

MEET OUR NEW EXECUTIVE DIRECTOR

Suzanne Mayer was appointed SURS executive director on Dec. 8, 2021, by the board of trustees. She had served as interim executive director since February of 2021 while also carrying out her responsibilities as chief benefits officer (CBO) – a position she held since 2018.

As chief benefits officer Mayer oversaw the Call Center, Retirement Counselors, Employer Services, Claims Processing, Benefits Support Services, Communications and the Retirement Savings Plan departments.

Mayer has been with the System since 2002 and served as a retirement counselor, counseling manager and director of outreach before becoming the chief benefits officer.

“For nearly 20 years, I have worked in some form of member service at SURS,” said Mayer. “My primary goal has always been to better assist members by providing them personal service as well as the tools they need to plan for a secure retirement. SURS recently made several service enhancements, and we are undergoing more changes including implementing a new pension administration system.”



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ANNUAL FINANCIAL REPORT AVAILABLE ON SURS.ORG

SURS 103-page [annual report](#) outlining assets; liabilities; employer contributions; investment policies, objectives and performance highlights; manager fees; membership and benefit statistics; and more is available [online](#) for review.

As noted on the cover, 2021 was SURS 80th anniversary year. In 1941, Gov. Dwight H. Green signed the law creating the University Retirement System of Illinois. Our name was changed in 1963 to reflect all the schools we represent. From the earliest days with three staff members and 3,760 participants through years of growth, moves, technological changes and pension reforms, we have upheld our mission "to secure and deliver the benefits promised to our members."

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LOOKING FORWARD TO WHAT LIES AHEAD FOR SURS

We were pleased that Gov. Pritzker included SURS full certified state contribution of \$2,118,567,000 in his FY 2023 budget address last month. Also significant was his proposed \$500

MESSAGE FROM THE EXECUTIVE DIRECTOR



SUZANNE MAYER

million supplemental payment to the state's five public pension systems that will reduce long-term liabilities by an estimated \$1.8 billion. Both go a long way to building a more financially strong system.

The proposed budget also includes increased direct support for state colleges and universities, an increase to Monetary Award Program (MAP) funding and additional funding for minority teacher scholarships. All

good news going forward for our employers, their students and our members.

Interest in SURS new Deferred Compensation Plan (DCP) continues to grow. All eligible SURS employers now have adopted the savings plan and most all have made it available to their employees.

Whether you are enrolled in the SURS Traditional Plan, Portable Plan or the Retirement Savings Plan (RSP), I hope you will take the time to learn more about the DCP. It's another way for you to save

additional money for retirement and it's easy to participate.

Like all businesses, the pandemic has changed the way we work and interact with our members. Though we had to close our physical office to the public for many months, our front lobby is once again open, and we are available to help you with your needs. Our counseling sessions are still being conducted virtually however we look forward to meeting with you in person again soon. In the meantime, sign up for one of our popular virtual sessions. Be sure to also check out our spring educational offerings listed on the back page. Our counselors will be providing live and on-demand webinars covering a variety of topics designed to help you better prepare for retirement.

Finally, I want to say how proud I am to serve as SURS executive director. My career at SURS has been focused on how we can best serve our members; whether it be through education and counseling, direct responses to your questions and concerns, processing accurate benefits or making sure we invest wisely and secure our annual state funding. I want you to know we are here to help you along your career journey from the time you are hired all the way through your retirement years.

Please feel free to contact me with your concerns at Executive_Director@surs.org.

SURS Fiscal Year 2022 Appropriation

MONTH	TOTAL RECEIVED	TOTAL DUE	AMOUNT OWED	
July	\$175,106,583.33	\$175,106,583.33	\$0.00	Total FY 2021 Appropriation \$1,995,767,000 Paid in full by June 10, 2021
August	\$9,200,000.00	\$175,106,583.33	\$165,906,583.33	Total FY 2020 Appropriation \$1,854,692,000 Paid in full by July 7, 2020
September	\$341,013,166.66	\$175,106,583.33	-\$165,906,583.33	Total FY 2019 Appropriation \$1,655,154,000 Paid in full by July 31, 2019
October	\$131,721,687.49	\$175,106,583.33	\$43,384,895.84	Total FY 2018 Appropriation \$1,629,307,606 Paid in full by July 12, 2018
November	\$60,975,503.00	\$175,106,583.33	\$114,131,080.33	Total FY 2017 Appropriation \$1,671,426,000 Paid in full by Sept. 22, 2017
December	\$116,450,583.33	\$175,106,583.66	\$58,656,000.33	
January	\$347,938,166.66	\$175,106,583.00	-\$172,831,583.66	
February	\$1,120,000.00	\$175,106,583.33	\$173,986,583.33	
TOTAL TO DATE	\$1,183,525,690.47	\$1,400,852,666.64	\$217,326,976.17	



SURS Employees of the Year are, from left to right, Holly Silver, Cynthia Yao Gnahore, Michelle Davenport, Cara Peeler and Rosaline Epstein.

SURS NAMES 2021 EMPLOYEES OF THE YEAR

At the end of last year, SURS honored our Support Services Team for their dedication and positive attitude in providing essential services during the COVID-19 pandemic. Team members included Michelle Davenport, Rosaline Epstein, Cynthia Yao Gnahore, Cara Peeler and Holly Silver.

The Support Services Team's operations are an essential component in most everything SURS does. Without their hard work and dedication, SURS could not operate effectively.

During FY 2021, most benefit claims were processed remotely and most work was distributed to

staff members electronically. For those staff members to be able to work safely from home, the Support Services Team had to be in the office every day throughout the year to initiate all claims processes.

They carried out safety-appropriate, in-office operations to make sure incoming and outgoing mail service continued and documents received were properly scanned into the system. The team scanned 86,812 documents and sent out 270,583 pieces of mail.

The team was nominated and chosen for the award by their co-workers.

CYBERSECURITY UPGRADES COMING TO SURS EXTERNAL WEBSITES

Cybersecurity is an increasing risk that can threaten the sustainability of any organization. SURS takes the threat of online identity theft seriously.

In the coming months we will be implementing new security measures on our Member and Employer Websites. We will be adding a layer of identity verification as part of the login process, a technique that has become commonplace for online banking and other secure sites.

Stay tuned for more details, including the timing of the change.



SURS Long-Term Portfolio Returns

As of Dec. 31, 2021

	1 Year	5 Years	10 Years	20 Years	30 Years
SURS Portfolio	14.74%	10.62%	9.65%	7.65%	8.30%
Policy Portfolio	11.72%	10.22%	9.58%	7.61%	8.05%

SURS SEES STRONG RETURNS FOR 2021

The SURS investment portfolio ended calendar year 2021 on a high note, benefiting from strong financial markets over the course of the year.

A rebound in global GDP growth, strong corporate earnings, and optimism over the pandemic recovery contributed to new highs in equity markets during the latter part of 2021.

The SURS portfolio surged to return 14.74%, net of fees, during calendar year 2021, significantly exceeding the 11.72% policy benchmark and the current 6.50% assumed rate of return. Each of the six functional asset class portfolios outperformed their benchmarks for the year, with the non-traditional growth and stabilized growth classes performing particularly well on a relative basis.

As of Dec. 31, 2021, the SURS defined benefit investment portfolio was valued at approximately \$24 billion. SURS total assets at year-end were approximately \$28.1 billion when Retirement Savings Plan (RSP) assets of \$4.1 billion are included.

The new Deferred Compensation Program (DCP), a supplemental plan designed to provide members an avenue to save more and generate additional income in retirement, had assets of \$3 million at the end of the year.

The strong one-year return further improves SURS robust long-term results, as shown in the table above. The portfolio's long-term performance remains above the policy benchmark and 6.50% assumed rate of return in effect as of Dec. 31, 2021.

Russian Invasion of Ukraine

The Feb. 24 invasion of Ukraine by Russia has caused unspeakable turmoil, grief and suffering. Our thoughts and prayers are with the Ukrainian people fighting for their lives to defend their families, homeland and democracy.

PORTFOLIO STRUCTURED TO WITHSTAND VOLATILITY

The persistence of higher inflation in the U.S. has resulted in increasing expectations of multiple rate hikes by the Federal Reserve in 2022, and generally, an end to accommodative monetary policy.

Inflation fears, geopolitical tensions, and continuing repercussions from COVID-19 have combined to increase volatility in financial markets thus far in 2022. This heightened volatility may continue throughout the remainder of the year.

The portfolio's robust diversification and intentional risk mitigation strategies are designed to lessen the impact of continuing downside volatility. The portfolio is professionally managed and monitored by both internal staff and industry-leading advisors.

The SURS investment portfolio has very limited exposure to Russian securities. As of Feb. 28, 2022, SURS exposure is less than 0.1% of the portfolio. SURS mid-February liquidation of two dedicated emerging market debt commingled funds, an action unrelated to the invasion, materially reduced our exposure to Russian securities.

SURS staff is exploring the options the board has with respect to divestment of the remaining Russian holdings. We will continue to monitor our investment managers' positions in these securities, have periodic discussions with investment managers about market liquidity for current Russian holdings, and determine the most prudent course of action.

1099-R TAX FORMS AVAILABLE ON MEMBER WEBSITE

SURS has completed its paper mailing of the 2022 IRS Form 1099-R to each member or beneficiary who received a distribution in 2021.

Members may log in to the SURS secure Member Website and print a copy if needed. The 1099-R forms can be found under the "My Payment" tab or in the quick links under "Tax Statements."

If you do not have Internet access and would like to request a print version be mailed to you, please contact SURS Call Center at (800) 275-7877.

The Illinois Department of Revenue (IDOR) began accepting 2021 state individual income tax returns on Monday, Jan. 24, the same date the Internal Revenue Service (IRS) began accepting federal individual income tax returns.

This year's tax deadline is Monday, April 18.



GOV. PROPOSES ADDITIONAL \$500 MILLION FOR PENSIONS

The legislature reconvened for the second year of the 102nd General Assembly on Jan. 5, but most work has continued to occur remotely due to the ongoing global pandemic.

On Feb. 2, the governor presented the introduced budget for fiscal year 2023.

Under the governor's introduced budget, which was filed as House Bill 5634 and Senate Bill 4136, SURS would receive the full certified state contribution (\$2,118,567,000) and a portion of an additional \$500 million dedicated to reduce the unfunded liabilities of the five state-funded retirement systems (the General Assembly Retirement System, State Employees Retirement System, State Universities Retirement System, Teachers Retirement System and Judges Retirement System). The Governor's Office estimates that the additional \$500 million will result in future savings of \$1.8 billion for the state.

SURS strongly urges the General Assembly to pass the full certified state contribution for FY 2023 and the additional \$500 million to reduce the unfunded liabilities and improve the funded status of the systems.

Despite the condensed legislative timeframe due to the scheduled adjournment April 8, the General Assembly has introduced several legislative proposals impacting SURS.

Of note, House Bill 4292 would authorize an additional \$1 billion in bonds to finance the optional

buyout programs created by Public Act 100-0587 and would extend the expiration date of the optional buyout programs from June 30, 2024, to June 30, 2026.

The first buyout option allows eligible individuals who first became members of SURS prior to Jan. 1, 2011, to accept a reduced and delayed automatic annual increase on retirement and survivor's annuities in exchange for a one-time, lump-sum payment equal to 70% of the present value of the difference between the original 3% compounded automatic annual increases that begin the Jan. 1 after retirement and the 1.5% simple automatic annual increases that would begin the Jan. 1 after the later of age 67 or one year after retirement.

The second buyout option allows eligible individuals to receive a one-time, lump-sum payment equal to 60% of the present value of their pension benefits, in exchange for forfeiting all benefits otherwise payable under SURS.

If you are interested in learning more about buyout options, go to surs.org/life-events/tier-iaa-buyout/ and surs.org/life-events/vested-inactive-buyout/ or contact SURS at 1-800-275-7877.

We strive to keep you informed of all legislation impacting SURS and SURS member benefits. Please visit our legislative website at surs.org/business/legislation to find the most up-to-date information on legislation pending in the General Assembly.

LEGISLATIVE UPDATE

The Retirement Savings Plan (RSP), SURS core defined contribution plan, had plan assets of more than \$4.1 billion, as of Dec. 31, 2021, which

SURS RETIREMENT SAVINGS PLAN UPDATE

equates to an average account balance of \$180,370 per each of the 22,731 RSP participants. The RSP experienced an increase in plan assets of 15.7% from a year ago and enrollment increased 0.5%.

The average asset allocation as of Dec. 31, 2021, was 60.9% Equities, 18% Balanced Funds and 17.2% Fixed Income. The remaining 3.9% was attributable to Real Estate.

As we embark on the second year with Voya as the RSP recordkeeper, we encourage members to continue to read the informational materials that are available at surs.org/retirement-plans/rsp.

Members are also strongly encouraged to utilize the Lifetime Income Strategy (LIS) estimator to assist in determining what their monthly retirement benefits might be under that option. Members can change their retirement age, LIS percentage and salary assumptions in the estimator.

Members should continue to contact SURS for annuity estimates with Principal and TIAA.

Members should continue to contact SURS for annuity estimates with Principal and TIAA.

SURS continues to work in coordination with the Defined Contribution (DC) Call Center to provide information to RSP members.

The DC Call Center and SURS RSP team have both recently expanded to provide additional service.

SURS offers two quarterly webinars titled “Navigating the RSP” and “RSP Distribution Options.” Dates and times are posted on the SURS website as soon as they are set. To register, go to surs.org and click on Educational Events.

SURS also offers individual counseling appointments for those nearing retirement. If you are within four years of retirement you may schedule a counseling appointment by either logging onto your Member Website account and clicking the link in the “Attention Box” or by phoning SURS at 800-275-7877.

Members at all stages of their career may schedule an individual appointment with a SURS Defined Contribution representative. Appointments can be scheduled at www.sursrsp.timetap.com. Representatives are available to discuss investments options, the SURS Lifetime Income Strategy (LIS) and more.

SUPPLEMENT YOUR RETIREMENT SAVINGS WITH SURS DCP

If you are looking for an additional way to save for your retirement, consider the SURS Deferred Compensation Plan (DCP), our new voluntary supplemental retirement plan.

The SURS DCP is being offered through your employer to complement your core SURS retirement plan – the SURS Traditional Plan, SURS Portable Plan or SURS Retirement Savings Plan (RSP).

Creating added retirement savings is important since SURS members do not contribute to Social Security. Many members who are eligible for Social Security through other employment will have their Social Security reduced.

With the SURS DCP, you can build supplemental savings to help close the gap between income from your SURS core retirement plan and your retirement income goal. Your SURS DCP contributions are deducted automatically from your paycheck. You choose the savings rate right for you, up to the IRS maximum annual limits. You can make before-tax or after-tax contributions or a combination of both. You are eligible to contribute additional amounts at age 50 and up.

For more information or to sign up for a DCP



webinar go to surs.org/retirement-plans/dcp.

To schedule an appointment with a local representative go to sursrsp.timetap.com.

To enroll go to surs.org and click on the Member Website login button.

CHANGE WILL AFFECT FUTURE MONEY PURCHASE CALCULATIONS

On July 2 the Money Purchase Factors used to calculate SURS retirement benefits will change. Members retiring on or after that date, with the highest retirement calculation under the Money Purchase calculation could be affected.

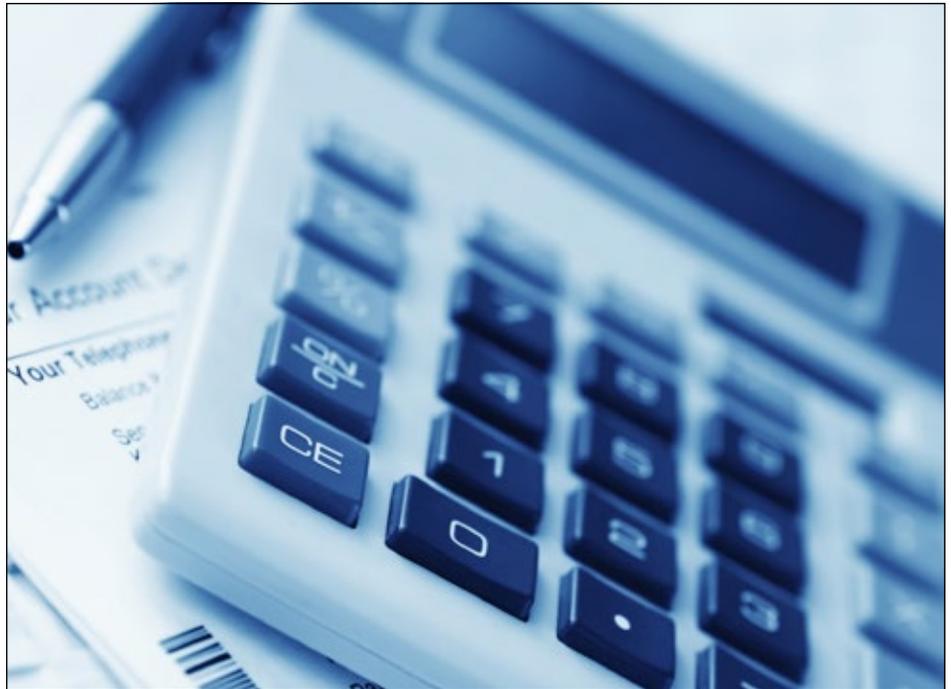
When a SURS member retires all eligible types of retirement calculations are performed, and the member's monthly benefit is based on the calculation that provides the highest benefit. For some members retiring on or after July 2 under the Money Purchase formula, the change in Money Purchase factors could result in a downward adjustment in their monthly benefit of 2%-4%.

Active members can offset the decrease by delaying retirement by approximately three to four months. Inactive participants would need to put off retirement four to six months to make up the difference.

The changes to the Money Purchase factors will not affect:

- Current annuitants
- Survivor benefit recipients
- Retirement Savings Plan members
- Members who began participation on or after July 1, 2005
- Members whose benefit is highest under the General Formula calculation

Retirement calculations are



unique to each member. For this reason, SURS encourages members who are considering retirement in the next two years and might be affected by the changes, to log in to their personal account on the SURS Member Website and use the benefit estimator. The estimator has been updated with the new factors.

By calculating estimates for retirement dates before and after the July 2 effective date, members can gain a clearer picture of how the changes could impact their benefits. Members may also request a retirement counseling session electronically or by phone by calling 800-275-7877.

The changes to the factors are a result of a recent actuarial experience study which recommended a reduction of the assumed rate of investment return and updated mortality tables to reflect changes in life expectancy. Money Purchase factors are an actuarial representation of the member's life expectancy. An actuarial experience study is required by state statute at least once every three years.

For more information, go to surs.org/money-purchase-factor-change, or attend the Money Purchase Factor Changes Webinar March 24 from 12 to 1 p.m. Register for the webinar at surs.org/event/money-purchase-factor-changes-webinar-4.

DIRECTOR from Front Page

"I look forward to finding new ways to improve our processes and technology while continuing to provide members the benefits they rely on."

Mayer is a graduate of Eastern Illinois Uni-

versity with a bachelor's degree in business management, and she holds a Master of Public Administration degree from the University of Illinois Springfield. The board worked with Heidrick & Struggles, a Chicago-based executive search firm, on a nationwide search for qualified candidates before selecting Mayer.

2022 PAYMENT SCHEDULE

Disability	Annuity
March 31	April 1
April 29	April 29
May 31	June 1
June 30	July 1
July 29	August 1
August 31	September 1
September 30	September 30
October 31	November 1
November 30	December 1
December 30	



SURS EDUCATIONAL SEMINARS & WEBINARS

Plan Choice Webinar – Tier II

[March 29, April 26, May 31, June 28, July 26, Aug. 30, Sept. 27, Oct. 25, Nov. 29 and Dec. 20 \(9:30-11 a.m.\)](#) – These webinars are for Tier II members new to SURS.

From Here to Retirement Webinar

[March 23 \(Noon-1 p.m.\)](#) – This webinar is designed to help early to mid-career members consider future goals and evaluate retirement readiness.

Retirement Education Seminar

[March 30 and April 27 \(8:30 a.m.-3:30 p.m.\)](#) – These virtual seminars are for Tier I Traditional and Portable Plan members who are close to retirement.

Understanding Your SURS Benefits

[April 13 \(9:30-11 a.m.\)](#) – This webinar is an overview of SURS Tier I and Tier II benefits, with a focus on retirement.

DCP Informational Webinar

[March 22 \(9-10 a.m.\), April 5 \(1-2 p.m.\), April 19 \(9-10 a.m.\), May 10 \(1-2 p.m.\) and May 24 \(9-10 a.m.\)](#) – The SURS Deferred Compensation Plan (DCP) is a voluntary supplemental retirement plan designed to complement your SURS core retirement plan.

Money Purchase Factor Changes Webinar

[March 24 \(Noon-1 p.m.\)](#) – This webinar will be helpful for any SURS member who has questions about the upcoming changes to the Money Purchase factors effective July 2, 2022.

Navigating the Retirement Savings Plan (RSP)

[July 14 \(9:30-11 a.m.\)](#) – This webinar is for RSP participants new to SURS.

RSP Distribution Options Webinar

[June 9 \(9:30-11 a.m.\)](#) – This webinar will explain financial distribution options at retirement for RSP members and address the forms needed and application processes.

BOARD MEETINGS SCHEDULE

Times and locations are subject to change.

Thursday, April 21 (9 a.m. – 5 p.m.)
Investment Committee Meeting

Thursday, June 2 (9 a.m. – 5 p.m.)
Friday, June 3 (9 a.m. – 1 p.m.)
Committee and Board Meetings

Thursday, Sept. 15 (9 a.m. – 5 p.m.)
Friday, Sept. 16 (9 a.m. – 1 p.m.)
Committee and Board Meetings

Thursday, Oct. 20 (9 a.m. – 5 p.m.)
Committee and Board Meetings

Thursday, Dec. 8 (9 a.m. – 5 p.m.)
Friday, Dec. 9 (9 a.m. – 1 p.m.)
Committee and Board Meetings

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