



## One-On-One Counseling

**The 2008 One-On-One counseling sessions will be held through August at the locations below. If you would like to schedule an appointment with Jayne Waldeck during a visit to your city, contact the Court Administrator at that specific location.**

### **February 6 & 7**

Michael A. Bilandic Building  
160 North LaSalle, Suite N-725  
Chicago 312-814-5853

### **March 10**

Kane County Courthouse  
St. Charles in the morning

### **March 10**

DuPage County Courthouse  
Wheaton in the afternoon

### **March 11**

Lake County Courthouse  
Waukegan in the morning

### **April 11**

Vermillion County Courthouse  
Danville in the morning

### **April 11**

Coles County Courthouse  
Charleston in the afternoon

### **April 18**

Williamson County Courthouse  
Marion in the morning

### **April 18**

Jefferson County Courthouse  
Mt. Vernon in the afternoon

### **June 12**

Macon County Courthouse  
Decatur in the morning

### **June 12**

McLean County Courthouse  
Bloomington in the afternoon

### **June 13**

Peoria County Courthouse  
Peoria in the morning

### **June 13**

Tazewell County Courthouse  
Pekin in the afternoon

### **July 9**

Rock Island County Courthouse  
Rock Island in the morning

### **July 9**

Carroll County Courthouse  
Mt. Carroll in the afternoon

### **July 10**

Winnebago County Courthouse  
Rockford in the morning

### **July 31**

2nd Municipal District  
Skokie 11:30 a.m. - 2:30 p.m.

### **August 1**

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

### **August 28**

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

### **August 29**

Will County Courthouse  
Joliet in the morning

### **August 29**

Kankakee County Courthouse  
Kankakee in the afternoon

## JRS Workshop

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 at the Bilandic Building on June 6 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.

To make a reservation to this workshop, call the JRS office at 217-782-8500.

# FY07 Financials

## OPERATIONS

Total revenue includes participant and employer contributions as well as net income from investment activities. For fiscal year 2007, participant contributions totaled approximately \$14.2 million, a 2.3% increase from fiscal year 2006 participant contributions.

Employer contributions increased to \$35.2 million in fiscal year 2007 from \$29.3 million in fiscal year 2006. The increase was due to Public Act 94-0004 which was enacted into law on June 1, 2005. This legislation stipulated that state contributions for fiscal years 2007 and 2006 be based on specific dollar amounts rather than actuarial calculations.

Total expenses include benefit payments, refunds and administrative expenses. During fiscal year 2007, the System paid out approximately \$76.2 million in benefits and refunds, an increase of 9.2% from fiscal year 2006. 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. 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

**FINANCIALS** (continued on page 3)

## Statements of Plan Net Assets June 30, 2007 and 2006

(unaudited)

	2007	2006
<b>ASSETS</b>		
Cash	\$ 11,697,990	\$ 16,363,642
Receivables	262,335	301,575
Investments, at fair value	658,193,724	582,604,390
Equipment, net of acc. deprec.	<u>3,323</u>	<u>4,289</u>
<b>Total Assets</b>	<u>670,157,372</u>	<u>599,273,896</u>
<b>Total Liabilities</b>	<u>66,422</u>	<u>39,747</u>
<b>Net assets held in trust for pension benefits</b>	<u>\$ 670,090,950</u>	<u>\$ 599,234,149</u>

## Statements of Changes in Plan Net Assets June 30, 2007 and 2006

(unaudited)

	2007	2006
<b>REVENUES</b>		
Contributions:		
Participants	\$ 14,152,973	\$ 13,833,096
Employer	<u>35,236,800</u>	<u>29,337,911</u>
<b>Total Contributions</b>	<u>49,389,773</u>	<u>43,171,007</u>
<b>Investment Income</b>	<u>98,157,681</u>	<u>61,329,673</u>
<b>Total Revenues</b>	<u>147,547,454</u>	<u>104,500,680</u>
<b>EXPENSES</b>		
Benefits	75,615,866	68,997,103
Refunds	620,577	821,637
Administrative	<u>454,210</u>	<u>447,238</u>
<b>Total Expenses</b>	<u>76,690,653</u>	<u>70,265,978</u>
<b>Net Increase</b>	<u>70,856,801</u>	<u>34,234,702</u>
<b>Net assets held in trust for pension benefits:</b>		
Beginning of year	<u>599,234,149</u>	<u>564,999,447</u>
End of year	<u>\$ 670,090,950</u>	<u>\$ 599,234,149</u>

uses multiple managers to ensure diversification. The overall rate of return for the ISBI commingled fund was 17.1% for fiscal year 2007, compared to 11.0% for fiscal year 2006.

**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, 2007, the System’s accrued actuarial liability amounted to \$1.385 billion. The actuarial value of net assets (at fair value) amounted to \$670.1 million as of the same date, resulting in a funding ratio of 48.4%.

# Honoring Those Who Have Fallen

*In order to keep our membership aware of current affairs related to JRS, the following judges passed away during 2007.*

	<b>Date of Death</b>		
		Mitchell Leikin	7-12-07
Henry Cowlin	1-11-07	Ellis Reid	8-07-07
Arlie Boswell, Jr.	2-11-07	John Nielsen	8-08-07
Alfred Woodward	2-20-07	Eugene Champion	8-11-07
Cornelius Houtsma	3-05-07	Wayne Townley	8-11-07
Howard White	3-10-07	Paul Gerrity	8-12-07
Norman Sands	3-27-07	Philip Equi	9-28-07
Rolland Tipsword	4-05-07	Jerome Garoon	9-28-07
Gerald Rohrer	4-06-07	Jackson Newlin	10-01-07
Charles Wilson	4-24-07	Lloyd Van Deusen	11-01-07
John Flaherty	5-21-07	Joseph Barr	11-10-07
Robert Retke	5-25-07	James Ryan (active)	11-03-07
Robert Schwartz	6-02-07	William Reardon	11-20-07
Michael Lyons	6-14-07	Arthur Cieslik	12-07-07

## JRS Tax Issues

**Retiree Tax Withholding**



Monthly JRS retirement benefits are subject to federal income tax withholding. Federal law requires 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 monthly benefit of less than \$1,517.00 unless you request it.

Tax penalties may be incurred if your estimated tax payment is insufficient for the year. You may change or end your withholding at any time.

**IRS Form 1099R**

JRS mails IRS Form 1099R to all retirees & survivors by the end of January 2008. If you don’t receive your 1099R by the middle of February, contact us at 217-782-8500. You need the 1099R to file your 2007 federal and state tax returns.

Your 1099R will show the gross benefit you received from JRS in 2007. This form will also indicate the amount of federal income tax withheld, and for most retirees, the taxable portion of your benefit.

Although JRS pension benefits are not subject to Illinois income tax, different laws apply in other states. If you live outside of Illinois, contact that state’s Department of Revenue for specific information.

## Keep Your Beneficiaries Current



You may change your beneficiaries at any time by completing and

filing a new Nomination of Beneficiary form (on the back page of this publication) with JRS.

It is your responsibility to keep your designation up-to-date. If no beneficiary is on file, any lump sum death benefit will be paid to your estate.

It’s possible that you may have three different sets of beneficiaries: JRS benefits, Group Life Insurance and Deferred Compensation.

*Judges' Retirement System of Illinois*

2101 South Veterans Parkway, P.O. Box 19255, Springfield, Illinois 62794-9255, Phone 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 desiring to change beneficiaries at a later date must complete a new Nomination Beneficiary form. The form on file with the System that has the most recent date, located next to the member's signature, will take precedence.

**INSTRUCTIONS:** Complete this form using ink or typewriter. You may nominate one person, as many as you wish, or your estate. Benefits will be paid on a survivor basis 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 the current address on file with JRS. If your address is not current, please contact the Administrative Office of the Illinois Courts.

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

**EXAMPLE**

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

**In the event a member dies with no qualified survivors eligible for a monthly annuity, the lump sum death benefit will be paid as follows:**

1. All the money will be paid to John Doe.
2. If John Doe is not living when the member dies, all the money will be paid to Jane Doe.
3. If John and Jane Doe are not living when the member dies, the money will be divided equally among David, Nancy, and Mary Doe. (If only two of these three persons are living when the member dies, each will receive one-half of the money and if only one of these three persons is living when the member dies, he/she will receive all of the money.)
4. If John, Jane, David, Nancy, and Mary Doe are not living when the member dies, all the money will be paid to Frank 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 \_\_\_\_\_