

SERS Legislation

Lay Off Time - HB5262 (P.A. 96-1320)

Recent legislation was signed into law allowing an employee who was laid off but returned to State employment to establish creditable service for the period of the lay off.

The employee must apply for this time by January 27, 2011. The total amount of creditable service cannot exceed three years.

This service purchase will include employee and employer contributions plus interest of 8.5%. The employee must file a written request with SERS to purchase this time, providing the dates of the layoff and the agency involved.

Furlough Time HB4644 (P.A. 96-0961)

Governor Quinn also signed into law a bill allowing a member to establish creditable service for up to 24 furlough days from July 1, 2009 through June 30, 2011.

This service purchase will include employee and employer contributions plus interest of 8.5%. The member must apply in writing to the System before December 31, 2011.

Tier 2 - SB1946 (P.A. 96-0889)

On April 14, 2010, Governor Quinn signed into law a bill creating a two-tiered system of benefits and retirement rules for new SERS employees effective January 1, 2011. **Current members of SERS are not affected by this legislation!**

Your Annual Benefit Statement is Enclosed

Enclosed with this edition of the SERS-O-GRAM is your Annual Benefit Statement as of June 30, 2010. Besides giving you specific information about your SERS account, your Annual Benefit Statement also lists any service you may have with a reciprocal system, any service you may be eligible to purchase or repay, and shows your service credit in months as well as years.

A Nomination of Beneficiary(ies) form is located on the back page of this newsletter. You may change your beneficiaries at any time by completing and filing this form with SERS. If you have questions about beneficiaries, call us at 217-785-6973.

Benefit Changes Include:

- An employee must be 67 years old with at least 10 years of service to qualify for a retirement benefit.
- Retirement benefits will be calculated using a maximum final average salary of \$106,800. This amount would increase annually.
- Eliminates compounding annual cost of living increases.
- Reduces the number of alternative formula positions.
- Places certain restrictions on retired SERS members who go to work for an employer covered by a reciprocal pension system.
- Increases the number of months used to calculate the final average salary to the highest 96 months of the last ten years of service.
- Increases the surviving spouse annuity to 66-2/3% of what the deceased member had been receiving.

Furlough Days

On July 16, 2010, the governor's office issued an Administrative Order requiring nearly 2700 non-union employees to take 24 furlough days during FY2011.

The effect of these furlough days is a 9.2 percent reduction in salary for those workers. This order is expected to save \$18 million this fiscal year.

Currently, these furlough days may affect pension benefits, but the administration is working to alleviate this impact.

SERS Director Named



Timothy Blair has been appointed SERS Executive Secretary by the Board of Trustees after serving as the Acting Executive Secretary since May, 2006. Before coming to SERS, Tim worked for the Commission on Government Forecasting & Accountability.

Tale of the Tape

OPERATIONS



Member contributions in FY09 dropped 3.1% from the FY08 amount. This was due, in part, to a slight increase in wages subject to retirement, offset by a decrease in optional service purchases.

Employer contributions in FY09 were \$774.9 million, compared to the FY08 employer contribution amount of \$587.7 million.

This change is primarily due to the statutory increase in the actuarially determined contribution rate. The employer contribution rate for FY09 and FY08 was 19.1% and 14.5%, respectively (net of the bond principal and interest repayment amounts).

Benefit payments increased 7.1% from FY08 to FY09. This was primarily due to the scheduled 3% increase in most benefit payments, and a larger number of employees eligible to receive payments.

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 FY09, investment losses directly reflected the continued negative direction of the markets.

FUNDING

The most recent actuarial valuation shows the total SERS actuarial liability was \$25.3 billion. The

Statements of Plan Net Assets June 30, 2009 and 2008

	2009	2008
ASSETS		
Cash	\$ 232,679,069	\$ 306,528,043
Receivables	57,435,470	48,461,473
Investments (at fair value)	8,200,755,918	10,653,973,521
Equipment (net of acc. depr.)	2,574,759	2,720,676
Total Assets	8,493,445,216	11,011,683,713
Total Liabilities	(15,593,128)	(16,317,228)
Net Assets Held in Trust for Pension Benefits	\$ 8,477,852,088	\$10,995,366,485

Statements of Changes in Plan Net Assets June 30, 2009 and 2008

	2009	2008
ADDITIONS		
Contributions:		
Members	\$ 242,227,432	\$ 249,955,208
Employer	774,910,344	587,732,407
Total Contributions	1,017,137,776	837,687,615
Investment Income (Loss)	\$ (2,208,897,635)	\$ (680,759,719)
TOTAL ADDITIONS	\$ (1,191,759,859)	\$ 156,927,896
DEDUCTIONS		
Benefits	\$ 1,300,213,675	\$ 1,214,115,627
Refunds (including transfers)	14,859,487	16,817,433
Administrative	10,681,376	9,537,305
TOTAL DEDUCTIONS	\$ 1,325,754,538	\$ 1,240,470,365
Net (Decrease)	\$ (2,517,514,397)	\$ (1,083,542,469)
Net Assets Held in Trust for Pension Benefits:		
Beginning of Year	10,995,366,485	12,078,908,954
End of Year	\$ 8,477,852,088	\$10,995,366,485

actuarial value of assets, using a 5-year smoothed market value, was \$11.0 billion.

The amount of liabilities exceeded net assets by \$14.3 billion

on June 30, 2009, compared to an excess of \$12.8 billion on June 30, 2008. The funded status of SERS on June 30, 2009 decreased to 43.5% from 46.1% on June 30, 2008.

2011 SERS Preretirement Workshops

Registration for the SERS 2011 workshops begins September 1, 2010. All of our workshops provide information on financial planning, Deferred Compensation, entitlements & insurance, and estate planning

To register, contact your agency's Retirement Coordinator, whose name is listed in the "At a Glance" section of your enclosed Benefit Statement.

To find out if a workshop is filled or for specific workshop information, visit our website at www.state.il.us/srs or call 217-785-6979.

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

Jan. 5 & 6	Springfield
Jan. 12 & 13	Chicago
Jan. 19 & 20	Springfield
Feb. 2 & 3	Glen Ellyn
Feb. 9 & 10	Springfield
Feb. 23 & 24	Springfield
Mar. 2 & 3	Chicago
Mar. 9 & 10	Springfield
Mar. 23 & 24	DeKalb
Mar. 23 & 24	Mt. Vernon
Apr. 6 & 7	East Peoria
Apr. 13 & 14	Schaumburg
Apr. 20 & 21	Carbondale
Apr. 20 & 21	Springfield
May 4 & 5	Kankakee
Jun. 1 & 2	Collinsville
Jun. 1 & 2	Springfield
Jun. 15 & 16	Rockford
Jun. 22 & 23	Champaign
Jul. 6 & 7	Springfield
Jul. 20 & 21	Carbondale
Jul. 20 & 21	Springfield
Aug. 3 & 4	Springfield
Aug. 17 & 18	Bloomington
Aug. 24 & 25	Chicago
Sep. 7 & 8	Utica
Sep. 21 & 22	Springfield
Oct. 5 & 6	Champaign
Oct. 12 & 13	Chicago
Oct. 19 & 20	Effingham
Oct. 19 & 20	Springfield
Nov. 2 & 3	Collinsville
Nov. 2 & 3	Springfield
Nov. 16 & 17	Bolingbrook
Nov. 16 & 17	East Peoria
Dec. 7 & 8	Springfield

COUNTDOWN TO RETIREMENT For employees within 3 years of retirement

Jan. 13	Springfield
Jan. 27	Chicago
Feb. 3	Springfield
Feb. 24	Glen Ellyn
Mar. 10	Chicago
Mar. 10	Whittington
Mar. 17	Urbana
Mar. 24	Springfield
Apr. 7	Springfield
Apr. 21	Schaumburg
May. 5	Carbondale
Jun. 2	Joliet
Jun. 9	Mt. Vernon
Jun. 23	Springfield
Jun. 30	Collinsville
Jul. 7	Carbondale
Jul. 7	Chicago
Jul. 14	Effingham
Jul. 14	Moline
Jul. 28	Springfield
Aug. 4	Fairview Heights
Aug. 18	Matteson
Aug. 18	Springfield
Aug. 25	Quincy
Sep. 8	Springfield
Sep. 15	East Peoria
Sep. 15	Rockford
Oct. 6	Collinsville
Oct. 13	Springfield
Oct. 20	Chicago
Nov. 10	Chicago
Nov. 17	Springfield
Dec. 1	Springfield

INVESTING IN YOUR FUTURE For employees under age 45

Mar. 15	Chicago
Mar. 29	Carbondale
Apr. 12	Springfield
Jun. 14	Springfield
Jun. 21	Joliet
Jun. 28	Mt. Vernon
Jul. 12	Springfield
Jul. 26	Collinsville
Aug. 9	East Peoria
Sep. 13	Springfield
Sep. 20	Schaumburg
Oct. 4	Rockford
Nov. 1	DeKalb
Nov. 8	Champaign





- State Employees' Retirement System of Illinois
- General Assembly Retirement System
- Judges' Retirement System of Illinois

Internet: <http://www.state.il.us/srs> Email: ser@mail.state.il.us

2101 South Veterans Parkway, P.O. Box 19255, Springfield, IL 62794-9255

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 State Employees' 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 (PLEASE PRINT OR TYPE). You may nominate one person, as many as you wish, or your estate. If additional space is required,

use the reverse side of this form. 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 State Employees' Retirement System an acknowledgment will be mailed to the current address on file with SERS. If your address is not current, please contact your payroll department to complete a W-4 form.***

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 Doe is not living when the member dies, all the money will be paid to Jane B. 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 _____