



Retiree's Corner

Federal Income Tax Withholding Notice

Monthly JRS benefits are subject to federal income tax withholding. Federal law requires us to notify benefit recipients to decide whether they want federal income tax withheld from their benefit.

If a member fails to inform us of their decision, taxes are withheld as a married individual with three exemptions. No withholding is required for a benefit less than \$1,238 per month unless you request it.

Tax penalties may be incurred if you do not withhold income taxes and your estimated tax payment is insufficient for the year.

If your request is on file with JRS, it will stay the same unless you request a change. You may notify us at any time to change or end your withholding. JRS will notify members through this newsletter of any changes in federal tax laws affecting your withholding.

Annuitants & Survivor Annual Statements

JRS will be mailing the annuitant & survivor annual benefit statements in March. This statement details any benefits you are currently receiving, your beneficiaries for death benefits and group insurance, and other important information.

If you wish to change your beneficiary(ies), fill out the form on page 4. These changes will be included in your upcoming statement.



New Legislation

Public Act 91-0653, passed by the General Assembly on December 10, 1999, provides benefits for certain members of the Judges' Retirement System.

Members who elected to discontinue contributions into JRS had until January of 2000 to revoke that election. These members could also choose to only pay contributions on future salary increases.

Current members who are eligible for the maximum annuity rate at age 60, can also elect to limit their contributions on future salary increases. Members can use service credit in reciprocal systems to reach the maximum annuity rate.

This legislation also allows members to receive a 5/12% credit for each month of service over 20 years, to offset the reduction for retiring before age 60.

It is now possible for a member to retire with full benefits at age 55 with 26 years of judicial service. However, members can't use service from reciprocal systems to meet the 26 year requirement.

If you think you may be eligible for any of these provisions, contact the Judges' Retirement System at 217-782-8500.



The **Panel** is published by the
Judge's Retirement System of Illinois
P. O. Box 19255, 2101 S. Veterans Parkway
Springfield, Illinois 62794-9255 217/782-8500

Chicago Office

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The Executive Secretary is **Michael L. Mory**.

The Board of Trustees consists of: Justice **Michael A. Bilandic**, Chairman; Justice **Thomas Hoffman**, Vice-Chairman; Chief Justice **Moses Harrison**; Justice **S. Louis Rathje**; State Treasurer **Judy Barr Topinka**.

FY99 Financial Report

This past fiscal year was highlighted by a roller coaster ride in the financial markets. In spite of a rocky start for most stock markets in FY99, an explosive rally towards the end of the fiscal year resulted in double digit returns. The end result was a very good year, but not as spectacular as the investment returns of FY98.

JRS investments are managed by the Illinois State Board of Investment (ISBI) and maintained in the ISBI Commingled Fund (ISBI Fund). The ISBI, an independent state agency, also manages investments for the General Assembly and the State Employees' Retirement Systems.

The ISBI Fund earned a total rate of return of 12.9%. This is well above the ISBI Fund's long-term objective of earning 4.5% above the inflation rate, and at least equaling the 8.0% actuarial interest assumption.

On June 30, 1999, JRS had a funding ratio of 48.4%, a slight increase from the FY98 ratio of 47.7%.

The State of Illinois has increased its employer contributions in accordance with funding legislation passed several years ago. JRS began fiscal year 2000 with an improving financial condition and a solid management team and staff.

Revenues

Employer and member contributions, and income from investments provide the reserves necessary to finance our retirement, death, and disability benefits.

For FY99, JRS revenue sources totaled \$74.6 million—an 8.7% decrease from FY98. The single largest revenue

Statements of Plan Net Assets June 30, 1999 and 1998

	1999	1998
Assets		
Cash	\$ 7,279,856	\$ 6,867,811
Receivables	291,173	327,432
Investments, at fair value	382,235,852	349,612,772
Equipment, net of acc. depr.	<u>8,784</u>	<u>10,281</u>
Total Assets	<u>\$ 389,815,665</u>	<u>\$ 356,818,296</u>
Liabilities		
Total Liabilities	<u>\$ 53,742</u>	<u>\$ 125,360</u>
Net assets held in trust for pension benefits	<u>\$ 389,761,923</u>	<u>\$ 356,692,936</u>

Statements of Changes in Plan Net Assets June 30, 1999 and 1998

	1999	1998
Additions		
Contributions:		
Participants	\$ 11,270,131	\$ 10,832,669
Employer	<u>18,688,816</u>	<u>15,692,152</u>
Total contributions revenue	<u>\$ 29,958,947</u>	<u>\$ 26,524,821</u>
Investment income	<u>\$ 44,613,324</u>	<u>\$ 55,141,638</u>
Total Additions	<u>\$ 74,572,271</u>	<u>\$ 81,666,459</u>
Deductions		
Benefits	\$ 40,851,598	\$ 38,632,724
Refunds	296,143	568,419
Administrative	<u>355,543</u>	<u>333,609</u>
Total Deductions	<u>\$ 41,503,284</u>	<u>\$ 39,534,752</u>
Net Increase	\$ 33,068,987	\$ 42,131,707
Net assets held in trust for pension benefits:		
Beginning of year	<u>356,692,936</u>	<u>314,561,229</u>
End of year	<u>\$ 389,761,923</u>	<u>\$ 356,692,936</u>

1–On–1 Counseling

1–on–1 counseling is available for our active members, retirees, and survivors about their JRS benefits. Listed below are the dates and locations of the 1–on–1 counseling sessions for the remainder of fiscal year 2000.

Although no appointment is necessary, we would like to know who will be attending each session. If you would like to talk with our staff during a visit to your area, call us at 217-782-8500, or notify the Court Administrator at the meeting site you wish to attend.

February 2, 3, 4

Judicial Conference
Marriott on Michigan Ave.
Chicago 9 a.m. - 3 p.m.

February 9

James R. Thompson Center
Suite 2-010, 100 W. Randolph
Chicago 8:30 a.m. - 3 p.m.

February 10

James R. Thompson Center
Suite 2-010, 100 W. Randolph
Chicago 8:30 a.m. - 2:30 p.m.

March 8, 9, 10

Judicial Conference
Marriott on Michigan Ave.
Chicago 9 a.m. - 3 p.m.

March 29

Knox Co. Courthouse
Galesburg 11 a.m. - 2 p.m.

March 30

Peoria Co. Courthouse
Peoria 9 - 11:30 a.m.

March 30

McLean Co. Courthouse
Bloomington 1 - 3 p.m.

April 6

State Capitol
Senate Room 319
Springfield
8:30–11:30 a.m. & 12:30–3:30 p.m.

April 11

State Capitol
House Speaker's Conference Room
Springfield
8:30–11:30 a.m. & 12:30–3:30 p.m.

April 26

5th Municipal District Courthouse
Bridgeview 1 - 3 p.m.

April 27

2nd Municipal District Courthouse
Skokie 9 - 11 a.m.

JRS Workshops

Planning For Your Financial Future

To help you start planning for your retirement years, we urge you to enroll in the free, one-day Education for Tomorrow's Choices (ETC) pre-retirement workshop.

The ETC stresses long-range planning, features a certified financial planner to discuss money management and investment strategies, as well as expert speakers from Deferred Compensation and Social Security.

Although retirement may be years in your future, this information will help you plan for a lifetime of financial security. If you are interested in attending a workshop, call us at 217-782-8500. Spouses or other guests are always welcome.

Myths & Realities of Retirement

To help make your retirement years more satisfying and rewarding, the Judges' Retirement System offers the Myths and Realities of Retirement workshop for retirees and their spouses, as well as survivors receiving JRS benefits.

This free, one-day workshop lasts from 9 a.m. until 3:30 p.m. Topics include financial and estate planning, Social Security and group insurance benefits.

If you are interested in attending an MRR, call us at 217-782-8500. Information on the exact workshop location will be mailed to you. The MRR workshop schedule for this fiscal year is: April 5 in Peoria, April 26 in Chicago, June 14 in Rockford.

FINANCIALS *(continued from page 2)*

increase was employer contributions, up 19.1% or \$3 million. The increase in member contributions was approximately \$.4 million (4%), while investment income was down \$10.5 million (-19.1%).

Expenses

The primary expense of any retirement system is the payment of benefits. These payments, combined

with refunds of contributions and administrative expenses, make up all expenses for the JRS.

Expenses for FY99 were 5.0% more than FY98. This change was largely due to a growth in the number of benefits paid, an increase in the average benefit payment, and the annual annuity increases granted at the beginning of each calendar year.

Judges Retirement System of Illinois

2101 South Veterans Parkway, P. O. Box 19255, Springfield, Illinois 62794-9255 217/782-8500

MEMBER'S NOMINATION OF BENEFICIARY(IES) FOR DEATH BENEFITS

This form is to be used to nominate the person or persons to receive any death benefit payable by the Judges Retirement System of Illinois. ***This is a legal document which, after preparation, may not be altered in any way by any person.*** A member wishing to change beneficiaries at a later date must complete a new Nomination Beneficiary form. The form on file with JRS with the most recent date—located next to the member's signature—will take precedence.

INSTRUCTIONS: Complete this form using ink or a typewriter. You may nominate as many people as you wish. If additional space is needed, use additional sheets. Survivor benefits will be paid in the numerical order you indicate. Two or more persons with the same order number will receive equal shares. When this beneficiary nomination is accepted by the Judges Retirement System, an acknowledgment will be mailed to you.

NOTE: Persons nominated as beneficiaries without order numbers will be considered after those persons nominated with order numbers. Two or more persons nominated without order numbers will receive equal shares.

EXAMPLE

Order Number	Name	Address	Relationship
1	John A. Doe	123 West Main, Chicago, IL 60601	Father
2	Jane B. Doe	123 West Main, Chicago, IL 60601	Mother
3	David C. Doe	123 West Main, Chicago, IL 60601	Brother
3	Nancy D. Doe	44 South 2nd, Springfield, IL 62708	Sister
3	Mary E. Doe	123 West Main, Chicago, IL 60601	Sister
4	Frank F. Smith	9876 E. 99th St., Peoria, IL 61605	None

In the event the member dies while in state service, the benefit will be paid as follows:

1. All the money will be paid to John A. Doe.
2. If John A. Doe is not living when the member dies, all the money will be paid to Jane B. Doe.
3. If John A. and Jane B., Doe are not living when the member dies, the money will be divided equally among David C., Nancy D., and Mary E. Doe. (If only two of these three persons are living when the member dies, each will receive one-half of the money. If only one of these three persons is living when the member dies, he/she will receive all of the money.)
4. If John A., Jane B., David C., Nancy D., and Mary E. Doe are not living when the member dies, all the money will be paid to Frank F. Smith.
5. If none of the nominated beneficiaries are living when the member dies, all of the money will be paid to the member's estate.

Nominated Beneficiaries

Order Number	Name	Address	Relationship

This form must be witnessed by two people who are not named as beneficiaries.

Member's Signature _____ Date _____

Member's Social Security Number _____ Witness _____

Member's Address _____ Address _____

Witness _____

Address _____