

SERS TRUSTEE ELECTION



Would you be interested in serving on the SERS Board of Trustees as an active member?

Every five years we hold an election for one active SERS member with at least eight years of service to serve a five-year term on the thirteen-member board.

To be eligible for candidacy, an active member must file a Statement of Candidacy and have a Nominating Petition signed by at least 400 active SERS members. (For more information about the election, see the Timeline below.)

On May 2, 2011, ballots will be mailed to all qualified members. These ballots must be sealed in the envelope provided and received in our office by May 31 to be counted.

The Board of Trustees is responsible for the operation of SERS. The Board meets four times a year to review disputed benefits, review and approve the annual operating budget, approve legislative initiatives, and administer policies & procedures.

The Board consists of the State Comptroller who acts as the Chairman, six trustees who are appointed by the Governor, four elected SERS members and two elected retirees.

We encourage all active members to participate in this election, since we all have a personal interest in the finances and benefits of SERS. If you're interested in running for the

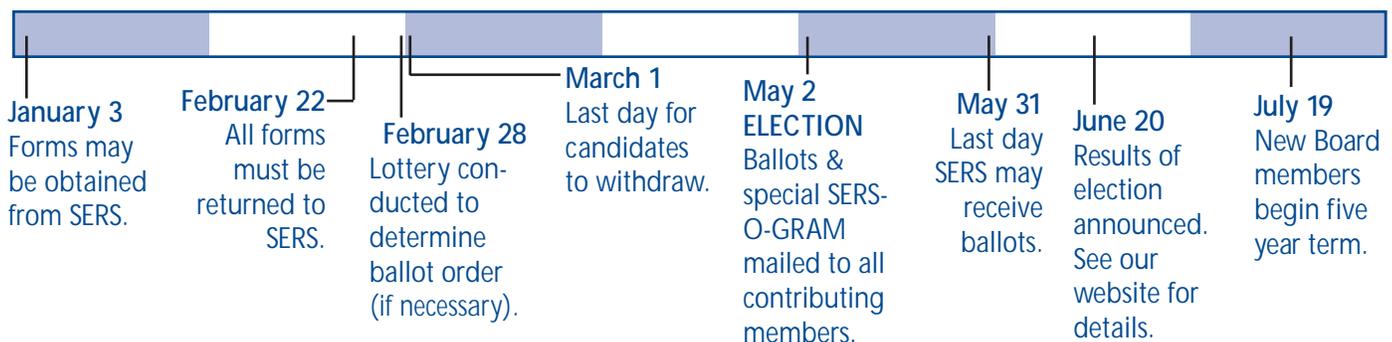
THE SERS BOARD OF TRUSTEES

- 1** Ex-officio member: the Illinois Comptroller to serve as Chairman
- 6** Illinois citizens appointed by the Governor
- 4** Elected active SERS members
- 2** Elected SERS retirees

Board position, contact our offices in Springfield (217-785-6975) or Chicago (312-814-5853).

SERS office hours are Monday-Friday from 8:00 am. to 4:30 p.m.

2011 ELECTION TIMELINE



SERS Benefits and the Financial Markets

The State Employees' Retirement System of Illinois (SERS) is a defined benefit plan. Current and future retirement benefits are based on a retirement formula provided by State statute.

SERS benefits will not be delayed, reduced or eliminated based on the current underperformance of the financial markets or for any other reason. The Illinois Constitution provides additional constitutional protection, specifying that SERS benefits may not be "diminished or impaired." This constitutional protection applies regardless of the condition of the financial markets or the State budget situation.

The SERS investment portfolio, which is managed by the Illinois State Board of Investment (ISBI), is highly diversified and allocated among many different types of investments in order to maximize returns and minimize risk in all types of market conditions.

Like all institutional investors, SERS' investment portfolio has fluctuated in value recently due to volatility and uncertainty in the financial markets. Our long-term investment performance has been solid and this is expected to continue in the future regardless of market conditions. Through September 30, 2010, the 10-year net return was 2.50% annually, while the 20- and 30-year net return numbers were 7.80% and 8.90% respectively.

SERS Personnel Moves

Two long-term SERS employees have retired recently after serving SERS members for over a combined 63 years!



Robert Hicks retired on October 1 after serving four years as the Claims Division Manager. He came to SERS in 1980 and was the Disability Section supervisor from 1989 until 2007. Bob retires with 30 years of state service.



Brenda Fleigle retired on November 1 as the Pensions & Deaths Section Supervisor after serving eight years in this position. Brenda began working for SERS in 1977 and retires with 33 years of service. **Mike Noblet** has been appointed as the interim supervisor until Brenda's replacement is announced.



Kathy Yemm is the new SERS Claims Division Manager. She previously worked for CMS as a manager with the Group Insurance Division. Kathy brings over 30 years of experience to SERS.

SERS FACTOID

SERS has 45,971
retirees and
9,784 survivors.

