over the next 5 to 10 years.

All Other Investments

(in billions)

Total investments measured at the NAV	$ 5.7
Unfunded commitments	0.4

The balance of plan assets reported at fair value includes 19 investments:

- LPs that invest in fixed income type investment; residential rehabilitation, middle market business loans and senior secured debt financing. These investments cannot be redeemed by limited partners. Distributions are received through the liquidation of the underlying assets of the fund.
- LPs that invest in fixed income type investments permitting partners to request redemption monthly or quarterly, after initial lock up period of 1 year or less, requiring 45 to 65 days' advance notice.
- LPs investing in global investments permitting partners to request partial redemptions quarterly or monthly, with advance notice, subject to the sole discretion of the general partner.
- LPs that invest in private equity, private credit/loans, and tangible real assets that cannot be redeemed by limited partners. Distributions from each fund will be received as the underlying investments of the funds are liquidated.

NOTE 7 – COMMITMENTS AND CONTINGENCIES

Under the Administrative Procedures Act, members may appeal a decision made by the Retirement Board. Once the administrative procedure has been exhausted, the decision may be appealed in Michigan's court system. Various cases that have exhausted the administrative procedures have been appealed in the court system. These cases are in the normal course of business and the System does not anticipate any material loss as a result of the contingent liabilities.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY

(in thousands)

	Fiscal Year 2024	2023	2022	2021	2020
Total Pension Liability					
Service cost	$ 1,247,849	$ 1,107,104	$ 859,233	$ 850,016	$ 854,272
Interest	5,633,701	5,693,641	5,797,601	5,728,433	5,607,512
Benefit changes	(83,488)	-	-	-	-
Differences between expected and actual experience	(326,353)	1,078,125	217,098	(163,121)	596,200
Changes of assumptions	-	(3,322,864)	8,139,135	-	-
Benefit payments, including refunds of member contributions	(5,681,723)	(5,569,032)	(5,457,513)	(5,336,242)	(5,211,046)
Net Change in Total Pension Liability	789,985	(1,013,026)	9,555,553	1,079,086	1,846,938
Total Pension Liability - Beginning	96,111,950	97,124,976	87,569,423	86,490,336	84,643,399
Total Pension Liability - Ending (a)	$ 96,901,934	$ 96,111,950	$ 97,124,976	$ 87,569,423	$ 86,490,336
Plan Fiduciary Net Position					
Contributions - employer	$ 4,232,262	$ 4,842,556	$ 3,843,216	$ 3,081,014	$ 2,808,839
Contributions - member	470,393	449,906	434,411	413,531	401,626
Net investment income	9,790,450	4,829,736	(2,932,020)	13,740,731	2,545,231
Benefit payments, including refunds of member contributions	(5,681,723)	(5,569,032)	(5,457,513)	(5,336,242)	(5,211,046)
Administrative and other expenses	(26,814)	(26,941)	(23,784)	(23,239)	(23,119)
Other [1]	187	37	89	132	77,526
Net Change in Plan Fiduciary Net Position	8,784,753	4,526,262	(4,135,601)	11,875,927	599,058
Plan Fiduciary Net Position - Beginning	63,722,817	59,196,555	63,332,155	51,456,229	50,857,170
Plan Fiduciary Net Position - Ending (b)	$ 72,507,570	$ 63,722,817	$ 59,196,555	$ 63,332,155	$ 51,456,229
Net Pension Liability - Ending (a) - (b)	$ 24,394,365	$ 32,389,133	$ 37,928,421	$ 24,237,267	$ 35,034,108
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.83 %	66.30 %	60.95 %	72.32 %	59.49 %
Covered Payroll	$ 10,993,521	$ 10,328,877	$ 9,962,787	$ 9,269,004	$ 9,087,724
Net Pension Liability as a Percentage of Covered Payroll	221.90 %	313.58 %	380.70 %	261.49 %	385.51 %

[1] Includes an adjustment for the difference between the amount submitted as Net Position Beginning of Year for the current report and the amount submitted as Net Position End of Year for the prior report for fiscal year 2020. University employer contribution refund for fiscal years 2015 and 2016.

	Fiscal Year (continued) 2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	$ 779,545	$ 752,589	$ 675,804	$ 682,608	$ 674,943
Interest	5,561,469	5,352,730	5,348,515	5,226,021	5,137,527
Benefit changes	-	-	-	-	-
Differences between expected and actual experience	119,391	(187,289)	(120,998)	401,202	(75,932)
Changes of assumptions	2,226,621	6,588,286	3,461,025	-	-
Benefit payments, including refunds of member contributions	(5,087,969)	(4,963,271)	(4,833,050)	(4,695,818)	(4,555,349)
Net Change in Total Pension Liability	3,599,058	7,543,045	4,531,295	1,614,013	1,181,190
Total Pension Liability - Beginning	81,044,341	73,501,296	68,970,001	67,355,988	66,174,798
Total Pension Liability - Ending (a)	$ 84,643,399	$ 81,044,341	$ 73,501,296	$ 68,970,001	$ 67,355,988
Plan Fiduciary Net Position					
Contributions - employer	$ 2,706,713	$ 2,791,509	$ 2,398,950	$ 2,308,657	1,967,611
Contributions - member	403,147	393,059	427,988	398,893	395,722
Net investment income	2,519,320	5,135,866	5,583,469	3,095,178	938,143
Benefit payments, including refunds of member contributions	(5,087,969)	(4,963,271)	(4,833,050)	(4,695,818)	(4,555,349)
Administrative and other expenses	(27,741)	(25,952)	(26,133)	(26,213)	(24,487)
Other [1]	202	504	(20)	(2,479)	(112,468)
Net Change in Plan Fiduciary Net Position	513,672	3,331,715	3,551,204	1,078,218	(1,390,828)
Plan Fiduciary Net Position - Beginning	50,343,498	47,011,783	43,460,579	42,382,361	43,773,189
Plan Fiduciary Net Position - Ending (b)	$ 50,857,170	$ 50,343,498	$ 47,011,783	$ 43,460,579	$ 42,382,361
Net Pension Liability - Ending (a) - (b)	$ 33,786,229	$ 30,700,843	$ 26,489,513	$ 25,509,422	$ 24,973,627
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	60.08 %	62.12 %	63.96 %	63.01 %	62.92 %
Covered Payroll	$ 8,958,777	$ 8,583,695	$ 8,452,983	$ 8,510,200	$ 8,426,755
Net Pension Liability as a Percentage of Covered Payroll	377.13 %	357.66 %	313.37 %	299.75 %	296.36 %

SCHEDULE OF CHANGES IN NET OPEB LIABILITY

(in thousands)

	Fiscal Year 2024	2023	2022	2021	2020
Total OPEB Liability					
Service cost	$ 237,983	$ 226,739	$ 189,806	$ 208,171	$ 204,703
Interest	679,162	755,305	836,978	926,740	984,753
Differences between expected and actual experience	(2,016,068)	(1,821,718)	(1,326,557)	(1,716,336)	(2,454,057)
Changes of assumptions	173,466	(43,979)	1,328,980	(234,942)	711,252
Benefit payments, including refunds of member contributions	(333,378)	(448,674)	(555,515)	(376,485)	(189,729)
Net Change in Total OPEB Liability	(1,258,835)	(1,332,326)	473,692	(1,192,851)	(743,078)
Total OPEB Liability - Beginning	11,367,063	12,699,389	12,225,698	13,418,548	14,161,627
Total OPEB Liability - Ending (a)	$ 10,108,228	$ 11,367,063	$ 12,699,389	$ 12,225,698	$ 13,418,548
Plan Fiduciary Net Position					
Contributions - employer	$ 803,531	$ 783,148	$ 771,571	$ 749,591	$ 708,509
Contributions - member	202,162	202,972	205,596	203,769	204,752
Net investment income	1,871,126	869,240	(537,847)	2,154,623	374,570
Benefit payments, including refunds of member contributions [1]	(333,378)	(448,674)	(555,515)	(376,485)	(189,729)
Administrative and other expenses	(8,633)	(8,259)	(7,315)	(8,443)	(6,214)
Other [2]	85	124	79	116	35,040
Net Change in Plan Fiduciary Net Position	2,534,893	1,398,551	(123,432)	2,723,171	1,126,929
Plan Fiduciary Net Position - Beginning	12,017,317	10,618,766	10,742,198	8,019,027	6,892,099
Plan Fiduciary Net Position - Ending (b)	$ 14,552,210	$ 12,017,317	$ 10,618,766	$ 10,742,198	$ 8,019,027
Net OPEB Liability - Ending (a) - (b)	$ (4,443,982)	$ (650,254)	$ 2,080,623	$ 1,483,500	$ 5,399,521
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	143.96 %	105.72 %	83.62 %	87.87 %	59.76 %
Covered Payroll	$ 10,993,521	$ 10,328,877	$ 9,962,787	$ 9,269,004	$ 9,087,724
Net OPEB Liability as a Percentage of Covered Payroll	(40.42) %	(6.30) %	20.88 %	16.00 %	59.42 %

[1] Includes the $553.8 million attributable to the refund of the 3% member contributions collected prior to the passage of Public Act 300 for fiscal year 2017. As directed by the auditor, benefit payments have been reduced by Other Governmental Contributions beginning in fiscal year 2018.

[2] Includes an adjustment for the difference between the amount submitted as Net Position Beginning of Year for the current report and the amount submitted as Net Position End of Year for the prior report for fiscal years 2019 and 2020.

This schedule is required to show information for ten years, additional years will be displayed as they become available.

	Fiscal Year (continued)		
	2019	2018	2017
Total OPEB Liability			
Service cost	$ 179,016	$ 188,707	$ 205,693
Interest	1,003,488	1,050,293	1,015,305
Differences between expected and actual experience	(1,835,497)	(1,748,107)	(118,988)
Changes of assumptions	1,102,881	1,044,391	-
Benefit payments, including refunds of member contributions	(467,095)	(531,998)	(1,255,980)
Net Change in Total OPEB Liability	(17,207)	3,286	(153,969)
Total OPEB Liability - Beginning	14,178,834	14,175,547	14,329,516
Total OPEB Liability - Ending (a)	$ 14,161,627	$ 14,178,834	$ 14,175,547
Plan Fiduciary Net Position			
Contributions - employer	$ 707,714	$ 663,708	$ 794,667
Contributions - member	208,197	210,680	214,249
Net investment income	336,063	594,893	595,265
Benefit payments, including refunds of member contributions [1]	(467,095)	(531,998)	(1,255,980)
Administrative and other expenses	(4,098)	(3,912)	(2,605)
Other [2]	75	96	-
Net Change in Plan Fiduciary Net Position	780,857	933,467	345,596
Plan Fiduciary Net Position - Beginning	6,111,241	5,177,775	4,832,179
Plan Fiduciary Net Position - Ending (b)	$ 6,892,099	$ 6,111,241	$ 5,177,775
Net OPEB Liability - Ending (a) - (b)	$ 7,269,528	$ 8,067,592	$ 8,997,773
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	48.67%	43.10%	36.53%
Covered Payroll	$ 8,958,777	$ 8,583,695	$ 8,452,983
Net OPEB Liability as a Percentage of Covered Payroll	81.14%	93.99%	106.44%

SCHEDULES OF CONTRIBUTIONS

PENSION BENEFITS

(in thousands)

Fiscal Year Ended Sept. 30	Actuarially Determined Contribution (ADC)	Actual Employer Contribution[2]	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	$ 2,184,029	$ 1,967,611	$ 216,418	$ 8,426,755	23.4 %
2016	2,312,223	2,308,657	3,566	8,510,200	27.1
2017 [1]	2,334,212	2,398,950	(64,738)	8,452,983	28.4
2018	2,474,279	2,791,509	(317,230)	8,583,695	32.5
2019	2,712,859	2,706,713	6,146	8,958,777	30.2
2020	2,818,578	2,808,839	9,739	9,087,724	30.9
2021	2,961,725	3,081,014	(119,289)	9,269,004	33.2
2022	3,181,516	3,843,216	(661,700)	9,962,787	38.6
2023	3,341,475	4,842,556	(1,501,081)	10,328,877	46.9
2024	3,630,883	4,232,262	(601,379)	10,993,521	38.5

1 The ADC has been recalculated for all prior years presented in order to reflect only the employer's share of the annual required contributions and current assumptions.

2 Differences between the ADC and the actual contributions are the result of a timing difference between when the actuarial valuation is completed, and the contributions are made.

OTHER POSTEMPLOYMENT BENEFITS

(in thousands)

Fiscal Year Ended Sept. 30	Actuarially Determined Contribution (ADC)	Actual Employer Contributions[1]	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	$ 974,957	$ 969,419	$ 5,538	$ 8,426,755	11.5 %
2016	911,687	883,943	27,744	8,510,200	10.4
2017	815,985	794,667	21,318	8,452,983	9.4
2018	673,996	663,708	10,288	8,583,695	7.7
2019	711,059	707,714	3,345	8,958,777	7.9
2020	638,385	708,509	(70,124)	9,087,724	7.8
2021	605,290	749,591	(144,300)	9,269,004	8.1
2022	500,204	771,571	(271,367)	9,962,787	7.7
2023	293,916	783,148	(489,232)	10,328,877	7.6
2024	145,230	803,531	(658,301)	10,993,521	7.3

1 Differences between the ADC and the actual contributions are the result of a timing difference between when the actuarial valuation is completed, and the contributions are made.

SCHEDULES OF INVESTMENT RETURNS

PENSION BENEFITS

Fiscal Year	Annual Return[1]
2015	(0.02) %
2016	5.91
2017	13.24
2018	11.11
2019	5.14
2020	5.37
2021	27.30
2022	(4.18)
2023	8.29
2024	15.47

[1] Annual money-weighted rate of return, net of investment expenses.

OTHER POSTEMPLOYMENT BENEFITS

Fiscal Year[2]	Annual Return[1]
2017	11.82 %
2018	10.75
2019	5.37
2020	5.24
2021	27.14
2022	(4.99)
2023	7.94
2024	15.45

[1] Annual money-weighted rate of return, net of investment expenses.

[2] This schedule is required to show information for ten years; additional years will be displayed as they become available.

NOTE A – DESCRIPTION

Ten-year historical trend information designed to provide information about the System's progress made in accumulating sufficient assets to pay benefits when due is presented in the preceding schedules. Other ten-year historical trend information related to the System is presented in the Statistical and Actuarial Sections of the report. This information is presented to enable the reader to assess the progress made by the System in accumulating sufficient assets to pay pension and other postemployment benefits as they become due.

The comparability of trend information is affected by changes in actuarial assumptions, benefit provisions, actuarial funding methods, accounting policies, and other changes. Those changes usually affect trends in contribution requirements and in ratios that use the pension and other postemployment benefit obligations as a factor.

The Schedules of Contributions are presented to show the responsibility of the Employer in meeting the actuarial requirements to maintain the System on a sound financial basis.

The Schedules of Changes in Net Pension and OPEB Liability, Schedules of Contributions, and Schedules of Investment Returns are schedules that are required in implementing GASB Statement No. 67 for pension and No. 74 for OPEB. These schedules are required to show information for ten years; additional years will be displayed as they become available. The Schedules of Changes in the Net Pension and Net OPEB Liabilities represent, in actuarial terms, the accrued liability less the fair value of assets. The Schedules of Contributions is a comparison of the employer's contributions to the actuarially determined contributions. The Schedule of Investment Returns represents a money-weighted rate of return that expresses investment performance, net of pension and OPEB plan investment expense, adjusted for the changing amounts actually invested.

The actuarially determined contributions presented in the Schedule of Contributions for pension and OPEB are calculated as of September 30, three years prior to the end of the fiscal year in which the contributions are reported. The following actuarial methods and assumptions were used to determine the fiscal year 2024 contributions reported in that schedule.

Methods and Assumptions Used to Determine Contributions for Fiscal Year 2024:

Pension and OPEB	
Valuation Date	September 30, 2021
Actuarial Cost Method	Entry Age, Normal
Amortization Method	Level percent of payroll, closed period
Remaining Amortization Period	15 years as of October 1, 2023 ending September 30, 2038
Price Inflation	2.25%
Projected Salary Increases	2.75% - 11.55%, including wage inflation at 2.75%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility conditions.
Mortality	
Retirees	RP-2014 Male and Female Healthy Annuitant Mortality Tables scaled by 82% for males and 78% for females and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Actives	RP-2014 Male and Female Employee Mortality Tables scaled by 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Disabled Retirees	RP-2014 Male and Female Disabled Annuitant Mortality Tables scaled 100% and adjusted for mortality improvements using projection scale MP-2017 from 2006.
Pension	
Asset Valuation Method	5 year smoothed fair value
Investment Rate of Return	
MIP and Basic Plans	6.00% net of investment expenses
Pension Plus Plan	6.00% net of investment expenses
Pension Plus 2 Plan	6.00% net of investment expenses
OPEB	
Asset Valuation Method	5 year smoothed fair value
Investment Rate of Return	6.00% net of investment expenses
Health Care Trend Rates	
Medical and Prescription Drugs	7.75% Year 1 graded to 3.50% Year 15; 3.00% Year 120
Medicare Payments	5.25% Year 1 graded to 3.50% Year 15; 3.00% Year 120
Dental/Vision	3.50% all years; 3.00% Year 120
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death."
Notes	Some of the assumptions used to develop the 2024 Total Pension Liability (TPL) and the 2024 Total OPEB Liability (TOL) may be different than the assumptions shown above. The assumptions used to develop the TPL are described in Note 4 (page 35) of this report and the assumptions used to develop the TOL are described in Note 5 (page 38) of this report.

SUMMARY SCHEDULE OF PENSION PLAN ADMINISTRATIVE AND OTHER EXPENSES

For Fiscal Year Ended September 30, 2024
(in thousands)

Personnel Services:		
Staff Salaries	$	5,190
Staff Retirement and Social Security		2,748
Other Staff Fringe Benefits		1,050
Total		8,987
Professional Services:		
Accounting		1,856
Actuarial		335
Attorney General		320
Audit		457
Consulting		28
Medical		230
Total		3,227
Building and Equipment:		
Building Rentals		840
Equipment Purchase, Maintenance, and Rentals		14
Total		855
Miscellaneous:		
Travel and Board Meetings		4
Office Supplies		3
Postage, Telephone, and Other		1,316
Printing		126
Technological Support		12,296
Total		13,745
Total Administrative and Other Expenses	$	26,814

SUMMARY SCHEDULE OF OPEB PLAN ADMINISTRATIVE AND OTHER EXPENSES

For Fiscal Year Ended September 30, 2024
(in thousands)

Personnel Services:	
Staff Salaries	$ 1,781
Staff Retirement and Social Security	943
Other Staff Fringe Benefits	360
Total	3,084
Professional Services:	
Accounting	350
Actuarial	63
Attorney General	60
Audit	86
Consulting	2,142
Medical	43
Total	2,745
Building and Equipment:	
Building Rentals	159
Equipment Purchase, Maintenance, and Rentals	3
Total	161
Miscellaneous:	
Travel and Board Meetings	1
Office Supplies	1
Printing	24
Postage, Telephone, and Other	299
Technological Support	2,319
Health Fees	163,376
Dental Fees	5,662
Vision Fees	192
Total	171,873
Total Administrative and Other Expenses	$ 177,863

SCHEDULE OF INVESTMENT EXPENSES

For Fiscal Year Ended September 30, 2024
(in thousands)

Securities Lending Expenses	$ 141,474
Other Investment Expenses[1]	
ORS-Investment Expenses[2]	13,076
Custody Fees	1,862
Management Fees	318,493
Research Fees	10,308
Total Investment Expenses	$ 485,214

[1] Refer to the Investment Section for fees paid to investment professionals.

[2] Does not exclude Treasury Civil Service fees recorded as a pass through in the Schedule of Investment Fee – State Treasurer. As of September 30, 2024, fees totaled $225,567.

SCHEDULE OF PAYMENTS FOR PROFESSIONAL SERVICES

For Fiscal Year Ended September 30, 2024
(in thousands)

Accounting	$ 2,207
Actuary	398
Attorney General	380
Independent Auditors	543
Consulting	2,170
Medical Advisor	274
Total Payments	$ 5,972

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DETAIL OF CHANGES IN PLAN FIDUCIARY NET POSITION

(Pension and Other Postemployment Benefits)
For the Fiscal Year Ended September 30, 2024
(in thousands)

	Employee Contributions	Employee Contributions Pension Plus	Employee Contributions Pension Plus 2	Member Investment Plan	Employer Contributions	Employer Contributions Pension Plus
Additions:						
Contributions:						
Member contributions	$ 5,453	$ 81,219	$ 58,351	$ 325,370	$ -	$ -
Employer contributions:						
Colleges and universities	-	-	-	-	229,970	5,538
School districts and other	-	-	-	-	3,856,196	82,208
Total contributions	5,453	81,219	58,351	325,370	4,086,166	87,745
Investment income (loss):						
Net increase (decrease) in fair value of investments	-	-	-	-	-	-
Interest, dividends, and other	-	-	-	-	-	-
Investment expenses:						
Other investment expenses	-	-	-	-	-	-
Securities lending activities:						
Securities lending income	-	-	-	-	-	-
Securities lending expenses	-	-	-	-	-	-
Net investment income (loss)	-	-	-	-	-	-
Miscellaneous income	-	-	-	-	-	-
Total additions	5,453	81,219	58,351	325,370	4,086,166	87,745
Deductions:						
Benefits paid to plan members and beneficiaries:						
Retirement benefits	-	-	-	-	-	-
Health benefits	-	-	-	-	-	-
Dental/vision benefits	-	-	-	-	-	-
Refund of contributions	2,738	3,558	934	26,252	28	-
Administrative and other expenses	-	-	-	-	-	-
Total deductions	2,738	3,558	934	26,252	28	-
Net Increase (Decrease) before other changes	2,716	77,661	57,417	299,118	4,086,138	87,745
Other Changes in Net Position:						
Interest allocation	52,705	32,847	7,009	411,121	-	24,518
Transfers upon retirement	(107,429)	(3,904)	-	(659,095)	-	-
Transfers of employer shares	-	-	-	-	538,887	(5,397)
Total other changes in net position	(54,724)	28,943	7,009	(247,974)	538,887	19,121
Net Increase (Decrease) in Net Position	(52,008)	106,604	64,426	51,144	4,625,025	106,867
Net Position Restricted for Pension Benefits and OPEB:						
Beginning of Year	1,428,469	728,204	130,143	8,696,654	(21,145,669)	529,554
End of Year	$ 1,376,461	$ 834,808	$ 194,569	$ 8,747,798	$ (16,520,644)	$ 636,420

DETAIL OF CHANGES IN PLAN FIDUCIARY NET POSITION
(Continued)

	Employer Contributions Pension Plus 2	Retired Benefit Payments	Retired Benefit Payments Pension Plus	Retired Benefit Payments Pension Plus 2	Undistributed Investment Income	OPEB	Total
Additions:							
Contributions:							
Member contributions	$ -	$ -	$ -	$ -	$ -	$ 202,162	$ 672,555
Employer contributions:							
Colleges and universities	2,466	-	-	-	-	44,997	282,971
School districts and other	55,884	-	-	-	-	758,534	4,752,822
Total contributions	58,351	-	-	-	-	1,287,356	5,990,011
Investment income (loss):							
Net increase (decrease) in fair value of investments	-	-	-	-	8,622,174	1,647,091	10,269,265
Interest, dividends, and other	-	-	-	-	1,450,127	278,273	1,728,400
Investment expenses:							
Other investment expenses	-	-	-	-	(288,270)	(55,471)	(343,740)
Securities lending activities:							
Securities lending income	-	-	-	-	124,594	24,530	149,124
Securities lending expenses	-	-	-	-	(118,176)	(23,298)	(141,474)
Net investment income (loss)	-	-	-	-	9,790,450	1,871,126	11,661,575
Miscellaneous income	-	187	-	-	0	85	271
Total additions	58,351	187	-	-	9,790,450	3,158,567	17,651,857
Deductions:							
Benefits paid to plan members and beneficiaries:							
Retirement benefits	-	5,646,303	1,903	-	-	2	5,648,208
Health benefits	-	-	-	-	-	366,013	366,013
Dental/vision benefits	-	-	-	-	-	79,669	79,669
Refund of contributions	-	8	-	-	-	127	33,645
Administrative and other expenses	-	-	-	-	26,814	177,863	204,677
Total deductions	-	5,646,311	1,903	-	26,814	623,674	6,332,211
Net Increase (Decrease) before other changes	58,351	(5,646,125)	(1,903)	-	9,763,636	2,534,893	11,319,646
Other Changes in Net Position:							
Interest allocation	8,017	3,141,188	610	-	(3,678,015)	-	-
Transfers upon retirement	-	766,523	3,904	-	-	-	-
Transfers of employer shares	-	(538,887)	5,397	-	-	-	-
Total other changes in net position	8,017	3,368,824	9,911	-	(3,678,015)	-	-
Net Increase (Decrease) in Net Position	66,367	(2,277,300)	8,008	-	6,085,621	2,534,893	11,319,646
Net Position Restricted for Pension Benefits and OPEB:							
Beginning of Year	133,613	63,076,065	13,169	-	10,132,614	12,017,317	75,740,134
End of Year	$ 199,981	$ 60,798,765	$ 21,177	$ -	$ 16,218,234	$ 14,552,210	$ 87,059,780

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INVESTMENT SECTION

Prepared by Michigan Department of Treasury, Bureau of Investments
Jon M. Braeutigam, Chief Investment Officer

INTRODUCTION

The State of Michigan Investment Board (Board) was created by Executive Order 2018-10 (Order) and serves as the investment fiduciary over the assets of the Michigan Public School Employees' Retirement System (System). The Board is responsible for investing the System's assets in accordance with the duties and powers enumerated in the Order and State law. Pursuant to powers provided in the Order, the Board duly authorized and delegated duties to the Department of Treasury's Bureau of Investments (BOI) to invest, prudently manage, and oversee the assets of the System and to take certain other actions that support the BOI's mandate in this regard. In furtherance of these duties, the BOI delivers quarterly investment activity reports to the Board that detail the investments, goals, and objectives of the System.

The Board is comprised of five members: three (3) public members appointed by the Governor and two (2) ex-officio members. The public members serve four (4) year terms and are limited to two (2) such terms. The State Treasurer, as the chair of the Board, and the State Budget Director are the ex-officio members. As of September 30, 2024, members of the Board were as follows: Rachael Eubanks (chair, ex-officio member), Jennifer Flood (ex-officio member), Reginald G. Sanders, CFA, CAIA (public member), Dina L. Richard, CPA (public member), and Denise Ilitch (public member). The public members serve without pay but may receive reasonable reimbursement for actual and necessary travel and other expenses to attend official Board meetings.

INVESTMENT POLICY & GOALS

The Board's Investment Policy Statement states that it and the BOI will operate in accordance with Public Employee Retirement System Investment Act (Act No. 314 of 1965) and within standard investment practices of the prudent person. This includes being authorized to invest in government obligations, corporate obligations, various short-term obligations, corporate (domestic and international) stocks, private equity interests, mutual funds, real estate interests, and other investments subject to specific parameters. Above all, System assets are to be invested in a fiduciary capacity for the sole and exclusive benefit of the members of the System.

The System's Proxy Voting Policy sets forth directives on various issues as the holder of publicly traded securities, including but not limited to: Boards of Directors, corporate governance, social issues, and various corporate actions. All proxies are reviewed and voted by the System's proxy voting agent in accordance with the System's policy.

The primary function of the System is to provide retirement, survivor and disability benefits along with health and other postemployment benefits to its members. The Board is investment fiduciary and custodian of the System's investments pursuant to the Order and other State law. The goals of the System are:

- Maintain sufficient liquidity to pay benefits
- Meet or exceed the actuarial assumption over the long-term
- Perform in the top half of the public plan universe over the long-term
- Diversify assets to reduce risk
- Exceed individual asset class benchmarks over the long-term

The strategy for achieving these goals is supported by investing the assets of the System according to a five-year asset allocation model. The System currently invests in eight different asset classes, which provides for a well-diversified portfolio.

ASSET ALLOCATION

(Excludes Collateral on Loaned Securities)

Investment Category	As of 9/30/24 Actual	Five-Year Target
Domestic Equity Pools	21.4 %	25.0 %
International Equity Pools	14.3	15.0
Private Equity Pools	21.2	16.0
Real Estate and Infrastructure Pools	8.8	10.0
Fixed Income Pools	10.2	13.0
Absolute Return Pools	10.0	9.0
Real Return and Opportunistic Pools	9.4	10.0
Short-Term Investment Pools	4.7	2.0
Total	**100.0 %**	**100.0 %**

INVESTMENT AUTHORITY

Pursuant to State law (Executive Order 2018-10, which in part transferred to the Board the powers enumerated in (i) Section 91 of Act No. 380 of the Public Acts of 1965, as amended, and (ii) Section 12c of Act No. 314 of 1965), the Board is the investment fiduciary for the System, which is comprised of the State sponsored defined benefit retirement systems: Michigan Public School Employees' Retirement System, State Employees' Retirement System, Michigan State Police Retirement System, Michigan Judges Retirement System, and the Michigan Military Retirement Provisions. The State Treasurer, State of Michigan, is custodian and ex officio treasurer of the retirement system for the Legislators, State of Michigan (Section 47 of Act no. 261 of the Public Acts of 1957, as amended).

Act No. 314 of the Public Acts of 1965, as amended, authorizes the investment of assets of public employee retirement systems or plans created and established by the State or any political subdivision.

INVESTMENT RESULTS

TOTAL PORTFOLIO RESULTS

For the fiscal year ended September 30, 2024, the total System's rate of return was 15.5% for the Pension and OPEB Plans as compiled by State Street Investment Analytics. Annualized rates of return for the Pension Plan for the three, five, and ten-year periods ending September 30, 2024 were: 6.0%, 9.7%, and 8.7% respectively.

Investment return calculations are prepared using a Time-Weighted rate of return.

DOMESTIC EQUITY POOLS

The objective for investments made in domestic equities is to meet or exceed the total return of the S&P Composite 1500 index for one, three, and five-year periods and a market cycle.

For active management strategies, the objective is to earn returns that exceed the most relevant S&P Index, adjusting for market capitalization and style, for one, three, and five-year periods and a market cycle. Another objective is to rank above median in a universe of managers possessing a similar market cap and style characteristics.

The pools are invested primarily in equities or equity-related securities of U.S. companies through internal and externally managed strategies. The goal is to build a portfolio of strategies that will provide excess returns relative to the S&P Composite 1500 index while providing a prudent measure of tracking error to the index. At times a portion of the pools may be invested in exchange traded funds (ETFs) and fixed-income short-term securities with maturities of less than one year.

The pools invest in equities and equity related securities that are listed on U.S. national securities exchanges, including American Depository Receipts (ADRs). They may also invest in stocks that are traded over-the-counter.

The pools diversify their investments by allocating their equity strategies with consideration of the capitalization weightings of the S&P Composite 1500 Index.

The following summarizes the weightings of the pools as of September 30, 2024:

Active	34.8 %
Passive	65.2
Total	**100.0 %**

Large-Cap	78.0 %
Multi-Cap	17.6
Mid-Cap	3.5
Small-Cap	0.9
Total	**100.0 %**

The System's Domestic Equity Pools' total rate of return was 40.5% for the Pension and OPEB Plans for fiscal year 2024. This compared with 35.5% for the S&P Composite 1500 Index.

At the close of fiscal year 2024, the Domestic Equity Pools represented 21.4% of total investments. The following summarizes the System's 78.4% ownership share of the Domestic Equity Pools at September 30, 2024:

Domestic Equity Pools

(in thousands)

Short-Term Pooled Investments	$	846,708
Equities		17,636,298
Settlement Principal Payable		(8,083)
Settlement Proceeds Receivable		12,513
Accrued Dividends		13,817
Total	**$**	**18,501,253**

INTERNATIONAL EQUITY POOLS

The objective for investments made in International Equity Pools is to meet or exceed the total return of the MSCI ACWI ex USA index for one, three, and five-year periods and a market cycle.

For active management strategies, the objective is to earn returns that exceed the most relevant MSCI Index, adjusting for market capitalization, style and geography for one, three, and five-year periods and a market cycle. Another objective is to rank above median in a universe of managers possessing a similar market capitalization, style and geography characteristics.

Active exposure is invested primarily in equities or equity-related securities of non-U.S. companies through externally managed strategies.

The pools diversify their investments by allocating their equity strategies with consideration of the economic development status weightings of the MSCI ACWI ex USA Index.

The following summarizes the weightings of the pool as of September 30, 2024:

Active	65.6 %
Passive	34.4
Total	**100.0 %**

Developed	98.0 %
Emerging	2.0
Total	**100.0 %**

The System's International Equity Pools' total rate of return was 26.3% for the Pension and OPEB Plans for fiscal year 2024. This compared with 25.4% for the MSCI ACWI ex USA Index.

At the close of fiscal year 2024, the International Equity Pools represented 14.3% of total investments. The following summarizes the System's 78.4% ownership share of the International Equity Pools at September 30, 2024:

International Equity Pools

(in thousands)

Short-Term Pooled Investments	$ 364,420
Equities	10,461,401
Fixed Income Securities	1,245,669
Fair Value of Equity Contracts	287,907
Accrued Dividends and Interest	8,050
Total	**$ 12,367,447**

PRIVATE EQUITY POOLS

The Private Equity Pools' objective is to meet or exceed the benchmark for all private equity investments over long time periods. The benchmark is the S&P 500 Index plus 300 basis points net of fees, lagged by three months over three, five, seven and ten-year periods and a market cycle.

Private Equity Investments are investments in the private equity market, primarily through limited partnerships. The following summarizes the weightings of the pools as of September 30, 2024:

Buyout Funds	44.6 %
Fund of Funds	31.8
Venture Capital Funds	12.1
Special Situation Funds	5.6
Liquidation Portfolio	5.9
Total	**100.0 %**

The Private Equity Pools had a return of 4.4% for the Pension and OPEB Plans for the fiscal year ended September 30, 2024, versus the benchmark of 28.2%.

At the close of fiscal year 2024, the Private Equity Pools represented 21.2% of total investments. The following summarizes the System's 78.4% ownership share of the Private Equity Pools at September 30, 2024:

Private Equity Pools
(in thousands)

Short-Term Pooled Investments	$ 21,547
Equities	18,298,592
Settlement Proceeds Receivable	20
Accrued Interest	96
Total	**$ 18,320,255**

REAL ESTATE AND INFRASTRUCTURE POOLS

The objective of the Real Estate and Infrastructure Pools is to provide diversification and favorable risk adjusted returns primarily through income and appreciation of investments. Investments are typically held through investment entities, such as limited partnerships or limited liability companies, established for the specific purpose of owning, leasing, managing, financing, or developing real estate and infrastructure related investments.

The Real Estate and Infrastructure Pools diversify its holdings by:

- **Geography** – The pools are invested globally and are diversified geographically so that it is not concentrated in a limited number of markets or geographic areas.
- **Size and Value** – The pools diversify its holdings by size so that it is not concentrated in a limited number of large investments.
- **Investment Type** – The pools are diversified by investment type as summarized below.

Multi-family apartments	32.6 %
Commercial office buildings	7.1
Hotel	9.1
Infrastructure	9.6
Industrial warehouse buildings	26.2
Single Family	4.3
Retail shopping centers	3.0
Land	1.0
REITs	6.2
Short Term Investments	0.9
Total	**100.0 %**

The Real Estate and Infrastructure Pools generated a return of 1.4% for the Pension Plan and 1.5% for the OPEB Plan for fiscal year 2024. The Real Estate and Infrastructure Pools compare performance with two benchmark returns from the National Council of Real Estate Investment Fiduciaries (NCREIF): the NCREIF Property Index (less 130 basis points) was (4.7)% and the NCREIF Fund Index – Open-End Diversified Core Equity (NFI-ODCE) was (8.0)%.

At the close of fiscal year 2024, the Real Estate and Infrastructure Pools represented 8.8% of total investments. The following summarizes the System's 78.4% ownership share of the Real Estate and Infrastructure Pools at September 30, 2024:

Real Estate and Infrastructure Pools

(in thousands)

Real Estate Equities	$	6,903,441
Infrastructure Equities		771,022
Total	**$**	**7,674,463**

FIXED INCOME POOLS

The objective for investments made in the Fixed Income Pools is to meet or exceed the Bloomberg U.S. Aggregate Bond Index over one, three, and five-year periods and market cycles. Another objective is to rank above median in a nationally recognized universe of managers possessing a similar duration and credit exposure. For Fixed Income sub-strategies, the objective return is to meet or exceed the most relevant Bloomberg benchmark index.

The pools invest in fixed income and related securities in a diversified portfolio of investment grade corporate issues, mortgage-backed and asset-backed securities, U.S. Treasuries, Agencies, government sponsored enterprises and government guaranteed mortgages. The pools diversify its investments by allocating its strategies with consideration of credit risk. The goal is to build a portfolio of strategies that will provide excess returns relative to the blended benchmark while providing minimal tracking error to the index. At times a portion of the pools may be invested in exchange traded funds (ETFs) and fixed-income short-term securities with maturities of less than one year.

The System's Fixed Income Pools' total rate of return was 13.2% for the Pension and OPEB Plans for fiscal year 2024. This compared with 11.6% for the Bloomberg U.S. Aggregate Bond Index.

At the close of fiscal year 2024, the Fixed Income Pools represented 10.2% of total investments. The following summarizes the System's 77.8% ownership share of the Fixed Income Pools at September 30, 2024:

Fixed Income Pools

(in thousands)

Short-Term Pooled Investments	$	54,422
Fixed Income Securities		8,743,487
Accrued interest		25,661
Total	**$**	**8,823,570**

ABSOLUTE RETURN POOL

The primary investment objective of the Absolute Return Pool is to generate a rate of return that meets or exceeds T-bills by 400 basis points net of fees over a market cycle. Another objective is to exceed the appropriate HFRI Fund of Funds Conservative Index median net of fees over one, three, and five-year periods and a market cycle.

The Absolute Return Pool's rate of return for the fiscal year was 11.6% for the Pension and OPEB Plans versus the benchmark's 6.5%.

At the close of fiscal year 2024, the Absolute Return Pool represented 10.0% of total investments. The following summarizes the System's 78.4% ownership share of the Absolute Return Pool at September 30, 2024:

Absolute Return Pool

(in thousands)

Equities	$ 8,619,880
Total	**$ 8,619,880**

REAL RETURN AND OPPORTUNISTIC POOLS

The primary investment objective of the Real Return and Opportunistic Pool is to generate a rate of return that meets or exceeds the increase in the Consumer Price Index (CPI) by at least four percent (4%) annually net of fees over one, three, and five-year periods and a market cycle. Opportunistic investments are targeted to earn a return that exceeds the current actuarial assumed rate of return, with the overall Real Return and Opportunistic Pool's benchmark an equal blend between the two benchmarks. If a peer universe is available, the objective is to rank above median in a nationally recognized universe of managers possessing a similar style.

The Real Return and Opportunistic Pools' rate of return for the fiscal year was 8.2% for the Pension and OPEB Plans versus the benchmark for the Pension plan of 6.3% and 6.8% for the OPEB plan.

At the close of fiscal year 2024, the Real Return and Opportunistic Pools represented 9.4% of total investments. The following summarizes the System's 78.4% ownership share of the Real Return and Opportunistic Pools at September 30, 2024:

Real Return and Opportunistic Pools

(in thousands)

Equities	$ 8,154,433
Total	**$ 8,154,433**

SHORT-TERM INVESTMENT POOLS

The objective of the Short-Term Investment Pools is to closely match the return performance of its benchmark, the 30-day Treasury bill. The Short-Term Investment pools return for the fiscal year was 5.6% for the Pension Plan and 5.5% for the OPEB plan versus the benchmark's 5.6%.

Potential areas of investment are:

- Obligations of the United States or its agencies
- Banker's acceptances, commercial accounts, certificates of deposit or depository receipts
- Repurchase agreements for the purchase of securities issued by the US government or its agencies
- Commercial paper rated at the time of purchase within the two highest classifications established by not less than two national rating services as determined by the State Treasurer
- Short duration investment grade corporate issues

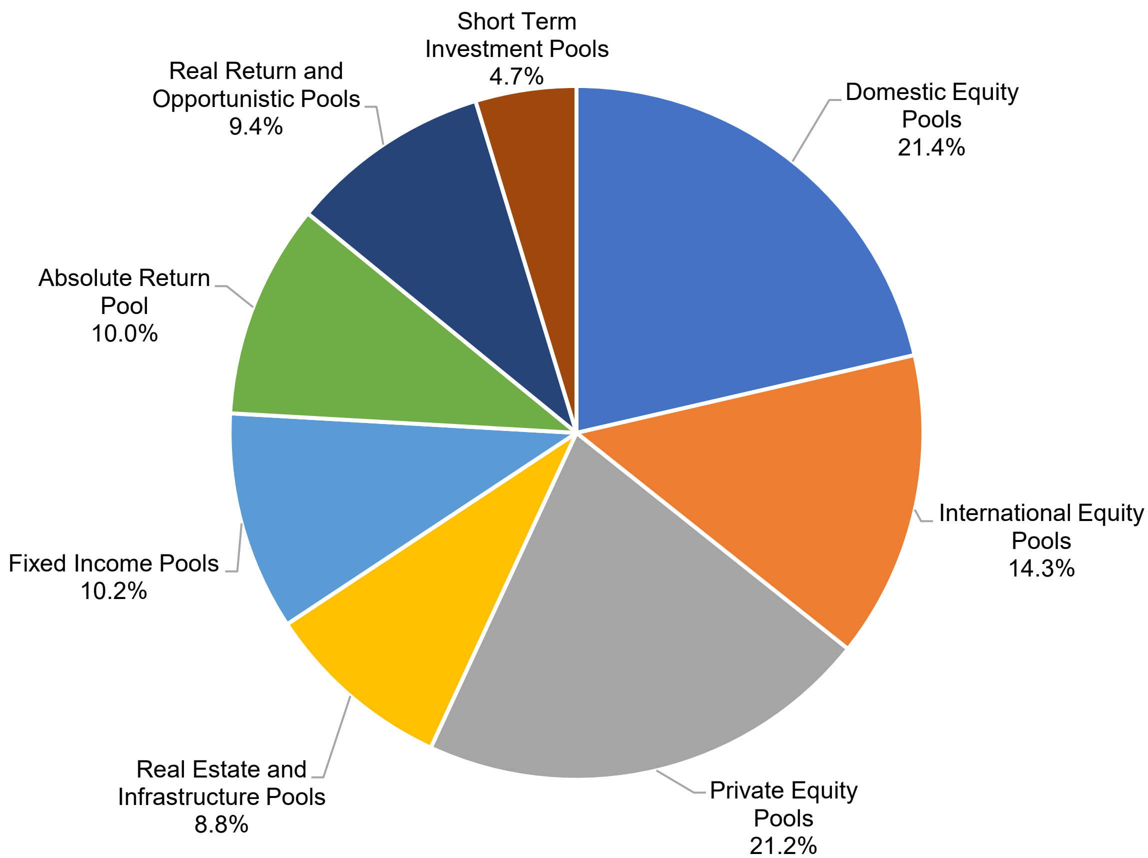
At the close of fiscal year 2024, the Short-Term Investment Pools represented 4.7% of total investments. The following summarizes the System's ownership share of the Short-Term Investment Pools at September 30, 2024:

Short-Term Investment Pools

(in thousands)

Short-Term Pooled Investments	$ 3,712,905
Fixed Income Securities	357,594
Accrued interest	17,313
Total	**$ 4,087,812**

ASSET ALLOCATION – SECURITY TYPE ONLY



PENSION PLAN INVESTMENT RESULTS

For the Period Ending September 30, 2024

	Annualized Rate of Return[1]			
Investment Category	Current Year	3 Years	5 Years	10 Years
Total Portfolio	15.5 %	6.0 %	9.7 %	8.7 %
Domestic Equity Pools	40.5	10.8	14.9	12.7
S&P Composite 1500 Index	35.5	11.5	15.6	13.1
International Equity Pools	26.3	3.5	8.1	6.0
International Blended Benchmark [2]	25.4	4.1	7.6	5.2
Private Equity Pools	4.4	3.9	12.8	12.0
Private Equity Benchmark [3]	28.2	13.3	18.5	16.2
Real Estate and Infrastructure Pools	1.4	8.8	6.2	7.7
NCREIF Property Blended Index [4]	(4.7)	(0.4)	1.9	4.5
Fixed Income Pools	13.2	0.6	1.8	3.2
Bloomberg US Aggregate Bond Index	11.6	(1.4)	0.3	1.8
Absolute Return Pool	11.6	7.7	8.2	5.9
HFRI Fund of Funds Conservative Aggregate Index	6.5	3.7	5.0	3.6
Real Return and Opportunistic	8.2	7.9	10.6	9.9
Real Return and Opportunistic Benchmark [5]	6.3	7.5	7.7	7.3
Short-Term Investment Pools	5.6	3.6	2.5	1.9
30-Day Treasury Bill	5.6	3.6	2.3	1.6

[1] Calculations used a time-weighted rate of return based on the market rate of return in accordance with industry standards. Excludes income and investment gains and losses from securities lending.

[2] As of 7/1/14 index is MSCI ACWI ex USA Net. History 10/1/10 to 6/30/14 is MSCI ACWI ex USA Gross. History 1/1/10 to 9/30/10 is S&P Developed BMI-EPAC Net 75/25. History prior to 1/1/10 is S&P Developed BMI-EPAC Net 50/50.

[3] Index is blend of S&P 500 plus 300 bps with a three-month lag.

[4] As of 10/1/05, index is NCREIF less 130 bp. History prior to 10/1/05 reflects NCREIF less 75 bp.

[5] As of 12/1/18 Real Return Benchmark is CPI + 400 bps net. Opportunistic is current Actuarial Rate of Return. History prior to 12/1/18 reflects 50% (CPI + 5%) and 50% (actuarial rate 8%).

OPEB INVESTMENT RESULTS

For the Period Ending September 30, 2024

	Annualized Rate of Return[1]			
Investment Category	**Current Year**	**3 Years**	**5 Years**	**10 Years**
Total Portfolio	15.5 %	6.0 %	9.7 %	8.7 %
Domestic Equity Pools	40.5	10.8	14.9	12.7
S&P Composite 1500 Index	35.5	11.5	15.6	13.1
International Equity Pools	26.3	3.5	8.1	6.0
International Blended Benchmark [2]	25.4	4.1	7.6	5.2
Private Equity Pools	4.4	3.9	12.8	12.0
Private Equity Benchmark [3]	28.2	13.3	18.5	16.2
Real Estate and Infrastructure Pools	1.5	8.8	6.2	7.7
NCREIF Property Blended Index [4]	(4.7)	(0.4)	1.9	4.5
Fixed Income Pools	13.2	0.6	1.8	3.2
Bloomberg US Aggregate Bond Index	11.6	(1.4)	0.3	1.8
Absolute Return Pool	11.6	7.7	8.2	5.9
HFRI Fund of Funds Conservative Aggregate Index	6.5	3.7	5.0	3.6
Real Return and Opportunistic	8.2	7.9	10.6	9.9
Real Return and Opportunistic Benchmark [5]	6.8	8.0	7.7	7.4
Short-Term Investment Pools	5.5	3.5	2.4	1.8
30-Day Treasury Bill	5.6	3.6	2.3	1.6

[1] Calculations used a time-weighted rate of return based on the market rate of return in accordance with industry standards. Excludes income and investment gains and losses from securities lending.

[2] As of 7/1/14, index is MSCI ACWI ex USA Net. History 10/1/10 to 6/30/14 is MSCI ACWI ex USA Gross. History 1/1/10 to 9/30/10 is S&P Developed BMI-EPAC Net 75/25. History prior to 1/1/10 is S&P Developed BMI-EPAC Net 50/50.

[3] Index is blend of S&P 500 plus 300 bps with a three-month lag.

[4] As of 10/1/05, index is NCREIF less 130 bp. History prior to 10/1/05 reflects NCREIF less 75 bp.

[5] As of 12/1/18 Benchmark is 50% (CPI + 4%) and 50% (actuarial rate 7.05%). History prior to 12/1/18 reflects 50% (CPI + 5%) and 50% (actuarial rate 8%).

LARGEST STOCK HOLDINGS

(By Fair Value)
September 30, 2024

Rank	Shares	Stocks	Fair Value
1	7,628,427	Nvidia Corp.	$ 926,396,156
2	2,057,600	Microsoft Corp.	885,385,250
3	3,756,203	Apple Inc.	875,195,386
4	2,598,102	Amazon.com Inc.	484,104,339
5	736,575	Meta Platforms Inc. Class A	421,645,242
6	15,832,987	AT&T Inc.	348,325,717
7	1,748,240	Alphabet Inc. CL A	289,945,616
8	1,439,346	Broadcom Inc.	248,287,188
9	241,359	Eli Lilly & Co.	213,829,731
10	1,266,038	Alphabet Inc. CL C	211,668,887

The System's investments are commingled in various pooled accounts. Amounts, par value and number of shares represent the System's pro-rata share based on its ownership of the investment pools.

LARGEST BOND HOLDINGS

(By Fair Value)
September 30, 2024

Rank	Par Amount	Bonds & Notes	Fair Value
1	248,629,077	US TREASURY N/B 4.25% 08/15/2054	$ 253,873,596
2	242,283,931	US TREASURY N/B 4.375% 05/15/2034	253,754,561
3	305,006,230	US TREASURY N/B 2.875% 05/15/2052	238,869,917
4	235,264,299	US TREASURY N/B 0.25% 05/31/2025	229,191,998
5	261,218,656	FNMA TBA 30 YR 2 Single Family Mortgage	216,249,982
6	200,379,636	FNMA TBA 30 YR 6.5 Single Family Mortgage	206,476,054
7	197,191,565	FNMA TBA 30 YR 5.5 Single Family Mortgage	199,474,941
8	176,448,224	US TREASURY N/B 4.5% 03/31/2026	178,309,202
9	215,385,551	US TREASURY N/B 3.0% 08/15/2052	173,090,896
10	156,842,866	US TREASURY N/B 4.25% 12/31/2025	157,553,560

Largest Bond Holdings are exclusive of securities lending collateral.

The System's investments are commingled in various pooled accounts. Amounts, par value and number of shares represent the System's pro-rata share based on its ownership of the investment pools.

SCHEDULE OF INVESTMENT FEES

The State of Michigan Investment Board (Board) is the investment fiduciary and custodian of the System's funds pursuant to State law. Outside advisors are utilized to augment the State of Michigan's internal staff. 68.7% of the total investment portfolio is managed by fully discretionary outside advisors. The Michigan Department of Treasury's cost of operations applicable to the retirement system for the fiscal year end amounted to $15.9 million or five and nine tenths basis points (0.059%) of the fair value of the Assets under Management by the Board.

	Assets Under Management (in thousands)	Fees (in thousands)	Basis Points*
Investment Managers' Fees:			
State Treasurer	$ 27,099,279	$ 15,939	5.9
Outside Advisors for			
Fixed Income	5,227,721	12,220	23.4
Absolute Return	8,619,880	41,231	47.8
Real Return and Opportunistic	8,154,433	34,200	41.9
International Equity	9,638,769	20,984	21.8
Domestic Equity	1,814,313	3,940	21.7
Private Equity	18,320,255	146,882	80.2
Real Estate and Infrastructure	7,674,463	59,037	76.9
Total	**$ 86,549,113**	**$ 334,433**	
Other Investment Services Fees:			
Assets in Custody	$ 86,270,086	$ 12,171	
Securities Lending Collateral	2,624,368	1,347	

* Private Equity partnership agreements that define the management fees, the asset management fees range from 0 to 250 basis points of the committed capital. For Real Estate and Infrastructure, the asset management fees range from 12 to 150 basis points. For Absolute Return and Real Return and Opportunistic, the asset management fees range from 0 to 200 basis points. These fees, in most cases, are netted against income.

SCHEDULE OF INVESTMENT COMMISSIONS

Fiscal Year Ended September 30, 2024

	Actual Commissions Paid [1]	Actual Number of Shares Traded [1]	Average Commission Per Share	Estimated Trade Costs Per Share	Estimated Research Costs Per Share	Estimated Trade Costs	Estimated Research Costs
Investment Brokerage Firms:							
Bank of America Securities LLC	$ 278	37,071	$ 0.01	$ -	$ -	$ 371	$ -
Broadcort	118	11,838	0.01	0.01	-	118	-
BTIG LLC	391,517	30,516,839	0.01	0.01	-	152,584	-
Capital Institutional Services Inc.	146,198	29,239,545	0.01	0.01	-	292,396	-
Citigroup Global Markets Inc.	83	11,122	0.01	0.01	-	111	-
Cowen & Company LLC	79,852	3,994,253	0.02	0.01	0.01	39,943	39,943
Drexel Hamilton LLC	14,215	2,842,881	0.01	0.01	-	28,429	-
J. P. Morgan Securities Inc.	168,085	8,430,502	0.02	0.01	0.01	84,305	84,305
Jefferies & Company	1,028	137,058	0.01	0.01	-	1,371	-
Merrill Lynch,Pierce,Fenner & Smith	16,510	707,398	0.02	0.01	0.01	7,074	7,074
Mischler Financial Group Inc.	13,481	674,038	0.02	0.01	0.01	6,740	6,740
MKM Partners LLC	273,599	15,796,803	0.02	0.01	0.01	157,968	157,968
Morgan Stanley & Co. Inc.	1,145	152,729	0.01	0.01	-	1,527	-
National Financial	392	52,359	0.01	0.01	-	523	-
Raymond James and Associates Inc.	20,973	838,922	0.02	0.01	0.01	8,389	9,740
RBC Capital Markets	1,375	183,415	0.01	0.01	-	1,834	-
Roberts & Ryan Inv.	23,618	1,180,893	0.02	0.01	0.01	11,809	11,809
Wayne & Company	446,866	85,673,268	0.01	0.01	-	428,366	-
Glen Eagle Wealth	4,373	437,317	0.01	0.01	-	4,373	-
Total	**$ 1,603,706**	**180,918,251**	**$ 0.01** [2]	**$ 0.01**	$ -	**$ 1,228,231**	**$ 317,579**

[1] Commissions are included in purchase and sale prices of investments. The commissions and shares represent the System's pro-rata share based on ownership of commission and share transactions in the investment pools.

[2] The average commission per share for all brokerage firms.

Fiscal Year Ended September 30, 2024

	Fair Value [1]	Percent of Total Fair Value	Investment & Interest Income[2]	Percent of Total Investment & Interest Income
Fixed Income Pools	$ 8,823,569,767	10.2 %	$ 951,785,385	7.9 %
Domestic Equity Pools	18,501,253,185	21.4	5,504,099,952	45.9
Real Estate and Infrastructure Pools	7,674,462,640	8.8	168,936,643	1.4
Private Equity Pools	18,320,254,554	21.2	925,644,797	7.7
International Equity Pools	12,367,446,936	14.3	2,585,968,130	21.6
Absolute Return Pool	8,619,879,681	10.0	941,413,000	7.8
Real Return and Opportunistic Pool	8,154,433,173	9.4	694,017,894	5.8
Short-Term Investment Pools	4,059,739,600 [3]	4.7	228,027,336	1.9
Total	**$ 86,521,039,536**	**100.0 %**	**$ 11,999,893,137**	**100.0 %**

[1] Fair value excludes $2,624,367,532 in securities lending collateral for fiscal year 2024.

[2] Total Investment & Interest Income excludes net security lending income of $7,650,469 for securities lending collateral.

[3] Short-Term Investment Pools' fair value includes $250,953,842 of equity in common cash.

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ACTUARIAL SECTION

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October 18, 2024

Ms. Michelle Lange, Director
Department of Technology, Management and Budget
and
The Retirement Board
Michigan Public School Employees' Retirement System
P.O. Box 30171
Lansing, Michigan 48909

Ladies and Gentlemen:

The basic financial objective of the Michigan Public School Employees' Retirement System (MPSERS) is to establish and receive contributions which when combined with present assets and future investment return will be sufficient to meet the financial obligations of the System to present and future benefit recipients. The progress toward meeting these financial objectives is illustrated in the Schedules of Funding Progress and the Schedules of Employer Contributions.

We performed actuarial funding valuations and issued actuarial funding reports for the MPSERS pension and retiree health (i.e., OPEB) plans as of September 30, 2023. The purpose of the September 30, 2023 annual actuarial valuations was to determine the annual required contributions for the fiscal year ending September 30, 2026, to measure the System's funding progress, and to provide actuarial information in connection with applicable Governmental Accounting Standards Board Statements. The valuations should not be relied upon for any other purpose. The valuation process develops employer contributions that are sufficient to fund the System's normal cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund any unfunded accrued liabilities over a reasonable period. The valuation was completed based upon population data, asset data and plan provisions in effect on September 30, 2023.

In addition to the funding valuation reports, separate reports are issued to provide financial reporting information for MPSERS in accordance with Governmental Accounting Standards Board (GASB) Statement Nos. 67 and 68 (pension benefits) and Nos. 74 and 75 (retiree health benefits, or OPEB). Reports containing the actuarial results of the financial reporting valuations are produced annually after the publication of this letter. The GASB Statement Nos. 67, 68, 74 and 75 financial reporting valuations are based upon a measurement date of September 30, 2024.

The valuations were based upon information provided by the System's administrative staff concerning System benefit provisions, financial transactions, and individual members, terminated members, retirees and beneficiaries. We checked the data for internal and year to year consistency, but did not audit the data. As a result, we do not assume responsibility for the accuracy or completeness of the data provided by the System's administrative staff. The actuary summarizes and tabulates population data in order to analyze long term trends. The System's auditor audits the actuarial data annually.

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Annual actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rate of investment return, eligibility for the various classes of benefits and longevity among retired lives. These assumptions are adopted by the Board and the Department after considering the advice of the actuary and other professionals. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution requirements as needed.

The following schedules in the Financial Section, the Actuarial Section, and the Statistical Section of the Annual Comprehensive Financial Report (ACFR) were prepared by the Department of Financial Services based upon certain information presented in the previously mentioned funding and financial reporting valuation reports:

Financial Section

- Note 1 – Table of System's Membership
- Note 4 – Net Pension Liability; Summary of Actuarial Assumptions and Methods
- Note 5 – Net OPEB Liability; Summary of Actuarial Assumptions and Methods
- Note A – Methods and Assumptions Used to Determine Contributions for Fiscal Year 2024
- Schedules of Changes in the Net Pension Liability (NPL) and the Net OPEB Liability and Related Ratios
- Schedules of Contributions Multiyear
- Sensitivity of the NPL to Changes in the Discount Rate
- Sensitivity of the Net OPEB Liability to Changes in the Discount Rate
- Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate Assumption

Actuarial Section

- Summary of Actuarial Assumptions and Methods used in the September 30, 2023 Pension Funding Valuation
- Percent of Eligible Active Members Retiring Within Next Year
- Disability and Individual Pay Increase Assumptions
- Separation from Active Employment Before Age and Service Retirement Assumptions
- Schedule of Active Member Pension Valuation Data
- Schedule of Changes in the Retirement Rolls
- Prioritized Solvency Tests
- Schedule of Active Member OPEB Valuation Data
- Schedule of Changes in the OPEB Rolls
- Analyses of System Experience
- Schedules of Funding Progress

Statistical Section

- Schedule of Retired Members by Type of Retirement and Type of Pension Benefit
- Schedule of Retired Members by Type of Health Benefit
- Schedules of Average Benefit Payments – Pension, Medical/Rx and Dental/Vision

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The September 30, 2023 funding valuations and the September 30, 2024 financial reporting valuations were based upon assumptions that were recommended in connection with a study of System experience covering the period from October 1, 2017 through September 30, 2022. Future actuarial measurements may differ significantly from those presented in the annual valuations due to such factors as experience differing from that anticipated by actuarial assumptions, or changes in plan provisions, actuarial assumptions/methods or applicable law. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of future measurements.

The signing actuaries are independent of the plan sponsor.

The actuarial valuations of MPSERS were performed by qualified actuaries in accordance with standards of practice prescribed by the Actuarial Standards Board and in compliance with applicable State statutes. The assumptions and methods used for funding and financial reporting purposes are in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board. Mita D. Drazilov and Louise M. Gates are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. It is our opinion that the calculated employer contribution meets the financial objective of the Retirement System.

Respectfully submitted,

Gabriel, Roeder, Smith & Company

Mita Drazilov

Mita D. Drazilov, ASA, FCA, MAAA

Louise Gates

Louise M. Gates, ASA, FCA, MAAA

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SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS

1. The investment return rate used in the pension valuations of the MIP, Basic and Pension Plus plans was 6.00% per year net of investment expenses, compounded annually. This rate of return is not the assumed real rate of return. Considering a wage inflation assumption of 2.75%, the nominal rate of investment return translates to a real rate of return of 3.25% over wage inflation. Adopted 2021.
2. The healthy retiree life mortality tables used in evaluating allowances to be paid were the PubT-2010 Male and Female Retiree Mortality Tables, scaled by 116% for males and 116% for females, adjusted for mortality improvements using projection scale MP-2021 from 2010. Adopted 2023.
3. Sample probabilities of regular, unreduced retirement are shown in Schedule 1 on the next page. Adopted 2023.
4. Sample probabilities of disability and individual pay increase assumptions are shown in Schedule 2 on the next page. Adopted in 2010 and 2018, respectively. Sample probabilities of withdrawal from service are shown in Schedule 3 on page 89. Adopted 2023.
5. Total active member payroll is assumed to increase 2.75% per year. This represents the portion of the individual pay increase assumptions attributable to inflation. In effect, this assumes no change in the number of active members. Adopted 2018.
6. An individual entry age normal actuarial cost method of valuation was used in determining actuarial liabilities and normal cost. Adopted 1975. Non-Hybrid and Pension Plus Plan initial unfunded actuarial accrued liabilities (UAAL) are amortized over a closed 13-year period ending September 30, 2038, and UAAL resulting from actuarial gains and losses and assumption changes are amortized over closed 15-year periods. Adopted 2023. Pension Plus 2 Plan sources of UAAL are amortized over closed 10-year periods. Non-Hybrid and Pension Plus Plan UAAL layers are amortized using level percent-of-payroll amortization and Pension Plus 2 Plan UAAL layers are amortized using level dollar amortization.
7. The Department of Technology, Management and Budget approved the use of market value of assets as of September 30, 2006 for valuation purposes. For investment gains and losses that occur after that date, a 5-year smoothing technique will be used. Specifically, the excess (shortfall) of actual investment income (including interest, dividends, realized and unrealized gains or losses) over the imputed-income at the valuation interest rate is considered the gain (loss), which is spread over five years. Adopted 2007.
8. The data about persons now covered and about present assets was furnished by the System’s administrative staff. Although examined for general reasonableness, the data was not audited by the actuary.
9. The actuarial valuation computations were made by or under the supervision of a Member of the American Academy of Actuaries (MAAA). The assumptions used in the actuarial valuations were adopted by the System’s Board and the Department of Technology, Management and Budget after consulting with the State Treasurer and the actuary.
10. A 5-year experience investigation, covering the period from October 1, 2017 through September 30, 2022 was completed in 2023. The purpose of the study was to analyze the actual experience of the System versus that anticipated by actuarial assumptions then in use.
11. Gabriel, Roeder, Smith & Company was awarded the actuarial and consulting services contract beginning October 4, 2006.

SCHEDULE 1

PERCENT OF ELIGIBLE ACTIVE MEMBERS RETIRING WITHIN NEXT YEAR

Retirement	Basic		MIP[1] and Pension Plus		Years of	MIP[2]	
Ages	Teachers	Non-Teachers	Teachers	Non-Teachers	Service	Teachers	Non-Teachers
55	25 %	20 %	- %	- %	30	25 %	20 %
58	16	18	-	-	32	20	18
61	20	18	20	17	34	19	18
64	25	24	23	20	36	21	18
67	25	28	25	20	38	24	25
70	25	20	25	16	40	30	25
71	21	20	25	16	42	30	30
72	21	20	25	16	44	30	30
73	21	20	20	16	46	30	30
74	21	20	20	16	48	30	30
75 & over	100	100	100	100	50 & over	100	100

1 Applies to MIP members with fewer than 30 years of service.
2 Applies to MIP members with 30 or more years of service.

SCHEDULE 2

DISABILITY & INDIVIDUAL PAY INCREASE ASSUMPTIONS

Sample Ages	Percent Becoming Disabled Within Next Year	Percent Increase in Pay During Next Year
25	0.01 %	11.55 %
35	0.02	5.85
45	0.10	3.89
55	0.26	2.93
60	0.36	2.75

SCHEDULE 3

SEPARATION FROM ACTIVE EMPLOYMENT BEFORE AGE & SERVICE RETIREMENT

Non-Pension Plus 2 Plan Members — Percent of Active Members Withdrawing Within Next Year

		Pay More than $20,000		Pay Less than $20,000	
Sample Ages	Years of Service	Teachers	Non-Teachers	Teachers	Non-Teachers
All	0	12.00 %	35.00 %	24.00 %	40.00 %
	1	9.00	14.00	22.00	26.00
	2	6.00	8.20	22.00	19.00
	3	5.00	6.80	22.00	16.00
	4	4.00	5.70	22.00	14.00
20	5 & Over	3.00	4.76	22.00	14.00
30	"	2.46	3.76	22.00	14.00
35	"	1.62	2.48	20.80	13.40
40	"	1.12	1.70	18.20	11.80
45	"	0.88	1.44	16.40	9.80
50	"	0.80	1.34	16.00	8.40
55	"	0.80	1.30	16.00	8.00
60	"	0.80	1.30	16.00	8.00

Pension Plus 2 Plan Members — Percent of Active Members Withdrawing Within Next Year

		Pay More than $20,000		Pay Less than $20,000	
Sample Ages	Years of Service	Teachers	Non-Teachers	Teachers	Non-Teachers
All	0	6.00 %	14.00 %	24.00 %	23.00 %
	1	5.00	6.00	22.00	17.00
	2	4.00	5.00	22.00	15.00
	3	3.00	4.00	22.00	13.00
	4	2.00	3.00	22.00	8.00
20	5 & Over	2.01	3.35	16.50	10.50
25	"	2.01	3.19	16.50	10.50
30	"	1.65	2.52	16.50	10.50
35	"	1.09	1.66	15.60	10.05
40	"	0.75	1.14	13.65	8.85
45	"	0.59	0.96	12.30	7.35
50	"	0.54	0.90	12.00	6.30
55	"	0.54	0.87	12.00	6.00
60	"	0.54	0.87	12.00	6.00

SCHEDULE OF ACTIVE MEMBER PENSION VALUATION DATA

Valuation Date Sept. 30	Number	Reported Annual Payroll*	Average Annual Pay	Increase (Decrease)	Average Age	Average Service
2014	199,674	$ 7,943,922	$ 39,784	2.8 %	46.1	12.7
2015	194,957	8,005,009	41,060	3.2	46.1	12.8
2016	189,761	7,912,565	41,698	1.6	46.2	13.0
2017	187,735	7,880,041	41,974	0.7	46.2	13.0
2018	182,930	7,884,550	43,101	2.7	46.4	13.1
2019	174,189	8,039,478	46,154	7.1	47.0	13.6
2020	165,015	7,979,260	48,355	4.8	47.3	14.0
2021	157,021	8,032,377	51,155	5.8	47.4	14.3
2022	155,229	8,431,712	54,318	6.2	47.5	14.2
2023	152,236	8,560,582	56,232	3.5	47.7	14.2

* In thousands of dollars.

SCHEDULE OF ACTIVE MEMBER OPEB VALUATION DATA

Valuation Date Sept. 30	Number	Reported Annual Payroll*	Average Annual Pay	Increase (Decrease)	Average Age	Average Service
2014	191,551	$ 7,618,224	$ 39,771	3.3 %	45.7	12.6
2015	191,403	7,780,961	40,652	2.2	45.6	12.5
2016	189,458	7,745,962	40,885	0.6	45.6	12.5
2017	190,537	7,778,000	40,821	(0.2)	45.5	12.3
2018	190,291	7,873,900	41,378	1.4	45.6	12.2
2019	192,750	8,255,900	42,832	3.5	45.6	11.9
2020	188,765	8,301,200	43,976	2.7	45.8	12.0
2021	183,096	8,496,800	46,406	5.5	45.7	12.1
2022	191,351	9,184,200	47,997	3.4	45.4	11.5
2023	195,765	9,579,700	48,935	2.0	45.4	11.2

* In thousands of dollars.

SCHEDULE OF CHANGES IN RETIREMENT ROLLS

Year Ended Sept. 30	Added to Rolls No.	Added to Rolls Annual Allowances*	Removed from Rolls No.	Removed from Rolls Annual Allowances*	Rolls - End of Year No.	Rolls - End of Year Annual Allowances*	Average Annual Allowances	Change in Annual Allowances
2014	8,852	$ 241,473	5,292	$ 99,689	204,512	$ 4,431,065	$ 21,667	3.3 %
2015	8,761	244,010	5,622	106,223	207,651	4,568,852	22,003	3.1
2016	8,836	248,739	5,480	107,923	211,007	4,709,668	22,320	3.1
2017	8,793	247,289	5,811	117,543	213,989	4,839,414	22,615	2.8
2018	8,741	254,248	6,112	126,607	216,618	4,967,055	22,930	2.6
2019	8,477	252,140	6,158	131,828	218,937	5,087,367	23,237	2.4
2020	9,351	272,951	6,810	148,212	221,478	5,212,106	23,533	2.5
2021	9,885	289,637	7,596	167,114	223,767	5,334,628	23,840	2.4
2022	8,910	280,711	7,462	167,687	225,215	5,447,652	24,189	2.1
2023	7,973	268,931	7,101	167,956	226,087	5,548,627	24,542	1.9

* In thousands of dollars.

SCHEDULE OF CHANGES IN THE OPEB ROLLS

Year Sept. 30	Added to Rolls No.	Added to Rolls Annual Allowances [1]	Removed from Rolls No.	Removed from Rolls Annual Allowances*	Rolls - End of Year No.	Rolls - End of Year Annual Allowances [1]	Average Annual Allowances	Change in Annual Allowances
2014	6,634	$ 57,331	5,042	$ 88,058	161,344	$ 849,429	$ 5,265	(3.5) %
2015	6,617	65,670	5,159	69,497	162,802	845,602	5,194	(0.5)
2016	6,633	74,740	5,072	68,879	164,363	851,463	5,180	0.7
2017	6,572	65,051	5,382	69,797	165,553	846,717	5,114	(0.6)
2018	5,927	58,668	5,559	99,257	165,921	806,128	4,859	(4.8)
2019	6,981	62,342	5,645	116,702	167,257	751,768	4,495	(6.7)
2020	6,736	67,843	6,069	96,185	167,924	723,426	4,308	(3.8)
2021	7,262	80,517	6,642	113,134	168,544	690,810	4,099	(4.5)
2022	6,626	59,144	6,644	97,049	168,526	652,904	3,874	(5.5)
2023	5,776	66,115	6,298	114,338	168,004	604,682	3,599	(7.4)

[1] Based on the illustrative premiums reported for the indicated valuation in thousands of dollars.

Notes:

No. refers to number of retiree health contracts.

Annual allowances added to rolls includes increases due to health inflation and contract changes.

Annual allowances removed from rolls includes decreases due to contract changes.

The System's funding objective is to meet long-term benefit promises through contributions that remain approximately level from year to year as a percent of member payroll. If the contributions to the System are level in concept and soundly executed, the System will pay all promised benefits when due, the ultimate test of financial soundness. Testing for level contribution rates is the long-term solvency test.

A prioritized solvency test is another means of checking a system's progress under its funding program. In a short condition test, the plan's present assets (cash and investments) are compared with: (1) active member contributions on deposit; (2) the liabilities for future benefits to present retired lives; and (3) the liabilities for service already rendered by active and inactive members. In a system that has been following the discipline of level percent of payroll financing, the liabilities for active member contributions on deposit (liability 1) and the liabilities for future benefits to present retired lives (liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the liabilities for service already rendered by active members (liability 3) are normally partially covered by the remainder of present assets. Generally, if the System has been using level-cost financing, the funded portion of liability 3 will increase over time. Liability 3 being fully funded is not necessarily a by-product of level percent of payroll funding methods.

The schedules that follow illustrate the history of the liabilities of the System and are indicative of the System's policy of following the discipline of level percent of payroll financing.

PENSION BENEFITS

(in millions)

	Actuarial Accrued Liability (AAL)				Portion of AAL Covered by Assets			
	(1)	(2)	(3)					
Valuation Date Sept. 30	Active Member Contributions	Retirants and Beneficiaries	Active and Inactive Members (Employer Financed Portion)	Valuation Assets	(1)	(2)	(3)	(4)[1]
2014	$ 5,225	$ 44,126	$ 15,699	$ 39,626	100 %	78.0 %	-	60.9 %
2014[2]	5,225	45,545	15,335	39,626	100	75.5	-	59.9
2015	5,738	46,538	15,452	41,006	100	75.8	-	60.5
2016	6,189	47,431	15,238	43,204	100	78.0	-	62.7
2016[2]	6,189	49,299	16,822	43,204	100	75.1	-	59.7
2017	6,730	50,069	16,528	45,397	100	77.2	-	61.9
2017[2]	6,730	51,878	18,085	47,255	100	78.1	-	61.6
2018	7,479	52,633	17,753	49,313	100	79.5	-	63.3
2018[2]	7,479	56,834	19,062	50,630	100	75.9	-	60.7
2019	8,106	57,716	19,380	51,422	100	75.1	-	60.4
2020	8,329	58,699	19,310	52,587	100	75.4	-	60.9
2021	8,550	59,769	19,454	55,985	100	79.4	-	63.8
2021[2]	8,550	64,089	23,264	61,480	100	82.6	-	64.1
2022	8,851	65,070	24,221	63,075	100	83.3	-	64.3
2023	9,013	65,807	24,439	65,904	100	86.5	-	66.4
2023[2]	9,013	62,556	24,235	65,904	100	90.9	-	68.8

[1] Percent funded on a total valuation asset and total actuarial accrued liability basis.

[2] Revised actuarial assumptions and/or methods.

OTHER POSTEMPLOYMENT BENEFITS

(in millions)

Valuation Date Sept. 30	Actuarial Accrued Liability (AAL) (1) Active Member Contributions	(2) Retirants and Beneficiaries	(3) Active and Inactive Members (Employer Financed Portion)	Valuation Assets	Portion of AAL Covered by Assets (1)	(2)	(3)	(4)[1]
2014 [2]	$ 874	$ 8,829	$ 4,458	$ 2,982	100.0 %	23.9 %	- %	21.1 %
2015	1,042	7,867	3,923	3,531	100.0	31.6	-	27.5
2016 [2]	1,186	8,548	5,592	4,279	100.0	36.2	-	31.1
2017	1,320	7,879	3,594	5,178	100.0	49.0	-	40.5
2017 [2]	1,320	8,279	3,989	5,178	100.0	46.6	-	38.1
2018	1,441	7,794	3,638	5,944	100.0	57.8	-	46.2
2018 [2]	1,441	8,505	3,803	6,089	100.0	54.7	-	44.3
2019	1,254	7,841	3,915	6,958	100.0	72.7	-	53.5
2020	1,372	6,895	3,618	8,179	100.0	98.7	-	68.8
2021	1,470	6,517	3,090	9,606	100.0	100.0	52.4	86.7
2021 [3]	1,470	7,134	3,773	10,548	100.0	100.0	51.5	85.1
2022	1,566	6,472	3,470	11,420	100.0	100.0	97.5	99.2
2023	1,657	5,515	2,898	12,496	100.0	100.0	100.0	124.1
2023 [3]	1,657	5,355	2,831	12,496	100.0	100.0	100.0	127.0

1 Percent funded on a total valuation asset and total actuarial accrued liability basis.

2 Revised actuarial assumptions and/or methods.

3 Change in assumptions shown for years where assumptions other than the trend assumption have changed. Beginning with the September 30, 2021 valuation, results as of the same valuation date prior to the assumption change reflect expected trend from the prior year's valuation.

GAINS/(LOSSES) IN ACCRUED LIABILITIES

During Year Ended September 30, 2023
Resulting from Differences Between Assumed Experience & Actual Experience

Type of Activity	Gain/(Loss)
1. **Retirements (including disability retirement).** If members retire at older ages or with lower final average pay than assumed, there is a gain. If younger ages or higher average pays, a loss.	$ 85,340,117
2. **Withdrawal From Employment** (including death-in-service). If more liabilities are released by withdrawals and deaths than assumed, there is a gain. If smaller releases, a loss.	(32,476,683)
3. **Pay Increases.** If there are smaller pay increases than assumed, there is a gain. If greater increases, a loss.	83,167,050
4. **Investment Income.** If there is greater investment income than assumed, there is a gain. If less income, a loss.	(642,994,990)
5. **Death After Retirement.** If retirants and inactive vested members live longer than assumed, there is a loss. If not as long, a gain.	99,585,867
6. **Rehires.**	7,479,499
7. **Other.** Miscellaneous gains and losses resulting from data adjustments, timing of financial transactions, etc.	(28,014,060)
8. **Composite Gain (or Loss) During Year.**	$ (427,913,200)

ANALYSIS OF SYSTEM EXPERIENCE – OPEB

GAINS/(LOSSES) IN ACCRUED LIABILITIES

During Year Ended September 30, 2023
Resulting from Differences Between Assumed Experience & Actual Experience

Type of Activity	Gain/(Loss)
1. **Premiums.** Gains and losses resulting from actual premiums in valuation year versus that assumed from prior valuation.	$ 1,689,798,963
2. **Investment Income**. If there is greater investment income than assumed, there is a gain. If less income, a loss.	(154,414,530)
3. **Demographic and Other.** Gains and losses resulting from demographic experience, data adjustments, timing of financial transactions, etc.	211,241,608
4. **Composite Gain (or Loss) During Year.**	$ 1,746,626,041

Our actuarial valuation of the System as of September 30, 2023, is based on the present provisions of the Michigan Public School Employees' Retirement Act (Act 300 of 1980. As amended).

REGULAR RETIREMENT

(No reduction factor for age)

- **Eligibility** – Age 55 with 30 years credited service; or age 60 with 10 years credited service. For Member Investment Plan (MIP) members, any age with 30 years credited service; or age 60 with 10 years credited service; or age 60 with 5 years of credited service provided member worked through 60th birthday and has credited service in each of the last 5 years. For Pension Plus and Pension Plus 2 members, age 60 with 10 years of credited service.
- **Mandatory Retirement Age** – None.
- **Transition Date** – February 1, 2013 (Basic and MIP members only).
- **Annual Amount, Basic and MIP** – Total credited service as of the Transition Date × 1.5% of final average compensation (FAC).

PENSION PLUS

An amount determined by the member's election of Option 1, 2, 3, or 4 described below.

Option 1 – Credited Service after the Transition Date × 1.5% × FAC.

Option 2 – Credited Service after the Transition Date (until total service reaches 30 years) × 1.5% × FAC, PLUS Credited Service after the Transition Date and over 30 years × 1.25% × FAC.

Option 3 – Credited Service after the Transition Date × 1.25% × FAC.

Option 4 – None (Member will receive benefit through a Defined Contribution plan).

- **Annual Amount, Pension Plus and Pension Plus 2 Plans** – Credited service x 1.5% x FAC.
- **Final Average Compensation** – Average of highest 60 consecutive months (36 months for MIP members). FAC is calculated as of the last day worked unless the member elected option 4, in which case the FAC is calculated at the Transition Date.

EARLY RETIREMENT

(Age reduction factor used)

- **Eligibility** – Age 55 with 15 or more (but less than 30) years credited service and earned credited service in each of the last 5 years. At least 10 of the 15 years of credited service has to be earned service. Pension Plus and Pension Plus 2 members are not eligible for early retirements.
- **Annual Amount** – Regular retirement benefit reduced by 0.5% for each month by which the commencement age is less than 60.

DEFERRED RETIREMENT

(Vested benefit)

- **Eligibility** – 10 years of credited service. Benefit commences at the time age qualification is met.
- **Annual Amount** – Regular retirement benefit based on service and final average compensation at time of termination.

DUTY DISABILITY RETIREMENT

- **Eligibility** – No age or service requirement; in receipt of workers' disability compensation.
- **Annual Amount** – Computed as regular retirement benefit with minimum benefit based on 10 years credited service. Additional limitation such that disability benefits plus authorized outside earnings limited to 100% of final average compensation (increased by 2% each year retired).

NONDUTY DISABILITY RETIREMENT

- **Eligibility** – 10 years of credited service.
- **Annual Amount** – Computed as regular retirement benefit based on credited service and final average compensation at time of disability. Additional limitation such that disability benefits plus authorized outside earnings limited to 100% of final average compensation (increased by 2% each year retired).

DUTY DEATH BEFORE RETIREMENT

- **Eligibility** – No age or service requirement. Beneficiary is in receipt of workers' compensation. Also applies to "duty disability" retirees during first three years of disability.
- **Annual Amount** – Spouse benefit computed as regular retirement benefit with minimum benefit based on ten years of credited service, reduced for 100% joint and survivor election. If no surviving spouse, children under 18 share in benefit; if no spouse or children, a disabled and dependent parent is eligible.

NONDUTY DEATH BEFORE RETIREMENT

- **Eligibility** – For Basic plan members, 15 years of credited service, or age 60 and 10 years of credited service. For MIP members, 10 years of credited service, or age 60 and 5 years of credited service. For Pension Plus and Pension Plus 2 members, 10 years of credited service.
- **Annual Amount** – Computed as regular retirement benefit, reduced in accordance with a 100% joint and survivor election, with payments commencing first of month following death. For the beneficiary of a deferred member, benefit commences at the time a member would have attained the minimum age qualification.

POST-RETIREMENT COST-OF-LIVING ADJUSTMENTS

One-time upward adjustments have been made in 1972, 1974, 1976 and 1977 for members retired on or after July 1, 1956, and prior to July 1, 1976, who were eligible for Social Security benefits. For members who retired prior to July 1, 1956, and not eligible for Social Security benefits based upon membership service, the minimum base pension was increased in 1965, 1971, 1972, 1974 and 1981, and in 1976 and 1977 one-time upward adjustments were made.

Beginning in 1983, eligible recipients received an annual distribution of investment earnings in excess of 8% (supplemental payment). On January 1, 1986, all members who retired prior to January 1, 1986, were given a permanent 8% increase. On January 1, 1990, a one-time upward adjustment for members who retired prior to October 1, 1981, was made.

Currently members receive annual increases based on the following schedule:

- Retired before January 1, 1987: greater of supplemental payment or automatic 3% increase.
- Retired on or after January 1, 1987 under MIP: automatic 3% increase only.
- Retired on or after January 1, 1987 not under MIP: supplemental payment only.
- Retired under Pension Plus or Pension Plus 2: no increases.

POST-RETIREMENT HEALTHCARE BENEFITS

Members hired before July 1, 2008 are eligible for 80% System paid Master Health Plan and Dental and Vision coverage for themselves and their dependents. However, those retirees Medicare eligible at January 1, 2013 receive 90% System-paid coverage.

Members hired before July 1, 2008 who retired from deferred vested status with less than 30 years of service, who terminate employment after October 31, 1980 with vested deferred benefits, are eligible for partially System-paid health benefit coverage (no payment if less than 21 years of service, 10% of maximum employer payment for each year of service over 20 up to 100% for 30 or more years of service). Members who retire from deferred status and terminated employment before October 31, 1980, are entitled to 100% of the subsidy allowed by law.

Members hired after June 30, 2008, but before September 4, 2012, are eligible for 80% System paid Master Health Plan and Dental and Vision coverage for themselves and their dependents, but the premium subsidy is graded based on career length as described below:

a. Member is age 60 or older at retirement

- If member has 10 or more years of total service, the System pays 30% of the monthly premium for the first 10 years of total service, plus 4% for each additional year of service, up to a maximum of 80% of the monthly premium if 23 years of total service or more.
- If a member has fewer than 10 years of total service, there is no System paid coverage.

b. Member is under age 60 at retirement

- If member has 25 years of actual service, the System pays 80% of the monthly premium.
- If the member has under 25 years of actual service, upon attainment of age 60 the member may apply for System paid coverage (as described by the schedule above in a.).

Dependents are eligible for 80% System paid employer health benefits (partial payments for dependents of deferred vested members who had 21 or more years of service and dependents of members hired on or after July 1, 2008, as per the above schedule).

Members hired on or after September 4, 2012 will become participants of the Personal Healthcare Fund (PHF) and will not be eligible for insurance premium subsidy in retirement. For members hired on or after September 4, 2012, the maximum insurance subsidy is payable to the surviving spouse and health dependents of members who die as a result of injury or illness resulting from job activities. For all other members hired on or after September 4, 2012, the defined benefit portion of their post-retirement health benefits coverage is limited to a credit to a Health Reimbursement Account at termination if they have at least 10 years of service. The credit will be $2,000 for participants who are at least age 60 at termination or $1,000 for participants who are less than age 60 at termination.

Public Act 300 of 2012 granted all members of the Michigan Public School Employees Retirement System, who earned service credit in the 12 months ending September 4, 2012 or were on an approved professional services or military leave of absence on September 4, 2012, a voluntary election regarding their retirement healthcare. Any changes to a member's healthcare benefit are effective as of the member's transition date, which is defined as the first day of the pay period that begins on or after February 1, 2013.

MEMBER CONTRIBUTIONS BEFORE TRANSITION DATE

(February 1, 2013)

- **Basic Participants** – None.
- **MIP Participants hired before January 1, 1990** – 3.9% of pay.
- **MIP Participants hired on or after January 1, 1990 and before July 1, 2008** – 3.0% of first $5,000 of pay, plus 3.6% of next $10,000 of pay, plus 4.3% pay in excess of $15,000.
- **MIP Participants hired on or after July 1, 2008** – 3.0% of first $5,000 of pay, plus 3.6% of next $10,000 of pay, plus 6.4% pay in excess of $15,000.

MEMBER CONTRIBUTIONS ATTRIBUTABLE TO THE RETIREE HEALTH PLANS

Under Public Act 300 of 2012, members were given the choice between i. and ii. below:

i. Maintaining eligibility for premium subsidy retiree medical coverage, and contributing 3% of their compensation while still working, or

ii. Entering the Personal Healthcare Fund (PHF).

Members not making an election defaulted into the premium subsidy arrangement.

If a member who elected the subsidy terminates prior to becoming eligible for the subsidy, dies before the total value of the subsidy received equals the total value of contributions made, or retires and declines coverage, the member or beneficiary may request a refund of unused funds. Refunds of member contributions to the healthcare funding account are issued as a supplemental pension benefit (payable at age 60 and payable from the pension plan) paid out over a 60-month period.

A delayed subsidy applies to retirees who became a member of the retirement system before July 1, 2008 and who purchased service credit on or after July 1, 2008. Such individuals are eligible for premium subsidy benefits at age 60 or when they would have been eligible to retire without having made a service purchase, whichever comes first. They may enroll in the insurances earlier but are responsible for the full premium until the premium subsidy begins.

MEMBER CONTRIBUTIONS ON OR AFTER TRANSITION DATE

(February 1, 2013)

BASIC AND MIP MEMBERS

Contributions depend on member election of Option 1, 2, 3. Members electing Option 4 will not contribute to the Plan.

Option 1 – Basic plan members – 4%.
All MIP members – 7%.

Option 2 – Contributions as in Option 1 until member reaches 30 years of service. At 30 years of service, contribution reverts to pre-transition date level.

Option 3 – Post-transition date contribution is the same as the pre-transition date contribution.

Option 4 – None (Member will receive a benefit through a Defined Contribution plan).

Pension Plus Members – 3% of first $5,000 of pay, plus 3.6% of next $10,000 of pay, plus 6.4% of pay in excess of $15,000.

Pension Plus 2 Members – The member contribution rate will be based upon a 50/50 cost sharing arrangement with the employer with respect to the normal cost and the financing of any unfunded actuarial accrued liabilities associated with PPP2 participants.

SCHEDULE OF FUNDING PROGRESS – PENSION PLAN

Last Ten Years
(in millions)

Valuation Date Sept. 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Active Payroll [1] (c)	UAAL as a % of Active Payroll ((b-a)/c)
2014	$ 39,626	$ 65,050	$ 25,424	60.9 %	$ 8,167	311.3 %
2014 [2]	39,626	66,105	26,479	59.9	8,167	324.2
2015	41,006	67,728	26,721	60.5	8,264	323.3
2016	43,204	68,858	25,654	62.7	8,206	312.6
2016 [2]	43,204	72,310	29,107	59.7	8,206	354.7
2017	45,397	73,327	27,930	61.9	8,221	339.7
2017 [2]	47,255	76,693	29,438	61.6	8,221	358.1
2018	49,313	77,865	28,552	63.3	8,300	344.0
2018 [2]	50,630	83,375	32,745	60.7	8,300	394.5
2019	51,422	85,202	33,780	60.4	8,691	388.7
2020	52,587	86,338	33,750	60.9	8,716	387.2
2021	55,985	87,773	31,788	63.8	8,901	357.1
2021 [3]	61,480	95,903	34,424 [4]	64.1	8,901	386.7
2022	63,075	98,142	35,067	64.3	9,607	365.0
2023	65,904	99,259	33,355	66.4	9,991	333.9
2023 [2]	65,904	95,804	29,900	68.8	9,991	299.3

1 Payroll for UAAL purposes

2 Revised actuarial assumptions and/or methods

3 Change in assumptions shown for years where assumptions other than the trend assumption have changed. Beginning with the September 30, 2021 valuation, results as of the same valuation date prior to the assumption change reflect expected trend from the prior year's valuation.

4 Correction of prior period misstatement.

Source: Gabriel, Roeder, Smith & Co.

SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS

Last Ten Years
(in millions)

Valuation Date Sept. 30	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded (Overfunded) Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Active Payroll [1] (c)	UAAL as a % of Active Payroll ((b-a)/c)
2014 [2]	$ 2,982	$ 14,161	$ 11,180	21.1 %	$ 8,167	136.9 %
2015	3,531	12,832	9,302	27.5	8,264	112.6
2016 [2]	4,279	13,776	9,497	31.1	8,206	115.7
2017	5,178	13,116	7,938	39.5	8,221	96.6
2017 [2]	5,178	15,588	8,410	38.1	8,221	102.3
2018	5,944	12,873	6,928	46.2	8,300	83.4
2018 [2]	6,089	13,749	7,659	44.3	8,300	92.3
2019	6,958	13,010	6,052	53.5	8,691	69.6
2020	8,179	11,885	3,706	68.8	8,716	42.5
2021	9,606	11,077	1,471	86.7	8,901	16.5
2021 [3]	10,548	12,377	1,829	85.2	8,901	20.6
2022	11,420	11,508	89	99.2	9,607	0.9
2023	12,496	10,070	(2,426)	124.1	9,991	(24.3)
2023 [2]	12,496	9,843	(2,653)	127.0	9,991	(26.6)

[1] Payroll for UAAL purposes

[2] Revised actuarial assumptions and/or methods

[3] Change in assumptions shown for years where assumptions other than the trend assumption have changed. Beginning with the September 30, 2021 valuation, results as of the same valuation date prior to the assumption change reflect expected trend from the prior year's valuation.

Source: Gabriel, Roeder, Smith & Co.

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STATISTICAL SECTION

Contents

STATISTICAL SECTION

CONTENTS

This part of the System's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the System's overall financial health.

FINANCIAL TRENDS

These schedules contain trend information to help the reader understand how the System's financial performance and fiscal health has changed over time. The schedules are presented for the last ten fiscal years. Schedules included are:

- Schedule of Pension Plan Additions by Source
- Schedule of OPEB Plan Additions by Source
- Schedule of Pension Plan Deductions by Type
- Schedule of OPEB Plan Deductions by Type
- Schedule of Changes in Fiduciary Net Position – Pension Plan
- Schedule of Changes in Fiduciary Net Position – OPEB Plan
- Schedule of Pension Benefit and Refunds by Type
- Schedule of Other Postemployment Benefits and Refunds by Type

OPERATING INFORMATION

These schedules contain contextual information to assist the reader's understanding of how the System's financial information relates to the combination of participating members and the benefits it provides. Schedules are presented for the last ten fiscal years, except where noted. Schedules included are:

- Schedule of Retired Members by Type of Pension Benefit
- Schedule of Retired Members by Type of Other Postemployment Benefits
- Schedule of Other Postemployment Benefits
- Schedule of Average Benefit Payments – Pension
- Schedule of Average Benefit Payments – Medical/Rx
- Schedule of Average Benefit Payments – Dental/Vision
- Schedule of Principal Participating Employers
- Ten Year History of Membership
- Schedule of Participating Employers

SCHEDULE OF PENSION PLAN ADDITIONS BY SOURCE

Last Ten Years

Fiscal Year Ended Sept. 30	Member Contributions	Employer Contributions Dollars	Employer Contributions Percentage of Annual Reported Payroll	Net Investment & Other Income	Total
2015	$ 395,722,292	$ 1,967,610,696	23.81 %	$ 938,143,040	$ 3,301,476,028
2016	398,893,138	2,308,657,030	28.13	3,095,177,500	5,802,727,668
2017	427,988,238	2,398,950,106	28.38	5,583,470,138	8,410,408,482
2018	393,059,173	2,791,508,863	32.52	5,136,369,857	8,320,937,893
2019	403,146,565	2,706,712,537	30.21	2,519,522,310	5,629,381,412
2020	401,626,288	2,808,839,412	30.91	2,545,305,150	5,755,770,850
2021	413,530,505	3,081,013,949	33.24	13,740,863,392	17,235,407,846
2022	434,411,307	3,843,216,331	38.58	(2,931,930,719)	1,345,696,919
2023	449,906,364	4,842,555,721	46.88	4,829,772,737	10,122,234,821
2024	470,392,612	4,232,261,512	38.50	9,790,636,268	14,493,290,392

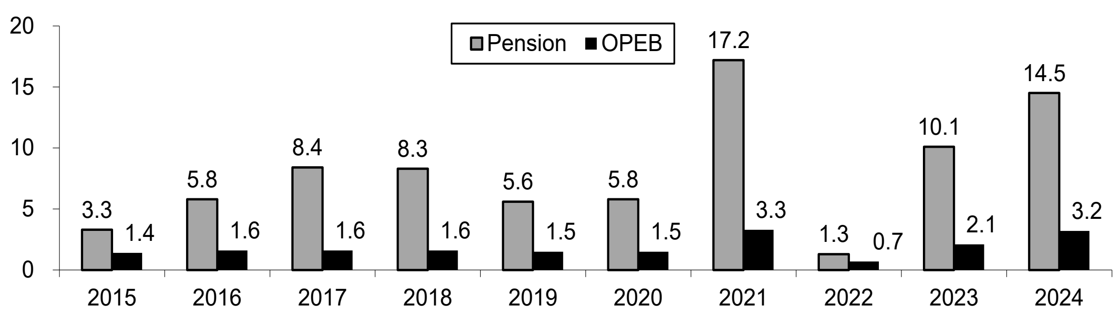
SCHEDULE OF OPEB PLAN ADDITIONS BY SOURCE

Last Ten Years

Fiscal Year Ended Sept. 30	Member Contributions	Employer Contributions Dollars	Employer Contributions Percentage of Annual Reported Payroll	Net Investment & Other Income	Total
2015	$ 381,630,848	$ 969,418,632	11.73 %	$ 52,443,410	$ 1,403,492,890
2016	382,257,166	883,943,202	10.77	292,214,037	1,558,414,405
2017	214,248,867	794,661,944	9.40	595,269,533	1,604,180,344
2018	210,679,842	663,708,218	7.73	691,696,835	1,566,084,896
2019	208,197,137	707,714,340	7.90	569,334,003	1,485,245,480
2020	204,752,249	708,508,889	7.80	629,036,142	1,542,297,280
2021	203,769,106	749,590,728	8.09	2,390,906,011	3,344,265,844
2022	205,596,047	771,570,875	7.74	(286,178,984)	690,987,937
2023	202,972,230	783,148,294	7.58	1,084,002,533	2,070,123,057
2024	202,162,248	803,531,139	7.31	2,152,873,465	3,158,566,852

TOTAL ADDITIONS

Year Ended September 30
(in billions)



SCHEDULE OF PENSION PLAN DEDUCTIONS BY TYPE

Last Ten Years

Fiscal Year Ended Sept. 30	Benefit Payments	Refunds and Transfers	Administrative and Other Expenses	Total
2015	$ 4,530,914,738	$ 136,902,057	$ 24,487,325	$ 4,692,304,120
2016	4,671,299,698	26,996,969	26,213,125	4,724,509,792
2017	4,806,958,754	26,112,046	26,133,359	4,859,204,159
2018	4,934,638,368	28,632,230	25,951,960	4,989,222,559
2019	5,058,624,097	29,344,631	27,740,993	5,115,709,721
2020	5,183,129,306	27,916,861	23,118,595	5,234,164,762
2021	5,309,513,888	26,727,739	23,239,301	5,359,480,928
2022	5,424,330,791	33,182,357	23,784,361	5,481,297,509
2023	5,534,949,342	34,082,873	26,940,693	5,595,972,908
2024	5,648,206,047	33,517,389	26,814,216	5,708,537,652

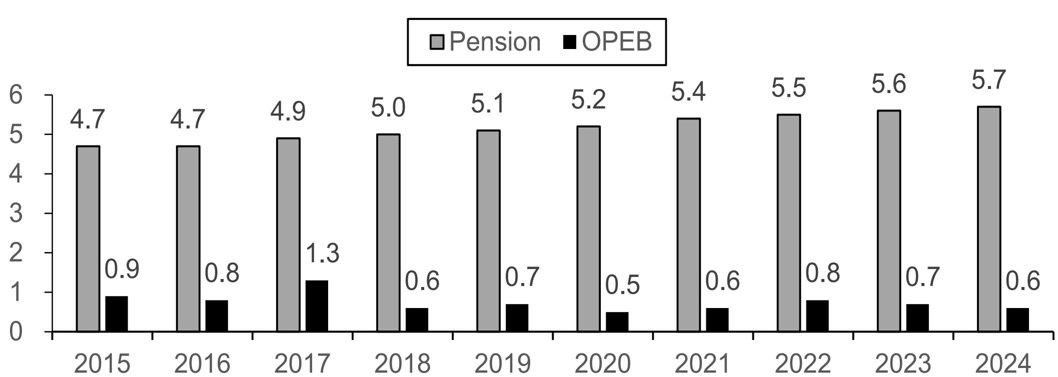
SCHEDULE OF OPEB PLAN DEDUCTIONS BY TYPE

Last Ten Years

Fiscal Year Ended Sept. 30	Benefit Payments	Refunds and Transfers	Administrative and Other Expenses	Total
2015	$ 700,904,663	$ 95,860	$ 153,410,971	$ 854,411,494
2016	653,086,198	93,387	156,358,057	809,537,642
2017	548,269,421	553,960,659	156,354,596	1,258,584,675
2018	477,124,380	344,297	155,149,286	632,617,963
2019	542,033,925	33,591	162,320,970	704,388,486
2020	286,464,930	112,571	163,713,058	450,290,559
2021	449,557,569	107,541	171,430,145	621,095,255
2022	643,217,829	148,344	171,053,373	814,419,546
2023	492,671,422	132,607	178,767,955	671,571,983
2024	445,681,690	128,806	177,863,214	623,673,709

TOTAL DEDUCTIONS

Year Ended September 30
(in billions)



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SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – PENSION PLAN

Last Ten Years
(in thousands)

	Fiscal Year 2015	2016	2017	2018	2019
Member contributions	$ 395,722	$ 398,893	$ 427,988	$ 393,059	$ 403,147
Employer contributions	1,967,611	2,308,657	2,398,950	2,791,509	2,706,713
Net investment income	937,663	3,094,694	5,582,660	5,135,866	2,519,320
Transfer from other systems	-	-	-	-	-
Miscellaneous income	480	484	811	504	202
Total Additions	3,301,476	5,802,728	8,410,408	8,320,937	5,629,382
Pension benefits	4,530,915	4,671,300	4,806,959	4,934,638	5,058,624
Refunds of contributions	136,901	26,994	26,092	28,632	29,345
Transfer to other systems	1	3	20	-	-
Administrative and other expenses	24,487	26,213	26,133	25,952	27,741
Total Deductions	4,692,304	4,724,510	4,859,204	4,989,222	5,115,710
Change in net position	$ (1,390,828)	$ 1,078,218	$ 3,551,204	$ 3,331,715	$ 513,672

SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – OPEB PLAN

Last Ten Years
(in thousands)

	Fiscal Year 2015	2016	2017	2018	2019
Member contributions	$ 381,631	$ 382,257	$ 214,249	$ 210,680	$ 208,197
Employer contributions	969,419	883,943	794,662	663,708	707,714
Other governmental contributions	213	2,411	5	96,708	233,196
Net investment income	52,064	289,644	595,089	594,893	336,063
Miscellaneous income	166	159	176	96	74
Total Additions	1,403,493	1,558,414	1,604,180	3,051,329	1,485,245
Health care benefits	700,904	653,086	548,269	477,124	542,034
Refunds of contributions	96	93	553,961	344	34
Transfers to other systems	-	-	-	-	-
Administrative and other expenses	153,411	156,358	156,355	155,149	162,321
Total Deductions	854,411	809,538	1,258,585	1,337,007	704,388
Change in net position	$ 549,081	$ 748,877	$ 345,596	$ 1,714,322	$ 780,857

	Fiscal Year (continued)				
	2020	2021	2022	2023	2024
Member contributions	$ 401,626	$ 413,531	$ 434,411	$ 449,906	$ 469,398
Employer contributions	2,808,839	3,081,014	3,843,216	4,842,556	4,225,235
Net investment income	2,545,231	13,740,731	(2,932,020)	4,829,736	9,790,450
Transfer from other systems	-	-	-	-	-
Miscellaneous income	74	132	89	37	187
Total Additions	5,755,770	17,235,408	1,345,696	10,122,235	14,485,269
Pension benefits	5,183,129	5,309,514	5,424,331	5,534,949	5,648,206
Refunds of contributions	27,917	26,728	33,182	34,083	33,517
Transfer to other systems	-	-	-	-	-
Administrative and other expenses	23,119	23,239	23,784	26,941	26,814
Total Deductions	5,234,165	5,359,481	5,481,297	5,595,973	5,708,538
Change in net position	$ 521,605	$ 11,875,927	$ (4,135,601)	$ 4,526,262	$ 8,776,732

	Fiscal Year (continued)				
	2020	2021	2022	2023	2024
Member contributions	$ 204,752	$ 203,769	$ 205,596	$ 202,972	$ 201,433
Employer contributions	708,509	749,591	771,571	783,148	802,516
Other governmental contributions	254,348	236,168	251,589	214,638	281,663
Net investment income	374,570	2,154,623	(537,847)	869,240	1,871,126
Miscellaneous income	118	116	79	124	85
Total Additions	1,542,297	3,344,266	690,988	2,070,123	3,156,822
Health care benefits	286,465	449,558	643,218	492,671	445,682
Refunds of contributions	113	108	148	133	129
Transfers to other systems	-	-	-	-	-
Administrative and other expenses	163,713	171,430	171,053	178,768	177,863
Total Deductions	450,291	621,095	814,420	671,572	623,674
Changes in net position	$ 1,092,007	$ 2,723,171	$ (123,432)	$ 1,398,551	$ 2,533,148

SCHEDULES OF BENEFITS AND REFUNDS BY TYPE

SCHEDULE OF PENSION BENEFITS AND REFUNDS BY TYPE

Last Ten Years

Fiscal Year Ended Sept. 30	Regular Benefits*	Disability Benefits	Survivor Benefits	Refunds			Total
				Employer	Employee	Retired Benefits	
2015	$ 4,179,445,527	$ 70,240,170	$ 281,229,041	$ 112,468,242	$ 24,416,139	$ 17,016	$ 4,667,816,135
2016	4,303,690,804	71,924,352	295,684,541	2,478,596	24,507,177	7,771	4,698,293,241
2017	4,422,445,301	73,317,357	311,196,097	126,312	25,971,639	14,096	4,833,070,801
2018	4,532,304,321	74,811,652	327,522,395	217,568	28,375,762	38,900	4,963,270,599
2019	4,642,670,631	74,985,320	340,968,146	109,747	29,218,328	16,556	5,087,968,728
2020	4,750,068,120	75,601,669	357,459,517	434,172	27,480,393	2,297	5,211,046,168
2021	4,859,635,421	75,358,933	374,519,534	117,240	26,610,436	63	5,336,241,627
2022	4,958,403,240	74,286,106	391,641,445	(66,970)	33,244,014	5,313	5,457,513,148
2023	5,053,004,447	74,052,009	407,882,294	(5,206)	34,087,637	442	5,569,021,623
2024	5,149,972,190	73,537,939	424,680,855	27,589	33,481,324	8,476	5,681,708,373

* Includes prior post-retirement adjustments

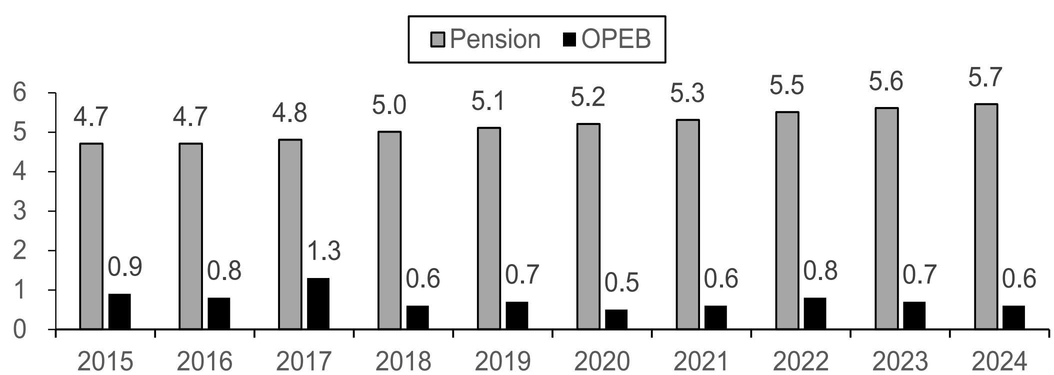
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS AND REFUNDS BY TYPE

Last Ten Years

Fiscal Year Ended Sept. 30	Health Benefits	Dental/Vision Benefits	Administrative Expenses	OPEB Refunds	Total
2015	$ 617,493,539	$ 83,411,124	$ 153,410,971	$ 95,860	$ 854,411,494
2016	567,230,086	85,856,112	156,358,057	93,387	809,537,642
2017	474,032,868	74,236,553	156,354,596	553,960,659	1,258,584,675
2018	402,747,129	74,377,251	155,149,286	344,297	632,617,963
2019	469,017,033	73,016,892	162,320,970	33,591	704,388,486
2020	226,140,881	60,324,050	163,713,058	112,571	450,290,559
2021	377,043,402	72,514,167	171,430,145	107,541	621,095,255
2022	568,673,539	74,544,290	171,053,373	148,344	814,419,546
2023	415,901,788	76,769,634	178,767,955	132,607	671,571,984
2024	366,012,620	79,669,070	177,863,214	128,806	623,673,710

TOTAL BENEFIT DEDUCTIONS

Year Ended September 30
(in billions)



SCHEDULE OF RETIRED MEMBERS BY TYPE OF PENSION BENEFIT

September 30, 2023

Amount of Monthly Benefit	Number of Retirees	Type of Retirement *						Selected Option**				
		1	2	3	4	5	6	Opt. 1	Opt. 2	Opt. 3	Opt. 4	Opt 1E 2E,3E,4E
$ 1 - 400	32,476	28,258	2,692	115	1,027	4	380	16,756	8,529	4,971	866	1,354
401 - 800	33,732	29,015	2,179	144	1,818	3	573	17,148	7,708	6,107	1,341	1,428
801 - 1,200	22,420	18,953	1,661	69	1,230	3	504	10,419	5,038	4,551	1,134	1,278
1,201 - 1,600	17,686	14,715	1,755	27	779	1	409	7,504	4,055	3,573	1,133	1,421
1,601 - 2,000	15,598	12,956	1,694	16	573	3	356	6,056	3,589	3,270	1,114	1,569
2,001 - 2,400	16,075	14,056	1,304	3	438	2	272	5,987	3,776	3,292	1,285	1,735
2,401 - 2,800	17,217	15,590	1,087	5	296	1	238	6,399	4,162	3,337	1,524	1,795
2,801 - 3,200	17,395	16,157	933	2	165	-	138	6,740	4,032	3,494	1,598	1,531
3,201 - 3,600	15,416	14,463	773	1	70	1	108	6,476	3,320	3,141	1,355	1,124
3,601 - 4,000	11,984	11,312	571	1	35	-	65	5,557	2,413	2,353	977	684
Over 4,000	26,088	24,965	991	-	16	-	116	13,988	4,183	4,715	2,256	946
Totals	226,087	200,440	15,640	383	6,447	18	3,159	103,030	50,805	42,804	14,583	14,865

* Type of Retirement
1 – Normal retirement for age and service
2 – Survivor payment – normal retirement
3 – Duty disability retirement (including survivors)
4 – Nonduty disability retirement (including survivors)
5 – Survivor payment – duty death in service
6 – Survivor payment – non-duty death in service

** Selected Option
Opt. 1 – Straight life allowance
Opt. 2 – 100% survivor option
Opt. 3 – 50% survivor option
Opt. 4 – 75% survivor option
Opt. 1E, 2E, 3E, 4E – equated retirement plans

Source: Gabriel, Roeder, Smith & Co.

SCHEDULE OF RETIRED MEMBERS BY TYPE OF OTHER POSTEMPLOYMENT BENEFIT

September 30, 2023

Amount of Monthly Pension	Type of Other Postemployment Benefits	
	Medical/Rx	Dental/Vision
$ 1 - 400	12,436	15,443
401 - 800	17,488	20,904
801 - 1,200	13,927	16,094
1,201 - 1,600	12,259	13,762
1,601 - 2,000	11,645	12,772
2,001 - 2,400	12,478	13,452
2,401 - 2,800	13,657	14,727
2,801 - 3,200	13,936	14,943
3,201 - 3,600	12,499	13,277
3,601 - 4000	9,859	10,467
Over 4,000	22,129	23,054
Totals	152,313	168,895

Counts include all records receiving medical, prescription drug (Rx) and dental/vision benefits.

Source: Gabriel, Roeder, Smith & Co.

For Year Ended September 30, 2024

Claims	
Health Insurance	$ 179,230,974
Vision Insurance	2,608,762
Dental Insurance	75,136,242
Total Claims	256,975,978
Estimated Claims Liability	
Health Insurance	186,781,646
Vision Insurance	517,785
Dental Insurance	1,406,281
Total Estimated Claims Liability	188,705,712
Administrative Fees	
Staff Salaries	1,780,622
Retirement and Social Security	942,742
Other Fringe Benefits	360,151
Accounting	350,179
Actuarial	63,238
Attorney General	60,335
Audit	86,235
Consulting	2,141,578
Medical	43,432
Building Rentals	158,521
Equipment Purchase, Maintenance, and Rentals	2,719
Travel and Board Meetings	827
Office Supplies	597
Printing	23,762
Postage, Telephone, and Other	298,536
Technological Support	2,319,454
Health Insurance	163,376,471
Dental Insurance	5,662,221
Vision Insurance	191,595
Total Administrative Fees	177,863,214
Subtotal	623,544,903
Refunds	128,806
Grand Total	$ 623,673,709

SCHEDULE OF AVERAGE BENEFIT PAYMENTS – PENSION

Last Ten Years

Payment Periods	Credited Service (Years) as of September 30							
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30+	Total
Period 10/1/13 to 9/30/14:								
Average Monthly Benefit	$ 141	$ 219	$ 396	$ 699	$ 1,139	$ 1,689	$ 2,846	$ 1,806
Average Final Average Salary	10,750	20,617	23,263	30,235	37,612	44,258	60,156	45,423
Number of Active Retirants	200	6,971	23,668	29,017	28,219	22,022	94,415	204,512
Period 10/1/14 to 9/30/15:								
Average Monthly Benefit	$ 140	$ 223	$ 405	$ 715	$ 1,162	$ 1,718	$ 2,891	$ 1,834
Average Final Average Salary	10,985	20,900	23,773	30,934	38,452	45,125	60,759	46,045
Number of Active Retirants	187	7,021	24,081	29,535	28,853	22,465	95,509	207,651
Period 10/1/15 to 9/30/16:								
Average Monthly Benefit	$ 126	$ 228	$ 414	$ 729	$ 1,183	$ 1,741	$ 2,933	$ 1,860
Average Final Average Salary	11,346	21,161	24,205	31,512	39,139	45,895	61,328	46,613
Number of Active Retirants	178	7,100	24,401	30,106	29,407	22,989	96,826	211,007
Period 10/1/16 to 9/30/17:								
Average Monthly Benefit	$ 129	$ 233	$ 423	$ 743	$ 1,203	$ 1,762	$ 2,974	$ 1,885
Average Final Average Salary	11,825	21,365	24,663	32,032	39,890	46,663	61,894	47,166
Number of Active Retirants	176	7,163	24,784	30,551	29,998	23,461	97,856	213,989
Period 10/1/17 to 9/30/18:								
Average Monthly Benefit	$ 127	$ 237	$ 432	$ 756	$ 1,222	$ 1,785	$ 3,013	$ 1,911
Average Final Average Salary	12,020	21,612	25,128	32,528	40,512	47,435	62,500	47,754
Number of Active Retirants	170	7,172	25,043	30,860	30,559	23,873	98,941	216,618
Period 10/1/18 to 9/30/19:								
Average Monthly Benefit	$ 136	$ 243	$ 440	$ 769	$ 1,241	$ 1,808	$ 3,051	$ 1,936
Average Final Average Salary	11,966	21,911	25,515	32,959	41,069	48,209	63,064	48,292
Number of Active Retirants	165	7,111	25,398	31,109	31,044	24,233	99,877	218,937
Period 10/1/19 to 9/30/20:								
Average Monthly Benefit	$ 126	$ 248	$ 448	$ 783	$ 1,259	$ 1,830	$ 3,088	$ 1,961
Average Final Average Salary	12,166	22,151	25,939	33,410	41,614	48,903	63,687	48,853
Number of Active Retirants	154	7,029	25,905	31,371	31,441	24,613	100,965	221,478
Period 10/1/20 to 9/30/21:								
Average Monthly Benefit	$ 126	$ 253	$ 456	$ 798	$ 1,277	$ 1,852	$ 3,126	$ 1,987
Average Final Average Salary	12,297	22,401	26,378	33,920	42,169	49,622	64,418	49,479
Number of Active Retirants	148	6,914	26,435	31,548	31,801	24,965	101,956	223,767
Period 10/1/21 to 9/30/22:								
Average Monthly Benefit	$ 133	$ 258	$ 465	$ 814	$ 1,298	$ 1,875	$ 3,163	$ 2,016
Average Final Average Salary	12,661	22,715	26,865	34,463	42,726	50,315	65,135	50,152
Number of Active Retirants	140	6,768	26,650	31,621	31,984	25,199	102,853	225,215
Period 10/1/22 to 9/30/23:								
Average Monthly Benefit	$ 137	$ 263	$ 474	$ 829	$ 1,321	$ 1,899	$ 3,202	$ 2,045
Average Final Average Salary	13,031	23,013	27,293	34,907	43,295	50,973	65,846	50,789
Number of Active Retirants	131	6,609	26,901	31,565	32,031	25,426	103,424	226,087

Source: Gabriel, Roeder, Smith & Co.

SCHEDULE OF AVERAGE BENEFIT PAYMENTS – MEDICAL/RX*

Last Ten Years

Payment Periods	Credited Service (Years) as of September 30							
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30+	Total
Period 10/1/13 to 9/30/14:								
Average Monthly Benefit	$ 137	$ 242	$ 459	$ 750	$ 1,201	$ 1,964	$ 2,965	$ 2,009
Average Final Average Salary	19,937	21,414	25,426	31,541	38,682	47,376	61,032	48,129
Number of Active Retirants	180	4,477	10,953	18,562	20,546	24,482	69,273	148,473
Period 10/1/14 to 9/30/15:								
Average Monthly Benefit	$ 143	$ 247	$ 472	$ 769	$ 1,229	$ 1,997	$ 3,013	$ 2,049
Average Final Average Salary	20,324	21,674	26,017	32,333	39,632	48,032	61,695	48,900
Number of Active Retirants	173	4,379	10,840	18,687	20,835	24,764	70,063	149,741
Period 10/1/15 to 9/30/16:								
Average Monthly Benefit	$ 138	$ 253	$ 485	$ 787	$ 1,256	$ 2,026	$ 3,057	$ 2,088
Average Final Average Salary	19,783	22,021	26,590	33,032	40,491	48,659	62,296	49,636
Number of Active Retirants	168	4,304	10,690	18,791	21,025	24,987	71,001	150,966
Period 10/1/16 to 9/30/17:								
Average Monthly Benefit	$ 142	$ 259	$ 499	$ 805	$ 1,278	$ 2,056	$ 3,100	$ 2,124
Average Final Average Salary	20,030	22,248	27,216	33,716	41,304	49,312	62,902	50,339
Number of Active Retirants	162	4,255	10,581	18,890	21,292	25,221	71,753	152,154
Period 10/1/17 to 9/30/18:								
Average Monthly Benefit	$ 146	$ 265	$ 513	$ 819	$ 1,300	$ 2,088	$ 3,143	$ 2,161
Average Final Average Salary	20,088	22,594	27,854	34,257	41,980	49,988	63,534	51,048
Number of Active Retirants	161	4,166	10,442	18,843	21,521	25,389	72,412	152,934
Period 10/1/18 to 9/30/19:								
Average Monthly Benefit	$ 151	$ 272	$ 525	$ 837	$ 1,323	$ 2,120	$ 3,184	$ 2,199
Average Final Average Salary	20,389	22,967	28,368	34,809	42,641	50,682	64,136	51,756
Number of Active Retirants	155	4,032	10,279	18,747	21,652	25,516	73,006	153,387
Period 10/1/19 to 9/30/20:								
Average Monthly Benefit	$ 161	$ 278	$ 537	$ 853	$ 1,347	$ 2,149	$ 3,221	$ 2,238
Average Final Average Salary	21,166	23,192	28,901	35,326	43,309	51,314	64,779	52,490
Number of Active Retirants	150	3,915	10,091	18,595	21,667	25,522	73,689	153,629
Period 10/1/20 to 9/30/21:								
Average Monthly Benefit	$ 166	$ 282	$ 550	$ 873	$ 1,371	$ 2,178	$ 3,263	$ 2,280
Average Final Average Salary	21,561	23,419	29,607	35,980	44,066	52,048	65,582	53,373
Number of Active Retirants	140	3,765	9,822	18,334	21,686	25,525	74,149	153,421
Period 10/1/21 to 9/30/22:								
Average Monthly Benefit	$ 174	$ 290	$ 564	$ 892	$ 1,396	$ 2,210	$ 3,303	$ 2,323
Average Final Average Salary	22,114	23,884	30,218	36,635	44,772	52,713	66,318	54,221
Number of Active Retirants	132	3,570	9,599	18,012	21,561	25,405	74,547	152,826
Period 10/1/22 to 9/30/23:								
Average Monthly Benefit	$ 187	$ 297	$ 576	$ 910	$ 1,422	$ 2,242	$ 3,344	$ 2,364
Average Final Average Salary	23,002	24,356	30,711	37,160	45,360	53,407	67,023	54,988
Number of Active Retirants	119	3,433	9,433	17,745	21,427	25,319	74,837	152,313

* Average monthly benefits shown are pension benefits.

Source: Gabriel, Roeder, Smith & Co.

SCHEDULE OF AVERAGE BENEFIT PAYMENTS – DENTAL/VISION*

Last Ten Years

Payment Periods	Credited Service (Years) as of September 30							
	0 - 5	5 - 10	10 - 15	15 - 20	20 - 25	25 - 30	30+	Total
Period 10/1/13 to 9/30/14:								
Average Monthly Benefit	$ 136	$ 238	$ 449	$ 737	$ 1,181	$ 1,948	$ 2,948	$ 1,955
Average Final Average Salary	20,147	21,195	24,997	31,104	38,155	47,009	60,778	47,262
Number of Active Retirants	220	5,161	12,983	20,960	22,660	26,333	72,599	160,916
Period 10/1/14 to 9/30/15:								
Average Monthly Benefit	$ 141	$ 244	$ 461	$ 755	$ 1,208	$ 1,981	$ 2,995	$ 1,994
Average Final Average Salary	20,322	21,538	25,579	31,868	39,101	47,659	61,425	48,020
Number of Active Retirants	208	5,090	12,883	21,114	23,037	26,641	73,532	162,505
Period 10/1/15 to 9/30/16:								
Average Monthly Benefit	$ 144	$ 250	$ 473	$ 773	$ 1,233	$ 2,009	$ 3,038	$ 2,030
Average Final Average Salary	20,388	21,837	26,085	32,530	39,877	48,255	62,021	48,717
Number of Active Retirants	206	5,025	12,743	21,322	23,304	26,977	74,629	164,206
Period 10/1/16 to 9/30/17:								
Average Monthly Benefit	$ 149	$ 256	$ 486	$ 790	$ 1,256	$ 2,037	$ 3,081	$ 2,065
Average Final Average Salary	20,719	22,078	26,677	33,178	40,686	48,880	62,629	49,409
Number of Active Retirants	201	4,958	12,655	21,460	23,578	27,235	75,445	165,532
Period 10/1/17 to 9/30/18:								
Average Monthly Benefit	$ 154	$ 262	$ 499	$ 805	$ 1,276	$ 2,067	$ 3,121	$ 2,101
Average Final Average Salary	21,083	22,461	27,269	33,734	41,325	49,520	63,233	50,095
Number of Active Retirants	199	4,880	12,520	21,459	23,884	27,482	76,327	166,751
Period 10/1/18 to 9/30/19:								
Average Monthly Benefit	$ 157	$ 269	$ 510	$ 822	$ 1,297	$ 2,097	$ 3,161	$ 2,137
Average Final Average Salary	21,251	22,782	27,766	34,278	41,940	50,189	63,814	50,763
Number of Active Retirants	194	4,749	12,414	21,389	24,108	27,656	77,022	167,532
Period 10/1/19 to 9/30/20:								
Average Monthly Benefit	$ 161	$ 274	$ 521	$ 839	$ 1,319	$ 2,125	$ 3,197	$ 2,173
Average Final Average Salary	21,383	23,018	28,272	34,778	42,547	50,775	64,446	51,462
Number of Active Retirants	186	4,631	12,283	21,298	24,213	27,766	77,983	168,360
Period 10/1/20 to 9/30/21:								
Average Monthly Benefit	$ 165	$ 279	$ 534	$ 857	$ 1,340	$ 2,152	$ 3,236	$ 2,210
Average Final Average Salary	21,628	23,283	28,922	35,378	43,187	51,430	65,191	52,245
Number of Active Retirants	176	4,487	12,149	21,219	24,390	27,923	78,812	169,156
Period 10/1/21 to 9/30/22:								
Average Monthly Benefit	$ 175	$ 288	$ 547	$ 875	$ 1,363	$ 2,181	$ 3,273	$ 2,249
Average Final Average Salary	22,208	23,764	29,496	35,979	43,794	52,041	65,897	53,024
Number of Active Retirants	164	4,324	11,961	21,001	24,383	27,921	79,502	169,256
Period 10/1/22 to 9/30/23:								
Average Monthly Benefit	$ 186	$ 294	$ 560	$ 893	$ 1,388	$ 2,212	$ 3,313	$ 2,288
Average Final Average Salary	23,040	24,166	30,043	36,465	44,384	52,704	66,581	53,762
Number of Active Retirants	148	4,173	11,799	20,744	24,274	27,881	79,876	168,895

*Average monthly benefits shown are pension benefits

Source: Gabriel, Roeder, Smith & Co.

SCHEDULE OF PRINCIPAL PARTICIPATING EMPLOYERS

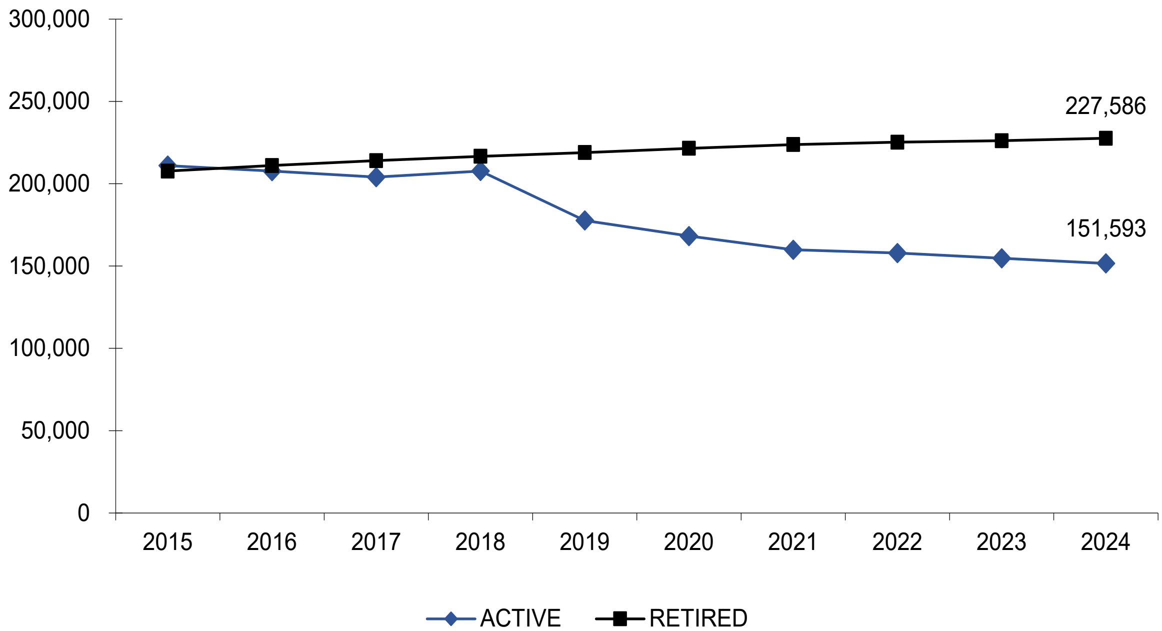
For Fiscal Years Ending September 30, 2024 and 2015

Participating Employer	2024 Employees	2024 Percentage of Total System	2015 Employees	2015 Percentage of Total System
Detroit Public Schools Community District	7,940	3.39 %	7,645	3.22 %
Dearborn Public Schools	3,145	1.34	2,700	1.14
Utica Community Schools	2,886	1.23	3,364	1.42
Ann Arbor Public Schools	2,820	1.20	2,632	1.11
Kalamazoo Public Schools	2,190	0.94	2,246	0.95
Plymouth-Canton Community School District	2,158	0.92	2,251	0.95
Warren Consolidated Schools	2,146	0.92	2,014	0.85
Grand Rapids Public Schools	2,112	0.90	3,046	1.28
Rochester Community Schools	1,991	0.85	1,897	0.80
Kent County Intermediate School District	1,990	0.85	1,155	0.49
All other	204,758	87.45	208,686	87.82
Total	**234,136**	**100.00 %**	**237,636**	**100.00 %**

NOTE: Employers and their eligible employees participate in both the pension and OPEB plans.

TEN YEAR HISTORY OF MEMBERSHIP

Fiscal Year Ended September 30



Source: Gabriel, Roeder, Smith & Co.

SCHEDULE OF PARTICIPATING EMPLOYERS

At September 30, 2024

Universities:

Central Michigan University
Eastern Michigan University
Ferris State University
Lake Superior State University
Michigan Technological University
Northern Michigan University
Western Michigan University

Community Colleges:

Alpena Community College
Bay De Noc Community College
Charles S Mott Community College
Delta College
Glen Oaks Community College
Gogebic Community College
Grand Rapids Community College
Henry Ford College
Jackson College
Kalamazoo Valley Community College
Kellogg Community College
Kirtland Community College
Lake Michigan College
Lansing Community College
Macomb Community College
Mid-Michigan Community College
Monroe County Community College
Montcalm Community College
Muskegon Community College
North Central Michigan College
Northwestern Michigan College
Oakland Community College
Schoolcraft Community College
Southwestern Michigan College
St. Clair County Community College
Washtenaw Community College
Wayne County Community College
West Shore Community College

Intermediate School Districts:

Allegan Area Educational Service Agency
Alpena-Montmorency-Alcona ESD
Barry Intermediate School District
Bay-Arenac Intermediate School District
Berrien Regional Educational Service Agency
Branch Intermediate School District
Calhoun Intermediate School District
Charlevoix-Emmet Intermediate School District
Cheboygan-Otsego-Presque Isle ESD
Clare-Gladwin Intermediate School District
Clinton County Regional Educational Service Agency
COOR Intermediate School District
Copper Country Intermediate School District
Delta-Schoolcraft Intermediate School District
Dickinson-Iron Intermediate School District
Eastern U P Intermediate School District
Eaton Regional Educational Service Agency
Genesee Intermediate School District
Gogebic-Ontonagon Intermediate School District
Gratiot-Isabella Regional Educational Service District
Heritage Southwest Intermediate School District
Hillsdale County Intermediate School District
Huron Intermediate School District
Ingham Intermediate School District
Ionia County Intermediate School District
Iosco Regional Educational Service Agency
Jackson Intermediate School District
Kalamazoo Regional Educational Service Agency
Kent Intermediate School District
Lapeer County Intermediate School District
Lenawee Intermediate School District
Livingston Educational Service Agency
Macomb Intermediate School District
Manistee Intermediate School District
Marquette-Alger Intermediate School District
Mecosta-Osceola Intermediate School District
Menominee County Intermediate School District
Midland County Educational Service Agency
Monroe County Intermediate School District
Montcalm Area Intermediate School District
Muskegon Area Intermediate School District
Newaygo County Regional Educational Service Agency
Northwest Education Services
Oakland Schools Intermediate School District
Ottawa Area Intermediate School District
Saginaw County Intermediate School District
Sanilac County Intermediate School District
Shiawassee Regional Educational Service District
St. Clair County Regional Educational Service Agency
St. Joseph County Intermediate School District
Tuscola County Intermediate School District
Van Buren County Intermediate School District
Washtenaw Intermediate School District
Wayne Regional Educational Service Agency
West Shore Educational Service District
Wexford-Missaukee Intermediate School District

K-12 School Districts:

Adams Township School District
Adams School -Sigel Township School District #3F
Addison Community Schools
Adrian Public Schools
Airport Community Schools
Akron-Fairgrove Schools
Alanson Public Schools
Alba Public Schools
Alcona Community Schools
Algonac Community Schools
Allegan Public Schools
Allen Park Public Schools
Allendale Public Schools
Alma Public Schools
Almont Community Schools
Alpena Public Schools
Anchor Bay School District
Ann Arbor Public Schools
Armada Area Schools
Arvon Township Schools
Ashley Community Schools
Athens Area Schools
Atherton Community Schools
Atlanta Community Schools
Au Gres-Sims School District
AuTrain-Onota Public Schools
Avondale School District
Bad Axe Public Schools
Baldwin Community Schools
Bangor Public Schools
Bangor Township Schools
Baraga Township Schools
Bark River-Harris Schools
Bath Community Schools
Battle Creek Public Schools
Bay City Public Schools
Beal City Schools
Bear Lake School District
Beaver Island Community Schools
Beaverton Schools
Bedford Public Schools
Beecher Community School District
Belding Area Schools
Bellaire Public Schools
Bellevue Community Schools
Bendle Public Schools
Bentley Community Schools
Benton Harbor Area Schools
Benzie County Central Schools
Berkley School District
Berrien Springs Public Schools
Bessemer Area School District
Big Bay De Noc School District
Big Burning-Colfax School District #1F
Big Jackson School District
Big Rapids Public Schools
Birch Run Area Schools
Birmingham Public Schools
Blissfield Community School District
Bloomfield Hills School District
Bloomingdale Public Schools
Bois Blanc Pines School District
Boyne City Public Schools
Boyne Falls Public Schools
Brandon School District
Brandywine Public Schools
Breckenridge Community Schools
Breitung Township Schools
Bridgeport-Spaulding Community School District
Bridgman Public Schools
Brighton Area Schools
Brimley Public Schools
Britton-Deerfield Schools
Bronson Community Schools
Brown City Community Schools
Buchanan Community Schools
Buckley Community Schools
Bullock Creek School District
Burr Oak Community Schools
Burt Township School District
Byron Area Schools
Byron Center Public Schools
Cadillac Area Public Schools
Caledonia Community Schools
Calumet Public Schools
Camden-Frontier School
Capac Community Schools
Carman-Ainsworth Community School District
Carney-Nadeau Public Schools
Caro Community Schools
Carrollton School District
Carson City-Crystal Area Schools
Carsonville-Port Sanilac Schools
Caseville Public Schools
Cass City Public Schools
Cassopolis Public Schools
Cedar Springs Public Schools
Center Line Public Schools
Central Lake-Antrim County Public Schools
Central Montcalm Public Schools
Centreville Public Schools
Charlevoix Public Schools
Charlotte Public Schools
Chassell Township Schools
Cheboygan Area School District
Chelsea School District
Chesaning-Union Schools

K-12 School Districts (continued):

Chippewa Hills School District
Chippewa Valley Schools
Church School
Clare Public Schools
Clarenceville School District
Clarkston Community Schools #3F
Clawson City School District
Climax-Scotts Community Schools
Clinton Community Schools
Clintondale Community Schools
Clio Area School District
Coldwater Community Schools
Coleman Community Schools
Coloma Community Schools
Colon Community School
Columbia School District
Comstock Park Public Schools
Comstock Public Schools
Concord Community Schools
Constantine Public Schools
Coon-Berlin Township School District #3
Coopersville Public Schools
Corunna Public Schools
Covert Public Schools
Crawford-AuSable School District
Crawford-Excelsior School District #1
Crestwood School District
Croswell-Lexington Schools
Dansville Schools
Davison Community Schools
Dearborn Heights School District #7
Dearborn Public Schools
Decatur Public Schools
Deckerville Community School District
Delton-Kellogg Schools
DeTour Area Schools
Detroit Public Schools Community District
Dewitt Public Schools
Dexter Community Schools
Dollar Bay-Tamarack School District
Dowagiac-Union School District
Dryden Community Schools
Dundee Community Schools
Durand Area Schools
East China School District #3
East Grand Rapids Public Schools
East Jackson Public Schools
East Jordan Public Schools
East Lansing Public Schools
Eastpointe Community Schools
Eaton Rapids Public Schools
Eau Claire Public Schools
Eccles-Sigel #4 School
Ecorse Public Schools
Edwardsburg Public Schools
Elk Rapids Schools
Ellsworth Community Schools
Elm River Township Schools
Engadine Consolidated School District #4
Escanaba Area Public Schools
Essexville-Hampton Public Schools
Evart Public Schools
Ewen-Trout Creek Consolidated School District
Fairview Area Schools
Farmington Public Schools
Farwell Area Schools
Fennville Public Schools
Fenton Area Public Schools
Ferndale City School District
Fitzgerald Public Schools
Flat Rock Community Schools
Flint Community Schools
Flushing Community Schools
Forest Area Schools
Forest Hills Public Schools
Forest Park School District
Fowler Public Schools
Fowlerville Community Schools
Frankenmuth School District
Frankfort-Elberta Area Schools
Fraser Public Schools
Freeland Community Schools
Fremont Public Schools
Fruitport Community Schools
Fulton Schools
Galesburg-Augusta Community School District
Garden City Public Schools
Gaylord Community Schools
Genesee School District
Gibraltar School District
Gladstone Area Schools
Gladwin Community Schools
Glen Lake Community Schools
Glenn-Ganges School District #4
Gobles Public Schools
Godfrey-Lee Public Schools
Godwin Heights Public Schools
Goodrich Area Schools
Grand Blanc Community Schools
Grand Haven Public Schools
Grand Ledge Public Schools
Grand Rapids Public Schools
Grandville Public Schools
Grant Public Schools
Grant Township School

K-12 School Districts (continued):

Grass Lake Community Schools
Greenville Public Schools
Grosse Ile Township Schools
Grosse Pointe Public Schools
Gull Lake Community Schools
Gwinn Area Community Schools
Hale Area Schools
Hamilton Community Schools
Hamtramck Public Schools
Hancock Public Schools
Hanover Horton School District
Harbor Beach Community School District
Harbor Springs Public Schools
Harper Creek Community Schools
Harper Woods Public Schools
Harrison Community Schools
Hart Public Schools
Hartford Public Schools
Hartland Consolidated Schools
Haslett Public Schools
Hastings Area School District
Haynor Easton Township School District #6
Hazel Park Public Schools
Hemlock Public Schools
Hesperia Community Schools
Hillman Community Schools
Hillsdale Community Schools
Holland Public Schools
Holly Area Schools
Holt Public Schools
Holton Public Schools
Homer Community Schools
Hopkins Public Schools
Houghton Lake Community Schools
Houghton-Portage Township School District
Howell Public Schools
Hudson Area Schools
Hudsonville Public Schools
Huron School District
Huron Valley School District #4F
Ida Public Schools
Imlay City Community Schools
Inland Lakes Schools
Ionia Public Schools
Iron Mountain Public Schools
Ironwood-Gogebic City Area Schools
Ishpeming Public Schools
Ithaca Public Schools
Jackson Public Schools
Jefferson Schools
Jenison Public Schools
Johannesburg-Lewiston Area Schools
Jonesville Community Schools
Kalamazoo Public Schools
Kaleva Norman Dickson School District
Kalkaska Public Schools
Kearsley Community Schools
Kelloggsville Public Schools
Kenowa Hills Public Schools
Kent City Community Schools
Kentwood Public Schools
Kingsley Area Schools
Kingston Community Schools
Laingsburg Community Schools
Lake City Area Schools
Lake Fenton Community School District
Lake Linden-Hubbell Public Schools
Lake Orion Community School #3
Lake Shore Public Schools
Laker Schools
Lakeshore Public Schools
Lakeview Community Schools
Lakeview Public Schools
Lakeview School District
Lakeville Community Schools
Lakewood School District
Lamphere Public Schools
L'Anse Creuse Public Schools
L'Anse Public Schools
Lansing Public Schools
Lapeer Public Schools
Lawrence Public Schools
Lawton Community Schools
Leland Public Schools
Les Cheneaux Community Schools
Leslie Public Schools
Lincoln Consolidated Schools
Lincoln Park Public Schools
Linden Community Schools
Litchfield Community Schools
Livonia Public Schools
Lowell Area Schools
Ludington Area Schools
Mackinaw City Public Schools
Mackinac Island Public Schools
Madison District Public Schools
Madison School District #2
Mancelona Public Schools
Manchester Community Schools
Manistee Public Schools
Manistique Area Schools
Manton Consolidated School District
Maple Valley Schools
Mar Lee School District
Marcellus Community Schools
Marion Public Schools
Marlette Community Schools

K-12 School Districts (continued):

Marquette Area Public Schools
Marshall Public Schools
Martin Public Schools
Marysville Public Schools
Mason Co.-Eastern-Custer #5 School District
Mason Consolidated Schools
Mason County Central School District
Mason Public Schools
Mattawan Consolidated Schools
Mayville Community Schools
McBain Rural Agricultural School
Melvindale-Northern Allen Park School District
Memphis Community Schools
Mendon Community School
Menominee Area Public Schools
Meridian Public Schools
Merrill Community Schools
Mesick Consolidated Schools
Michigan Center School District
Mid Peninsula Schools
Midland City Schools
Milan Area Schools
Millington Community School District
Mio-AuSable Schools
Mona Shores School District #29
Monroe Public Schools
Montabella Community Schools
Montague Area Public Schools
Montrose Community Schools
Moran Township School District
Morenci Area Schools
Morley-Stanwood Community Schools
Morrice Area Schools
Mt Clemens Community Schools
Mt Morris Consolidated Schools
Mt Pleasant Public Schools
Munising Public Schools
Muskegon City Public Schools
Muskegon Heights City Public Schools
Napoleon Community School District
Negaunee Public Schools
New Buffalo Area Schools
New Haven Community Schools
New Lothrop Area Public Schools
Newaygo Public Schools
Nice Community Schools
Niles Public Schools
North Adams-Jerome Public Schools
North Branch Area Schools
North Central Area Schools
North Dickinson School
North Huron Schools
North LeValley School #2
North Muskegon Public Schools
Northport Public Schools
Northview Public Schools
Northville Public Schools
Northwest School District
Norway-Vulcan Area Schools
Nottawa Community Schools
Novi Community School District
Oak Park School District
Oakridge Public Schools
Okemos Public Schools
Olivet Community Schools
Onaway Area Community Schools
Onekama Consolidated Schools
Onsted Community Schools
Ontonagon Area School District
Orchard View Schools
Oscoda Area Schools
Otsego Public Schools
Ovid-Elsie Area Schools
Owendale-Gagetown Area Schools
Owosso Public Schools
Oxford Area Community Schools
Parchment School District
Paw Paw Public Schools
Peck Community Schools
Pellston Public Schools
Pennfield Public Schools
Pentwater Public Schools
Perry Public Schools
Petoskey Public Schools
Pewamo-Westphalia Community School District
Pickford Public Schools
Pinckney Community Schools
Pinconning Area Schools
Pine River Area Schools
Pittsford Area Schools
Plainwell Community Schools
Plymouth-Canton Community School District
Pontiac City School District
Port Huron Area Schools
Portage Public Schools
Portland Public Schools
Posen Consolidated Schools
Potterville Public Schools
Powell Township School District
Quincy Community Schools
Rapid River Public Schools
Ravenna Public Schools #24
Reading Community Schools
Redford-Union School District #1
Reed City Public School District
Reese Public Schools
Reeths-Puffer Schools

K-12 School Districts (continued):

Republic-Michigamme Schools
Richmond Community Schools
River Rouge Public Schools
River School
River Valley School District
Riverside-Hagar School District #6
Riverview Public Schools
Rochester Community Schools
Rockford Public Schools
Rogers City Area Schools
Romeo Community Schools
Romulus Community Schools
Roscommon Area Public Schools
Roseville Community Schools
Royal Oak City School District
Rudyard Public Schools
Saginaw City Schools
Saginaw Township Community Schools
Saline Area Schools
Sand Creek Community Schools
Sandusky Community Schools
Saranac Community Schools
Saugatuck Public Schools
Sault Ste Marie Public Schools
Schoolcraft Community Schools
Shelby Public Schools
Shepherd Public Schools
South Haven Public Schools
South Lake Public Schools
South Lyon Community Schools
South Redford School District
Southfield Public Schools
Southgate Community School District
Sparta Area Schools
Spring Lake Public Schools
Springport Public Schools
St. Charles Community Schools
St. Ignace Public Schools
St. Johns Public Schools
St. Joseph Public Schools
St. Louis Public Schools
Standish-Sterling Community School District
Stanton Township Public Schools
Stephenson Area Public Schools
Stockbridge Community Schools
Strange-Oneida School #3
Sturgis Public Schools
Summerfield Schools
Superior Central School District
Suttons Bay Public Schools
Swan Valley School District
Swartz Creek Community Schools
Tahquamenon Area School District
Tawas Area Schools
Taylor School District
Tecumseh Public Schools
Tekonsha Community Schools
Thornapple-Kellogg School
Three Rivers Community Schools
Traverse City Public Schools
Trenton Public Schools
Tri-County Area Schools
Troy City School District
Ubly Community Schools
Union City Community Schools
Unionville-Sebewaing Area Schools
Utica Community Schools
Van Buren Public Schools
Vanderbilt Area Schools
Vandercook Lake Public Schools
Van Dyke Public Schools
Vassar Public Schools
Verona Mills School
Vestaburg Community Schools
Vicksburg Community Schools
Wakefield-Marenisco School District
Waldron Area Schools
Walkerville Public Schools
Walled Lake Consolidated Schools
Warren Consolidated Schools
Warren Woods Public Schools
Waterford School District
Watersmeet Township School District
Watervliet Public Schools
Waverly Community Schools
Wayland Union Schools
Wayne-Westland Community Schools
Webberville Community Schools
Wells Township School #18
West Bloomfield Schools
West Branch-Rose City Area Schools
West Iron County Public Schools
West Ottawa Public Schools
Western School District
Westwood Community Schools
Westwood Heights Schools
White Cloud Public Schools
White Pigeon Community Schools
Whitefish Township School
Whiteford Agricultural School
Whitehall District Schools
Whitmore Lake Public Schools
Whittemore-Prescott Area Schools
Williamston Community Schools
Wolverine Community Schools
Wood School District #8, Bangor Township
Woodhaven-Brownstown School District

K-12 School Districts (continued):

Wyandotte Public Schools
Wyoming Public Schools
Yale Public School District
Ypsilanti Community
Zeeland Public Schools

Libraries:

Ann Arbor District Library
Bacon Memorial District Library
Flint Public Library
Grosse Pointe Public Library
Hackley Public Library
Kalamazoo Public Library
Mt Clemens Public Library
Public Libraries of Saginaw
Willard District Library

Public School Academies:

AGBU Alex & Marie Manoogian School
Academy for Business & Technology
Arts Academy in the Woods
Battle Creek Area Learning Center
Bay-Arenac Community High School
Blue Water Middle College Academy
Cornerstone Jefferson-Douglass Academy
Countryside Academy
Covenant Schools Detroit
Creative Technologies Academy
Da Vinci Institute
Dearborn Academy
Detroit Edison Public School Academy
Detroit Leadership Academy
Detroit Public Safety Academy
Flat River Academy
Flint Cultural Center Academy
Francis Reh Public School Academy
George Washington Carver Academy
Grand Rapids Child Discovery Center
Henry Ford Academy
Holly Academy
Honey Creek Community School
Joseph K. Lumsden Public School Academy
Macomb Academy
Martin Luther King, Jr. Public School Academy
Michigan Great Lakes Virtual Academy
Michigan International Prep School
Michigan Online School
Muskegon Heights Public School Academy
Nah Tah Wahsh Public School Academy
The New Standard Academy
North Star Academy
Northridge Academy
Outlook Academy
Presque Isle Academy II
Pontiac Academy of Excellence
Richfield Public School Academy
Rising Stars Academy
Summit Academy North
Three Lakes Academy
Virtual Learning Academy of St. Clair
Walden Green Day School
Washington Parks Academy
Washtenaw Technical Middle College
Waterford Montessori Academy
West Michigan Aviation Academy
West Village Academy
Will Carleton Academy
Woodland Park Academy

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