

SERS Legislation

On February 27, 2007, Governor Blagojevich signed Senate Bill 36 (Public Act 94-1111) into law which has **TWO** provisions affecting SERS members.

LAYOFFS: *Allows an employee who was laid off from state employment but returned under circumstances where the employee is considered to be in continuous service for purposes of determining seniority to establish creditable service for the period of the layoff.*

Any employee who was laid-off from their position but returned to state employment may establish service credit for the period of the layoff provided that:

- The employee applies for the service credit within six months of the enacted law (8-27-07).
- The employee does not receive credit under any other provision of this Code.
- At the time of the layoff, the employee was not in an initial probationary status under the rules of the Department of Central Management Services.
- The total amount of service credit does not exceed three years.

The cost to purchase this time is based on the salary rate of the employee on the date when (s)he returned to employment. An employee can participate by paying the required employee and employer contributions, plus interest calculated from the date of returning to employment to the date of payment.

These contributions must be paid in full before retirement either in a lump sum or in installment payments.

UNIONS: *Allows an individual who represents or is employed as an officer or employee of a statewide labor organization that represents members of the State Employees' Retirement System (SERS) to participate in SERS and be deemed an employee if:*

- (S)he previously earned service credit with SERS;
- (S)he files an irrevocable election to become a participant in SERS within six months after the effective date of this legislation (8-27-07);
- (S)he does not receive service credit for the same employment under any other Illinois public pension plan;
- If the employee opts to participate, they pay both the employer and employee contributions. These contributions may be paid in full or in part by the employer.

In addition, an employee as defined above, may establish additional service credit for similar statewide labor organization employment prior to becoming a SERS employee by paying the employee contribution, the employer contribution, plus interest.

However, no credit shall be granted for any employment the employee received service credit for under any other Illinois public pension plan or the employee was on a leave of absence.

SERS Personnel Moves



Robert Hicks has been an employee with SERS since August 1, 1980. He has been supervisor of the System's Disability Section since August 1, 1989 and has had contact with much of the SERS membership.

Robert was promoted to Manager of the Claims Division on December 1, 2006 after Pat Cummings' retirement. If you have questions regarding the Claims Division, he would appreciate your inquiry.



Lynn Woods has been an employee with SERS since September 1, 1998, beginning as a disability claims specialist. She has been supervisor assistant in the Disability Section since January 1, 2001. Lynn was promoted to Supervisor of the Disability Section, replacing Robert Hicks, beginning October 1, 2006.

If you have questions regarding disability, please feel free to contact her.

Investing in Your Future

Investing in Your Future (IYF) is the workshop we offer for state employees under age 45 to help prepare them financially during their career for a retirement that may seem a long way off. Many SERS members who attend the workshops designed for employees later in their career say they wish they had attended the IYF workshop.

The IYF workshop:

- Helps you identify what's missing in the management of your finances and details better ways to utilize your money;
- Explains the benefits of enrolling in the Deferred Compensation program and outlines basic investment strategies;
- Reviews the entitlement package of SERS benefits, financial planning and estate planning.

If you're under 45, do yourself a favor and enroll in a IYF workshop! Take the time now to ensure your future well-being.

INVESTING IN YOUR FUTURE Remaining Schedule for 2007

Apr. 17	Joliet
Apr 24	Springfield
Jun. 6	Rockford
Jun. 26	Urbana
Jul. 31	Springfield
Aug. 21	East Peoria
Sep. 11	Rock Falls
Sep. 18	Springfield
Oct. 2	Schaumburg
Oct. 30	Springfield
Nov. 6	Carbondale
Nov. 13	Chicago
Nov. 27	Fairview Heights

The statistics for the 2006 Alternative Retirement Cancellation Payment Program (ARCP) are now on our website. To see what else is new at SERS go to www.state.il.us/srs/

Address Changes



If you change your address, you will need to complete a new W-4P form with your agency's Payroll Officer.

Failure to do so could result in not receiving important notices from SERS.

You can download and print the W-4P form, complete it and return it to you Payroll Officer.

We strive to provide our members with fast and efficient service. Correct mailing addresses are essential in meeting this goal.

How long your nest egg lasts depends on how much you earn and how fast you want to spend it. Say you plan on withdrawing 5% in the first year of retirement, and you expect to earn 7% annually. Finding where those columns intersect in the table shows that your money will last 36 years, assuming each year's payout increases 3% to keep up with inflation.

For more information to help prepare you for retirement, see the workshop schedule on the back page.

How Long Will Your Nest Egg Last?

Withdrawal	RATE OF RETURN											
	1%	2%	3%	4%	5%	6%	7%	8%	9%	10%	11%	12%
12%	7	8	8	8	8	9	9	10	10	11	12	13
11	8	8	9	9	9	10	10	11	12	13	14	15
10	9	9	10	10	10	11	12	13	14	15	17	19
9	10	10	11	11	12	13	14	15	16	18	21	26
8	11	11	12	13	14	15	16	18	20	24	30	*
7	12	13	14	15	16	18	20	22	27	36	*	*
6	14	15	16	18	19	22	25	31	44	*	*	
5	17	18	20	22	24	29	36	*	*	*		
4	20	22	25	28	33	42	*	*	*			
3	25	28	33	39	*	*	*	*				
2	35	40	50	*	*	*	*					
1	*	*	*	*	*	*						

from John Hancock Life Insurance Co.

* More than 50 years

FY06 COUNT

OPERATIONS

Member contributions in FY06 rose modestly (2.3%) from the FY05 amount, in line with the general increase in wages subject to retirement, and an increase in optional service purchases.

Employer contributions in FY06 were \$210.5 million, compared to the FY05 employer contribution amount of \$427.4 million. This decline is due to a change in state law regarding the employer financing of SERS for FY06 & 07. The employer contribution rates for FY06 and FY05 were 5.8% and 12.2%, respectively (net of the bond principal and interest repayment amounts).

Benefit payments increased 4.4% from FY05 to FY06. This was primarily due to a scheduled 3% increase in most benefit payments. The increase also reflects the Alternative Retirement Cancellation Payment Program in FY06.

INVESTMENTS

By state law, SERS' investment function is managed by the Illinois State Board of Investment (ISBI) along with the Judges' and General Assembly Retirement Systems. All investments are accounted for in a commingled ISBI fund. In FY06, investment income continued to reflect the positive direction of the markets.

FUNDING

The most recent actuarial valuation shows the total SERS actuarial liability was \$20.9 billion. The amount of liabilities exceeded net assets by \$10.0 billion on June 30, 2006, compared to an excess of \$8.8 billion on June 30, 2005. The funded status of SERS on June 30, 2006 decreased to 52.2% from 54.4% on June 30, 2005.

Statements of Plan Net Assets June 30, 2006 and 2005

	2006	2005
ASSETS		
Cash	\$ 226,751,078	\$ 204,525,471
Receivables	29,505,581	36,938,006
Investments (at fair value)	10,654,863,723	10,271,356,795
Equipment (net of acc. depr.)	2,886,428	3,071,449
Total Assets	\$ 10,914,006,810	\$ 10,515,891,721
Total Liabilities	\$ (14,153,745)	\$ (21,743,768)
Net Assets Held in Trust for Pension Benefits	\$ 10,899,853,065	\$ 10,494,147,953

Statements of Changes in Plan Net Assets June 30, 2006 and 2005

	2006	2005
REVENUES		
Contributions:		
Members	\$ 214,108,896	\$ 209,334,207
Employer	210,499,791	427,434,612
Total Contributions	\$ 424,608,687	\$ 636,768,819
Investment Income	\$ 1,113,231,712	\$ 953,579,253
TOTAL REVENUES	\$ 1,537,840,399	\$ 1,590,348,072
EXPENSES		
Benefits	\$ 1,110,585,961	\$ 1,063,970,423
Refunds (including transfers)	13,410,048	14,105,301
Administrative	8,139,278	8,311,269
TOTAL EXPENSES	\$ 1,132,135,287	\$ 1,086,386,993
Net Increase	\$ 405,705,112	\$ 503,961,079
Net Assets Held in Trust for Pension Benefits:		
Beginning of Year	10,494,147,953	9,990,186,874
End of Year	\$ 10,899,853,065	\$ 10,494,147,953

2007 SERS Preretirement Workshops

Below are the workshops still open for 2007. To register, you must contact your agency's Retirement Coordinator. If you're not sure who your Retirement Coordinator is, check the "At a Glance" section of your annual Benefit Statement. For more information about our preretirement workshops or to find out if a workshop you want to attend is open, visit our website at www.state.il.us/srs or call 217-785-6979. See page 2 for the Investing in Your Future (IYF) workshops.

EDUCATION FOR TOMORROW'S CHOICES For employees 5-15 years from retirement

Apr. 4 & 5	Chicago
Apr. 4 & 5	FULL Carbondale
Apr. 18 & 19	Schaumburg
Apr. 18 & 19	FULL Springfield
Jun. 5 & 6	Mt. Vernon
Jun. 13 & 14	Rockford
Jun. 13 & 14	Quincy
Jun. 20 & 21	Peoria
Jul. 11 & 12	Springfield
Jul. 17 & 18	East Peoria
Jul. 25 & 26	Springfield
Aug. 1 & 2	Carbondale
Aug. 7 & 8	Bloomington
Aug. 15 & 16	FULL Fairview Heights
Aug. 22 & 23	Chicago
Sep. 12 & 13	FULL Tinley Park

Sep. 19 & 20	Utica
Sep. 26 & 27	Chicago
Sep. 26 & 27	Springfield
Oct. 2 & 3	Effingham
Oct. 17 & 18	Carbondale
Oct. 24 & 25	Springfield
Nov. 7 & 8	Chicago
Nov. 7 & 8	Springfield
Nov. 28 & 29	Itasca
Dec. 5 & 6	Springfield

COUNTDOWN TO RETIREMENT For employees within 3 years of retirement

Apr. 12	FULL	East Peoria
Apr. 12	FULL	Schaumburg
Apr. 26	FULL	Chicago
Apr. 26	FULL	Springfield
Jun. 7	FULL	Springfield

Jun. 28	FULL	Carbondale
Jul. 12		Gurnee
Jul. 19	FULL	Springfield
Aug. 9	FULL	Champaign
Aug. 16	FULL	Orland Park
Aug. 23	FULL	Springfield
Sep. 6	FULL	Springfield
Sep. 6		DeKalb
Sep. 13	FULL	Mt. Vernon
Sep. 20		Rock Falls
Oct. 4		Peoria
Oct. 4	FULL	Tinley Park
Oct. 25	FULL	Chicago
Oct. 25	FULL	Carbondale
Nov. 1	FULL	Springfield

Although there are very few Countdown to Retirement (CDR) workshops still open in 2007, members close to retirement should continue to enroll in the "full" CDRs. You will be placed on a waiting list, and if additional workshops are needed, we will notify you of the new dates and locations.

