



## Fiscal Year 2005 Financial Highlights

### Operations

Total revenue includes participant and employer contributions as well as net income from investment activities.

Participant contribution rates are set by statute as a percentage of salary. For fiscal year 2005, participant contributions totaled \$13.3 million, a 3.3% decrease from the fiscal year 2004 participant contributions. This decrease was primarily due to additional participant contributions received during fiscal year 2004 as the result of a court ordered payment of cost of living adjustments which had previously been eliminated due to budgetary constraints.

Employer contributions in fiscal year 2004 were \$178.6 million, including \$142.0 million in proceeds from the sale of General Obligation bonds by the State of Illinois. Without these bond proceeds, the fiscal year 2004 employer contributions were \$36.6 million as required by the state's funding plan. For fiscal year 2005, employer contributions totaled \$32.0 million as required by the state's funding plan.

Total expenses include benefit payments, refunds and administrative expenses. During fiscal year 2005, the System paid out approximately \$65.3 million in benefits and refunds, an increase of 6.4% from fiscal year 2004. This increase was mainly due to an

**FINANCIALS** (continued on page 2)

## One-On-One Counseling

Below is a list of the one-on-one counseling sessions through August, 2006. Please call the appropriate Court Administrator to schedule an appointment. The one-on-one sessions during the \*Judges Education Conference will be first-come, first-serve.

### **\*February 1, 2 & 3**

Judges Education Conference  
Hyatt Regency, Chicago

### **February 9**

Michael A. Bilandic Building  
160 North LaSalle, Suite N-725  
Chicago 312-814-5853  
1 p.m. - 4:30 p.m.

### **February 10**

Michael A. Bilandic Building  
160 North LaSalle, Suite N-725  
Chicago 312-814-5853  
9 a.m. - 2:30 p.m.

### **\*March 15, 16 & 17**

Judges Education Conference  
Hyatt Regency, Chicago

### **March 22**

State Capitol Building  
Springfield  
Dates & Times to be Announced

### **April 20**

Rock Island County Courthouse  
Rock Island  
10:30 a.m. - 12:30 p.m.

### **April 20**

Carroll County Courthouse  
Mt. Carroll 2 p.m. - 3 p.m.

### **April 21**

Winnebago County Courthouse  
Rockford 8:30 a.m. - 10:30 a.m.

### **June 14**

2nd Municipal District  
Skokie 11 a.m. - 2 p.m.

### **June 15**

4th Municipal District  
Maywood 8:30 a.m. - 11 a.m.

### **July 13**

LaSalle County Courthouse  
Ottawa 11:30 a.m. - 2:30 p.m.

### **July 14**

Will County Courthouse  
Joliet 9 a.m. - 11 a.m.

### **July 14**

Kankakee County Courthouse  
Kankakee 12:30 p.m. - 2:30 p.m.

### **August 3**

6th Municipal District  
Markham 10:30 a.m. - 12:30 p.m.

### **August 3**

5th Municipal District  
Bridgeview 1:30 p.m. - 3:30 p.m.

### **August 4**

3rd Municipal District  
Rolling Meadows 9 a.m. - 11 a.m.

## FINANCIALS (continued from page 1)

increase in the number of retirees and higher participant salaries on which the payments are based. The System's total administrative costs represented less than 1% of total expenses.

### Investments

By State law, the System's investment function is managed by the Illinois State Board of Investment (ISBI) along with the General Assembly and State Employees' Retirement Systems. All investments are accounted for in a commingled ISBI fund.

The ISBI operates under a strategic investment policy that is reviewed and approved at least every two years. The investment objective of the total portfolio is to maximize the rate of return on investments within a prudent level of risk. To achieve this objective, the ISBI invests in different types of assets and uses multiple managers to ensure diversification.

As a result of the continued improvements in the equity markets, the ISBI fund was up 10.1% for fiscal year 2005, net of expenses.

### Funding

The System's funding plan requires that state contributions be paid to the System so that by the end of fiscal year 2045, the ratio of net assets to the actuarial accrued liability (funding ratio) will be 90%.

At June 30, 2005, the System's accrued actuarial liability amounted to \$1.237 billion. The actuarial value of net assets (at fair value) amounted to \$565.0 million as of the same date, resulting in a funding ratio of 45.7%.

Visit our website at [www.state.il.us/srs](http://www.state.il.us/srs) for information about your retirement system: tax information, legislation, recent retirees, and FAQ's.

## Statements of Plan Net Assets June 30, 2005 and 2004

(unaudited)

	2005	2004
<b>ASSETS</b>		
Cash	\$ 11,788,710	\$ 13,326,833
Receivables	2,945,326	536,406
Investments, at fair value	550,350,071	521,372,992
Equipment, net of acc. deprec.	<u>3,278</u>	<u>1,704</u>
Total Assets	<u>565,087,385</u>	<u>535,237,935</u>
Total Liabilities	<u>87,938</u>	<u>658,112</u>
Net assets held in trust for pension benefits	<u>\$ 564,999,447</u>	<u>\$ 534,579,823</u>

## Statements of Changes in Plan Net Assets June 30, 2005 and 2004

(unaudited)

	2005	2004
<b>REVENUES</b>		
Contributions:		
Participants	\$ 13,268,530	\$ 13,720,911
Employer	<u>32,043,009</u>	<u>178,593,095</u>
Total Contributions	<u>45,311,539</u>	<u>192,314,006</u>
Investment Income	<u>50,848,968</u>	<u>74,012,814</u>
Total Revenues	<u>96,160,507</u>	<u>266,326,820</u>
<b>EXPENSES</b>		
Benefits	64,539,560	60,912,895
Refunds	740,497	439,575
Administrative	<u>460,826</u>	<u>448,087</u>
Total Expenses	<u>65,740,883</u>	<u>61,800,557</u>
Net Increase	<u>30,419,624</u>	<u>204,526,263</u>
Net assets held in trust for pension benefits:		
Beginning of year	<u>534,579,823</u>	<u>330,053,560</u>
End of year	<u>\$ 564,999,447</u>	<u>\$ 534,579,823</u>

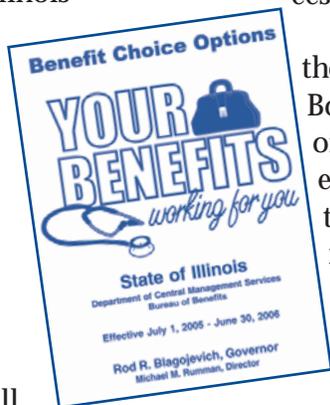
# The State of Illinois Benefits Handbook

The Illinois Department of Central Management Services (CMS) is mailing the State of Illinois Benefits Handbook to all State of Illinois employees, retirees and survivors.

According to CMS, everyone should receive a mailed copy by the end of January 2006. Please be sure to retain your copy, since the Handbook provides details of the various State-sponsored insurance and benefit programs for all employees, retirees and survivors.

The Handbook is dated July 1, 2004, which is the effective date of the current collective bargaining

agreement between the State of Illinois and the American Federation of State, County and Municipal Employees (AFSCME).



Each May, a copy of the Benefits Choice Options Booklet is mailed to all State of Illinois employees, retirees and survivors during the Benefits Choice enrollment period.

The Benefits Handbook, Benefits Choice Options Booklet, and various CMS forms are also available on the CMS website at [www.benefitschoice.il.gov](http://www.benefitschoice.il.gov). As always, you may direct questions regarding group insurance and retirement benefits directly to JRS.

JRS will mail annuitant and survivor Benefit Statements in March. This statement provides you with detailed information about:

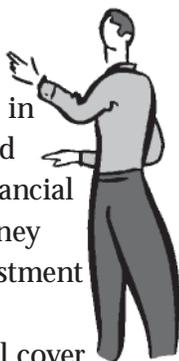
- The history of your JRS benefit and deductions
- Your current group insurance coverage and premiums
- Monthly survivor and/or lump sum death benefits that may be payable
- Your JRS beneficiaries

If you wish to change your beneficiary(ies), please contact us as soon as possible.

## JRS Workshops

To help you start planning for your retirement years, we urge you to enroll in the Education for Tomorrow's Choices preretirement workshop.

This free, one-day workshop will be held in Chicago on May 25 and features a certified financial planner to discuss money management and investment strategies.



Other speakers will cover Deferred Compensation, Social Security, insurance and JRS benefits.

Although retirement may be years in the future, this information will help you begin planning for a lifetime of financial security.

## Honoring Those Who Have Fallen

It has always been our goal to keep our membership aware of current affairs related to JRS. In order to do this, the following is a list of Illinois judges who died during 2005.

	<b>Date of Death</b>		
		Anthony Scotillo	5-27-05
Randall Quindry	1-05-05	Paul Sheridan	6-21-05
Louis Giliberto	1-06-05	Lawrence Carroll	7-13-05
Paul Kolodziej	1-22-05	Wendell Marbly	7-28-05
Harry Stark	1-29-05	John Moran	8-13-05
William Banich	1-30-05	James Meehan	8-18-05
Robert Smart	2-12-05	Samuel Maragos	8-23-05
Allen Hartman	3-03-05	James Oakey	8-26-05
Harry Hartel	3-29-05	Thomas Clydesdale	9-11-05
Michael O'Brien	4-03-05	Anthony Peccarelli	9-25-05
Charles Porcellino	4-07-05	Owen Lierman	10-16-05
Walter Bieschke	4-25-05	Robert Malmquist	10-22-05
James Jorzak	5-01-05	Leo Wrenn	10-28-05
Nello Ori	5-03-05	George Kasserman, Jr	10-30-05
Robert Cox	5-11-05	Peter Bakakos	11-03-05
Wilson Burnell	5-25-05	Jacques Heilingoetter	11-04-05

## Personnel Changes at JRS



After 27 years of state service, the Judges' & General Assembly Retirement System's Deputy Director **Rudy Kink** retired on November 30, 2005. Rudy was appointed the JRS/GARS Division Manager on November 1, 1989 shortly after they merged with the State Employees' Retirement System.



**Carole McKean** also retired on November 30 after working over 30 years with JRS/GARS. She joined JRS/GARS in August, 1975. Many of our members dealt with Carole over the years when filing pension or survivor claims.

*We wish Rudy and Carole many happy years of retirement!*

## The New Staff of the Judges' Retirement System



*Judges Retirement Staff: front row; Tim Blair, JRS Division Manager; Lori Demuzio, Pension & Death Benefit Technician; back row; Jayne Waldeck, Assistant Division Manager; Robin Edgar, Insurance Analyst.*

**Tim Blair** took over for Rudy as the JRS Division Manager on December 1, 2005. Before joining JRS, he worked with the General Assembly on various pension legislation for the Reciprocal Systems. Tim holds both a bachelor's and master's degree. He resides in the Springfield area with his wife Tiffany and their three children.

**Lori Demuzio** joined the JRS staff on November 16, 2005 as Carole's replacement. Lori previously worked for SERS from 1983-1993.

She lives in Carlinville with her husband Brad and their two children.

**Jayne Waldeck** became the JRS Assistant Manager in October, 2000. Before joining JRS, she was the SERS Pension Supervisor for 10 years and has been a member of the SRS staff since February, 1979.

**Robin Edgar** has been the Insurance Representative with JRS since April 1, 1992. Since 1980, she held a position in the Insurance Section at SERS.

## RETIREES: Federal Income Tax Withholding

Monthly JRS benefits are subject to federal income tax withholding. Federal law requires us to ask benefit recipients to complete a W-4P to determine if they want federal income tax withheld from their benefit.

If you fail to inform us of your decision, taxes are withheld as a married individual with three exemptions. No withholding is required for a benefit less than \$1,492.00 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.

You may notify us at any time to change or end your withholding.

**SRS** The Panel is published by the Judges' Retirement System of Illinois

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