

SERS Legislation

There are several bills pending in the General Assembly that affect SERS members. For specific information on any legislation, go to the General Assembly website at www.ilga.gov.

HB4469: Allows a member who was terminated but reemployed by any agency within six months after their termination to establish service credit for the terminated period if they apply within six months after the effective date of this bill.

HB4569: Allows a retiree to reenter State service for two years to fill a position vacated by someone serving on active military duty without impairing the retiree's pension benefits.

HB4700: If an employee is covered under the Illinois Reciprocal Act and is convicted of a job-related felony, the State's Attorney must notify the Board of Trustees of the employee's retirement system or pension fund.

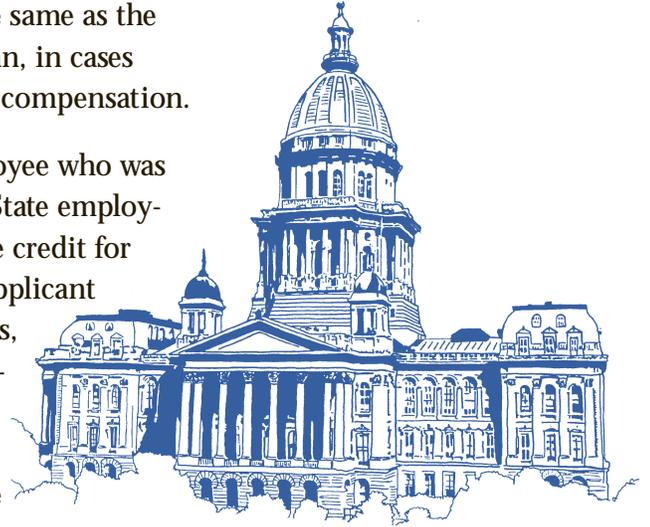
HB5870: Allows a member who participated in the Secretary of State's year-long Fellowship Program to establish up to two years of service credit for their participation.

HB5965: If an employee is on a leave of absence but is still making employee contributions, their rate of compensa-

tion is assumed to be the same as the day before the leave began, in cases concerning final average compensation.

SB1884: Allows an employee who was laid-off but returned to State employment, to establish service credit for the layoff period if the applicant applies within six months, doesn't receive credit under any other provisions and isn't in an initial probationary period. The total service credit established cannot exceed three years.

SB2558: Allows members to establish up to eight years of service credit for full-time contractual employment at an Illinois Veterans Home, before July 1, 2009.



Updated Member Handbook

Included with this SERS-O-GRAM is the latest version of the SERS Employee Handbook. It explains SERS eligibility requirements, pension contributions, optional service credit and overall benefits. These benefits, when combined with other income, are designed to provide you with financial security in retirement.

As always, the handbook gives you a general overview of the benefits available from SERS. However, if the handbook differs from the laws governing SERS, state laws rule.

Latest Website Features

We've added some great new features to our website! Go to our homepage at www.state.il.us/srs and click on the "Preparing for Retirement" button in the upper right corner. With the click of this button, you'll have a ton of information at your fingertips relating to retirement.

Even if you're years from retiring, it's never too early to begin planning. If you would like even more information to help you plan for retirement, sign up for a pre-retirement workshop (schedule on back page).

SERS Retirement Packet

The SERS Retirement Packet is now on our website allowing you to complete the forms within the packet, print them out, and then mail them to us.

The packet also contains informational pages explaining the vari-

ous aspects of making the transition from your State career into retirement.

Calculators

We have a variety of calculators online that can project everything from federal tax withholding, pension benefits, service credit and more.

Forms

There are several downloadable forms on our website covering everything from pension benefits, insurance, disability, widow/survivor and miscellaneous issues.

These forms can be completed online if you have Adobe 5.1 or newer. Once the form is filled out, print it (sign the form if necessary) and mail to SERS. A copy of the form should be kept for your records. The completed unsigned form can be saved to your computer for your records.



Did You Know?

- * The State Employees' Retirement System was created in the mid-1940s to provide benefits to its members and their survivors & beneficiaries.
- * On January 1, 1944, 17,237 employees elected to become members of SERS.
- * In 2007, SERS had over 132,000 active, inactive and retired members.
- * There are 67,699 working members of SERS; 42,979 members receiving a retirement benefit; and 20,177 inactive SERS members.
- * SERS paid out almost \$1.2 billion in total benefits in 2007.

Where Are They Now?

SERS statistics show that the vast majority of our retirees still reside in Illinois. Of the retirees who call another state home, the largest percentage now live in the Sunshine State of Florida. Other states with a healthy number of SERS retirees include Arizona, Missouri, Texas, Wisconsin and Indiana.



FY07 Numbers

OPERATIONS

Member contributions in FY07 rose 4.95% from the FY06 amount, in line with the general increase in wages subject to retirement, and an increase in optional service purchases.

Employer contributions in FY07 were \$358.8 million, compared to the FY06 employer contribution amount of \$210.5 million. This increase is due to a change in state law regarding the employer financing of SERS for FY06 & 07. The employer contribution rate for FY07 and FY06 was 9.6% and 5.8%, respectively (net of the bond principal and interest repayment amounts).

Benefit payments increased 4.57% from FY06 to FY07. This was primarily due to a scheduled 3% increase in most benefit payments. The increase also reflects the Alternative Retirement Cancellation Program in FY07.

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 FY07, investment income continued to reflect the positive direction of the markets.

FUNDING

The most recent actuarial valuation shows the total SERS actuarial liability was \$22.3 billion. The amount of liabilities exceeded net assets by \$10.2 billion on June 30, 2007, compared to an excess of \$10.0 billion on June 30, 2006. The funded status of SERS on June 30, 2007 increased to 54.2% from 52.2% on June 30, 2006.

Statements of Plan Net Assets June 30, 2007 and 2006

	2007	2006
ASSETS		
Cash	\$ 249,858,696	\$ 226,751,078
Receivables	30,897,571	29,505,581
Investments (at fair value)	11,810,137,495	10,654,863,723
Equipment (net of acc. depr.)	2,670,416	2,886,428
Total Assets	\$ 12,093,564,178	\$ 10,914,006,810
Total Liabilities	\$ (14,655,224)	\$ (14,153,745)
Net Assets Held in Trust for Pension Benefits	\$ 12,078,908,954	\$ 10,899,853,065

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

	2007	2006
REVENUES		
Contributions:		
Members	\$ 224,722,599	\$ 214,108,896
Employer	358,786,650	210,499,791
Total Contributions	\$ 583,509,249	\$ 424,608,687
Investment Income	\$ 1,779,907,177	\$ 1,113,231,712
TOTAL REVENUES	\$ 2,363,416,426	\$ 1,537,840,399
EXPENSES		
Benefits	\$ 1,161,291,038	\$ 1,110,585,961
Refunds (including transfers)	14,261,872	13,410,048
Administrative	8,807,627	8,139,278
TOTAL EXPENSES	\$ 1,184,360,537	\$ 1,132,135,287
Net Increase/(Decrease)	\$ 1,179,055,889	\$ 405,705,112
Net Assets Held in Trust for Pension Benefits:		
Beginning of Year	10,899,853,065	10,494,147,953
End of Year	\$ 12,078,908,954	\$ 10,899,853,065

For more SERS financial information, go to our website at www.state.il.us/srs/sers/annreports_sers.htm



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SERS Pre-Retirement Workshops

The 2008 SERS pre-retirement workshops are filling up extremely fast. Below are the workshops still open for this year. 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 pre-retirement workshops, visit our website at www.state.il.us/srs or call 217-785-6979.

INVESTING IN YOUR FUTURE For employees under age 45

Jun. 3	Chicago
Jun. 24	Mt. Vernon
Jul. 1	Springfield
Aug. 12	East Peoria
Sep. 9	Rock Falls
Oct. 7	Schaumburg
Oct. 14	Rockford
Oct. 21	Springfield
Nov. 4	Carbondale
Nov. 18	Fairview Heights

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

Jun. 4 & 5	Whittington
Jun. 18 & 19	Rockford
Jun. 25 & 26	Champaign
Jul. 23 & 24	East Peoria
Aug. 13 & 14	Bloomington
Aug. 20 & 21	Chicago
Aug. 27 & 28	Fairview Heights
Sep. 10 & 11	Utica
Sep. 24 & 25	Springfield
Oct. 1 & 2	Chicago
Oct. 15 & 16	Carbondale
Oct. 29 & 30	Springfield
Nov. 12 & 13	Springfield
Nov. 19 & 20	Joliet
Dec. 3 & 4	Springfield

The average number of attendees at our pre-retirement workshops in 2007 were:

IYF - 30
ETC - 45
CDR - 57

COUNTDOWN TO RETIREMENT For employees within 3 years of retirement

Jun. 26	Itasca
Jul. 9	Springfield
Aug. 7	East Peoria
Sep. 4	DeKalb
Oct. 16	East Peoria
Nov. 6	Chicago
Nov. 6	Champaign
Nov. 13	Carbondale
Dec. 4	Chicago



Although there are very few Countdown to Retirement (CDR) workshops still open in 2008, members close to retirement should continue to enroll in the CDR. You will be placed on a waiting list, and if additional workshops are needed, we will notify you of the new dates and locations.

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Annual Benefit Statement

In August, you will receive your Annual Benefit Statement. This statement for active members includes personal benefit information regarding your beneficiary(ies), credited service, contributions, retirement, disability, and death benefits.

The enclosed Member Handbook should be used in conjunction with your Annual Benefit Statement.

Service Under Other Illinois Public Retirement Systems

If you have at least one year of credited service under an Illinois Public Retirement System, your service under that system may be used to determine your eligibility for a benefit from SERS. This amount is based on the benefit formula and service credit in each system, and is paid to you by each system.

Under the Reciprocal Act, the

highest final average compensation is used for computing benefits under all systems. However, total benefits cannot be higher than it would have been if all service were in one system. If benefits are being paid under reciprocity, and you are granted service credit by more than one system for the same period of time, each system will reduce its credit proportionately.