

## 2011 Election Results



Lori Laidlaw was re-elected by the SERS contributing members to serve another five-year term as the member trustee on the SERS Board of Trustees beginning July 19, 2011.

A total of 9,738 ballots were returned to the State Board of Elections, and 9,522 ballots were declared valid and certified on June 7.

Lori has been a SERS Trustee for five years, and was elected by her fellow SERS Trustees to serve as Vice-Chairman and Executive Committee member.

She is a 27-year Corrections employee and an elected member of the AFSCME bargaining committee. She is also the Executive Vice-President of AFSCME, Illinois Council 31. Visit our website for additional election information at [www.state.il.us/srs](http://www.state.il.us/srs).

*The NCPERS voluntary life insurance enrollment period begins September 1 thru November 30, 2011. Information about this benefit, including a Schedule of Life Benefits, can be found at [www.ncpersvoluntarylife.com/srs](http://www.ncpersvoluntarylife.com/srs). If you have questions, or problems enrolling, contact the Plan's administrator at 1-800-525-8056 or email [ncpers@healthsmart.com](mailto:ncpers@healthsmart.com) for assistance.*

## Your Annual Benefit Statement is Enclosed

Enclosed with this edition of the SERS-O-GRAM is your Annual Benefit Statement as of June 30, 2011. 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.

## Civil Unions and SERS Benefits

Public Act 96-1513 (SB 1716) created the Illinois Religious Freedom Protection and Civil Union Act.

Effective June 1, 2011, this new state law provides civil unions not only for couples of the same sex, but for couples of the opposite sex as well.

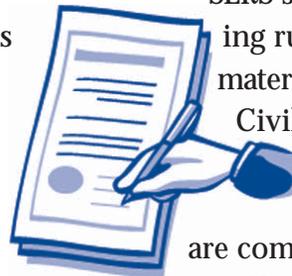
The Act provides parties to a civil union are "entitled to the same legal obligations, responsibilities, protections and benefits as are afforded or recognized by the law of Illinois to spouses, whether they derive from statute, administrative rules, policy, common law, or any other source of civil or criminal law."

All current statutes, rules and policies that currently apply to

married SERS members and spouses will now apply to couples in a civil union.

SERS staff is revising and updating rules, policies and related materials to reflect the new

Civil Unions Act. Additional information will be provided as these materials are completed. You may contact our office at 217-785-7444 for additional information.



*Illinois Comptroller, Judy Baar Topinka, was sworn in as Chairman of the SERS Board of Trustees on January 20, 2011.*

# Tale of the Tape

## CONTRIBUTIONS

Employee and employer contributions to SERS are required by State law. Most SERS employees must contribute 4% of salary, but other employees are required to contribute either 8.0%, 8.5% or 12.5%.

Employee contributions in FY10 totaled \$246.2 million. As the employer, the State is required to contribute an amount each year that will allow the System to achieve a 90% funded ratio by the end of FY2045.

In FY09 and FY10, the State sold bonds and used the proceeds to fund SERS and the other State-funded systems. The State contribution amount grew from almost \$775 million in FY09 to almost \$1.1 billion in FY10.

## ASSETS/INVESTMENTS

Pursuant to statute, SERS' investment function is managed by the Illinois State Board of Investment (ISBI). ISBI also manages the assets of the Judges' and General Assembly Retirement Systems; ISBI commingles assets for investment purposes but accounts for SERS' assets separately. Comptroller Topinka, as Chairwoman of the SERS Board of Trustees, serves as an ex-officio member of the ISBI Board of Trustees.

In FY10, ISBI realized a 9.1% rate of return, net of fees, and SERS' assets increased from almost \$8.5 billion at June 30, 2009 to more than \$9.2 billion at June 30, 2010.

Preliminarily, in FY11, ISBI earned a 21.2% return, led by a 33.9% return on U.S. Equities. These preliminary FY11 returns are gross of fees and have not yet been audited.

## ACCRUED AND UNFUNDED LIABILITY

SERS' FY10 accrued actuarial liability amounted to slightly more than \$29.3 billion, up from \$25.3 billion in FY09. Consequently, over the same time period, SERS' unfunded liability increased from \$14.3 billion to \$18.3 billion, or slightly more than \$4 billion.

The main reason for the dramatic increase in accrued and unfunded liability was the reduction in the investment return assumption from 8.5% annually to a more conservative 7.75% annually. The reduced investment return assumption was adopted

## Statements of Plan Net Assets June 30, 2010 and 2009

	2010	2009
<b>ASSETS</b>		
Cash	\$ 49,912,665	\$ 232,679,069
Receivables	39,333,474	57,435,470
Investments (at fair value)	9,120,601,694	8,200,755,918
Securities Lending Collateral	22,587,000	-
Equipment (net of acc. depr.)	2,808,489	2,574,759
<b>Total Assets</b>	<b>9,235,243,322</b>	<b>8,493,445,216</b>
<b>Total Liabilities</b>	<b>33,412,667</b>	<b>(15,593,128)</b>
<b>Net Assets Held in Trust for Pension Benefits</b>	<b>\$ 9,201,830,655</b>	<b>\$ 8,477,852,088</b>

## Statements of Changes in Plan Net Assets June 30, 2010 and 2009

	2010	2009
<b>ADDITIONS</b>		
Contributions:		
Members	\$ 246,172,971	\$ 242,227,432
Employer	1,095,545,856	774,910,344
<b>Total Contributions</b>	<b>1,341,718,827</b>	<b>1,017,137,776</b>
Investment Income (Loss)	799,895,861	\$ (2,208,897,635)
<b>TOTAL ADDITIONS</b>	<b>\$ 2,141,614,688</b>	<b>\$ (1,191,759,859)</b>
<b>DEDUCTIONS</b>		
Benefits	\$ 1,390,641,192	\$ 1,300,213,675
Refunds (including transfers)	15,274,174	14,859,487
Administrative	11,720,755	10,681,376
<b>TOTAL DEDUCTIONS</b>	<b>\$ 1,417,636,121</b>	<b>\$ 1,325,754,538</b>
<b>Net Increase</b>	<b>\$ 723,978,567</b>	<b>\$ (2,517,514,397)</b>
<b>Net Assets Held in Trust for Pension Benefits:</b>		
Beginning of Year	8,477,852,088	10,995,366,485
<b>End of Year</b>	<b>\$ 9,201,830,655</b>	<b>\$ 8,477,852,088</b>

by the Board of Trustees for the FY10 actuarial valuation based on a review performed by the System's actuaries.

## FUNDED RATIO

Based on the *market* value of assets, SERS' funded ratio decreased from 33.5% at June 30, 2009 to 31.4% at June 30, 2010. Based on the *actuarial* value of assets, the funded ratio decreased from

43.5% to 37.4% over that time period. The actuarial value of assets provides for more predictability in the required State contribution level by spreading "excess" investment gains and losses over a 5-year period. For FY11, SERS' funded ratio should increase due to the full payment of the State contribution and the significant increase in investment returns earned by ISBI.

# 2012 SERS Preretirement Workshops

Registration for the SERS 2012 workshops begins September 1, 2011. 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](http://www.state.il.us/srs) or call 217-785-6979.

## INVESTING IN YOUR FUTURE For employees under age 45

Feb. 28	Springfield
Mar. 13	Carbondale
Mar. 13	Chicago
Apr. 17	Springfield
Jun. 12	Collinsville
Jun. 19	Joliet
Jun. 26	Springfield
Jul. 10	Mt. Vernon
Jul. 31	Springfield
Aug. 7	East Peoria
Sep. 18	Schaumburg
Sep. 25	Springfield
Oct. 2	Chicago
Dec. 4	Champaign

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

Jan. 11 & 12	Springfield
Jan. 11 & 12	Chicago
Jan. 25 & 26	Springfield
Feb. 1 & 2	Glen Ellyn
Feb. 22 & 23	Springfield
Feb. 29 & Mar. 1	Chicago
Mar. 7 & 8	Springfield
Mar. 21 & 22	Bloomington
Mar. 21 & 22	Dixon
Apr. 4 & 5	East Peoria
Apr. 11 & 12	Collinsville
Apr. 18 & 19	Carbondale
Apr. 18 & 19	Schaumburg
Apr. 25 & 26	Quincy
May 2 & 3	Springfield
Jun. 6 & 7	Rockford
Jun. 20 & 21	Springfield
Jul. 25 & 26	Springfield
Aug. 1 & 2	Carbondale
Aug. 15 & 16	Springfield
Aug. 22 & 23	Chicago
Aug. 29 & 30	Fairview Heights
Sep. 5 & 6	Utica
Sep. 19 & 20	Springfield
Oct. 3 & 4	Mt. Vernon
Oct. 17 & 18	Effingham
Oct. 24 & 25	Champaign
Oct. 24 & 25	Chicago
Nov. 7 & 8	East Peoria
Nov. 14 & 15	Joliet
Nov. 28 & 29	Springfield
Dec. 5 & 6	Springfield

## COUNTDOWN TO RETIREMENT For employees within 3 years of retirement

Jan. 19	Springfield
Jan. 26	Chicago
Feb. 2	Springfield
Feb. 16	Springfield
Feb. 23	Glen Ellyn
Mar. 1	Urbana
Mar. 8	Chicago
Mar. 15	Springfield
Apr. 12	Springfield
Apr. 26	Springfield
Apr. 26	Schaumburg
May 24	Kankakee
May 31	Joliet
Jun. 7	Springfield
Jun. 14	Mt. Vernon
Jun. 28	Carbondale
Jul. 12	Chicago
Jul. 12	Springfield
Jul. 19	DeKalb
Jul. 19	Utica
Jul. 26	Collinsville
Aug. 16	Matteson
Aug. 30	Springfield
Sep. 13	Rockford
Sep. 13	Springfield
Oct. 11	East Peoria
Oct. 18	Chicago
Oct. 25	Springfield
Nov. 1	Carbondale
Nov. 8	Chicago
Nov. 8	Springfield
Nov. 15	Collinsville
Dec. 13	Springfield

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 \_\_\_\_\_