MINUTES

Quarterly Meeting of the Legal & Legislative Committee
of the Board of Trustees of the
State Universities Retirement System
Friday, June 6, 2025, 9:00 a.m.
Northern Trust - 50 S. LaSalle St. – Global Conference Center - Chicago, IL, 60603
Optional Remote Connection for Members of the Public

This meeting was held in person at Northern Trust, in Chicago, IL.

The following trustees were present: Dr. Andry Bodnaruk; Mr. Richard Figueroa; Dr. Fred Giertz; Mr. Scott Hendrie; Ms. Jeanine Jiganti; Mr. Panav Kothari; Mr. John Lyons; Dr. Steven Rock; Mr. Collin Van Meter; and Mr. Antonio Vasquez.

Others present: Ms. Suzanne Mayer, Executive Director; Ms. Bianca Green, General Counsel; Mr. Albert Lee, Associate General Counsel; Ms. Heather Kimmons, Associate Legal Counsel; Mr. Michael Schlachter, Chief Investment Officer; Ms. Nichole Hemming, Chief Human Resources Officer; Mr. Jefferey Saiger, Chief Strategy & Technology Officer; Ms. Tara Myers, Chief Financial Officer; Ms. Jackie Hohn, Chief Internal Auditor; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; Ms. Kelly Carson, Ms. Chelsea McCarty and Ms. Annette Ackerman, Executive Assistants; Mr. Michael Calabrese of Foley; and Mr. Ron Holmes, Legislative Consultant.

Legal & Legislative Committee roll call attendance was taken: Trustee Bodnaruk, present; Trustee Giertz, present; Trustee Lyons, present; Trustee Pittman, absent; and Trustee Rock (chair), present.

MOTION TO ALLOW TRUSTEES TO PARTICIPATE IA ELECTRONIC MEANS

Trustee Giertz made the following motion:

- That Trustee Pitman be allowed to participate via video or audio conference call for the Legal and Legislative committee Meeting on June 6, 2025, pursuant to Section 7(a) of the Open Meetings Act.

Trustee Lyons seconded the motion which passed via the following roll call vote:

Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Lyons	-	aye
Trustee Rock	-	aye

Roll call attendance for trustees participating via electronic means was taken: Trustee Pitman, absent.

APPROVAL OF MINUTES

Trustee Rock presented the minutes from the Legal & Legislative Committee meeting of the March 6, 2025.

Trustee Lyons made the following motion:

- That the minutes from the March 6, 2025, Legal & Legislative Committee meeting be approved as presented.

Trustee Giertz seconded the motion which passed via all committee members present voting in favor of the motion.

CHAIRPERSON'S REPORT

Trustee Rock did not have a chairperson's report.

LEGISLATIVE UPDATE

Ms. Kristen Houch and Mr. Ron Holmes provided the legislative update. This included a review of information relating to the final sessions of the House and Senate for fiscal year 2025. Ms. Houch provided an overview of the fiscal year 2026 state budget recently passed by the General Assembly. Ms. Houch also provided an overview of several bills including HB3193 and she explained how this bill would impact SURS. Ms. Houch reported that the state appropriated the full certified state contribution to SURS for FY2026 in the amount of $2,319,446,000.

A copy of the report titled, "104 General Assembly - 2025" is incorporated as part of these minutes as **Exhibit 1**. A memo titled, "Pension Impact Note 104 General Assembly" is incorporated as part of these minutes as **Exhibit 2.**

RULEMAKING AND COMPLIANCE UPDATE

Status of Pending Rules and Approval of Proposed Rules

Mr. Albert Lee presented an overview of current and proposed changes to various SURS administrative rules. This included a summary of the SURS Open Meeting Act rules under Title 18, Section 1600.120 of the Illinois Administrative Code and the proposed changes to this rule.

Trustee Giertz made the following motion:

- The proposed rulemaking be approved, substantially in the form presented, for First Notice Filing with the Joint Committee on Administrative Rules and publication in the Illinois Register by the Secretary of State.

Trustee Bodnaruk seconded the motion which passed via the following roll call vote:

Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Lyons	-	aye
Trustee Pitman	-	absent
Trustee Rock	-	aye

A copy of the of the memo titled, "Proposed Rulemaking" is incorporated as part of these minutes as **Exhibit 3.**

Compliance Stop Light Report

Ms. Bianca Green reviewed and discussed the current compliance stop light report which reflects SURS' compliance with its reporting requirements.

A copy of the report titled, "May 2025 Spotlight Report" is incorporated as part of these minutes as **Exhibit 4**.

APPROVAL OF THE PROPOSED JULY 2025 REGULATORY AGENDA

Ms. Green presented the proposed July 2025 Regulatory Agenda. She explained that twice each year, in January and July, a regulatory agenda must be filed with the Illinois Secretary of State's Office.

Trustee Giertz made the following motion:

- That the proposed July 2025 Regulatory Agenda be approved as presented and be filed substantially in the form presented.

Trustee Bodnaruk seconded the motion which passed via the following roll call vote:

Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Lyons	-	aye
Trustee Pitman	-	absent
Trustee Rock	-	aye

PUBLIC COMMENT

There were no public comments presented to the Legal & Legislative Committee.

ADJOURN

There was no further business brought before the committee and Trustee Giertz moved to adjourn the meeting. The motion was seconded by Trustee Bodnaruk, and it passed via the following roll call vote:

Trustee Bodnaruk	-	aye
Trustee Giertz	-	aye
Trustee Lyons	-	aye
Trustee Pitman	-	absent
Trustee Rock	-	aye

Respectfully submitted,

Suzanne M. Mayer

Ms. Suzanne M. Mayer
Executive Director and Secretary, Board of Trustees

SMM:aa

S·U·R·S STATE UNIVERSITIES RETIREMENT SYSTEM

104TH GENERAL ASSEMBLY - 2025						
LEGISLATION PASSED OR PENDING AS OF SPRING ADJOURNMENT						
Legislation amending the Illinois Pension Code is highlighted in yellow						
Bill Number	**Sponsor(s)**	**Short Title**	**Short Summary**	**Notes**	**Rule Changes**	**Status**
HB 1075 (ENRL)	Rep. Gabel (Sen. Sims)	FY 2026 Budget Implementation Bill	Creates the Fiscal Year 2026 Budget Implementation Act to make changes in State programs necessary to implement the State budget for FY 2026. Creates the Tier 2 SSWB Reserve Fund as a special fund in the State treasury. Requires funds in the fund, subject to appropriation, to be used to provide additional State contributions associated with adjusting the Tier II pensionable earnings limitations. Provides that distributions from the fund are allocated as follows: (1) 5.1% to SERS; (2) 83.3% to TRS; and (3) 11.6% to SURS. Provides that there is a continuing appropriation from the fund if any enforceable determination concludes that the benefits for a Tier II member under the pensionable earnings limitation do not provide the minimum retirement benefits required under federal law so that the wages of the member or participant would be subject to FICA tax, then the moneys in the Tier 2 SSWB Reserve Fund may be used by SERS, TRS, or SURS to pay the difference between benefits otherwise available and benefits that would constitute minimum retirement benefits under federal law. Transfers $75 million from the General Revenue Fund to the Tier 2 SSWB Reserve Fund on July 1, 2025 or as soon thereafter as practical. Makes changes to allow moneys in the State Pension Fund to be used as part of the annual required State contribution to SURS for FY 2026 (instead of being used to reduce the unfunded liabilities of the State-funded retirement systems). Allows cross-selling under the SURS DCP upon a request by the System. Makes other changes. Effective immediately.	**Fiscal Impact**	No	Passed Both Houses on 5/31/25 (House: 74-41-0; Senate: 32-23-0)
HB 1447 (ENRL)	Rep. Kelly (Sen. Porfirio)	Investment Report Deadline	Amends the Accountability for the Investment of Public Funds Act to require investment reports under the Act to be published no later than the end of each month (currently, by the 15th of the month). Makes other changes. Effective immediately.	State Treasurer Proposal; Identical to SB 90 (Sen. Porfirio)	No	Passed Both Houses on 5/22/25 (House: 111-0-2; Senate: 58-0-0)
HB 2378	Rep. Kifowit	RSP Lump-Sum Retiree Health Insurance	Amends the State Employees Group Insurance Act of 1971 to allow community college retirees who take lump-sum distributions from the Retirement Savings Plan to receive retiree health insurance benefits. Amends the State Universities Retirement System article of the Illinois Pension Code to establish that a participant in the Retirement Savings Plan retires and their retirement begins when they are eligible for retirement (including reciprocal retirement, if applicable) and begins receiving retirement income from their Retirement Savings Plan account. No effective date listed.	**Fiscal Impact;** IFT Proposal; CMS Opposition	Yes	House Re-Referred to Rules Committee on 4/11/25
HA #1 to HB 2378	Rep. Kifowit	RSP Lump-Sum Retiree Health Insurance	Amends the State Employees Group Insurance Act of 1971 to allow community college retirees who take lump-sum distributions from the Retirement Savings Plan to receive retiree health insurance benefits if (1) they continue to make a payment for the cost of benefits identified by the Department of Central Management Services (CMS) with an ongoing monthly payment through a payment structure provided by CMS; (2) they pay the actual cost associated with obtaining and processing that payment otherwise incurred by CMS; and (3) they agree in writing that no benefit will be offered or owed when these costs are unpaid. Amends the State Universities Retirement System article of the Illinois Pension Code to establish that a participant in the Retirement Savings Plan retires and their retirement begins when they are eligible for retirement (including reciprocal retirement, if applicable) and begins receiving retirement income from their Retirement Savings Plan account. No effective date listed.	**Fiscal Impact;** IFT Proposal; CMS Opposition	Yes	House Re-Referred to Rules Committee on 4/11/25

104TH GENERAL ASSEMBLY - 2025						
LEGISLATION PASSED OR PENDING AS OF SPRING ADJOURNMENT						
Legislation amending the Illinois Pension Code is highlighted in yellow						
Bill Number	**Sponsor(s)**	**Short Title**	**Short Summary**	**Notes**	**Rule Changes**	**Status**
HB 3193 (ENRL)	Rep. Kifowit (Sen. Martwick)	Pensions Omnibus	Amends several provisions of the Illinois Pension Code and makes the following changes pertaining to SURS: (1) requires every retirement system and pension fund to indemnify and protect trustees and staff against all damage claims and suits, including the defense thereof, when damages are sought for negligent or wrongful acts alleged to have been committed in the scope of employment or under the direction of the trustees (currently, such indemnification is permissive); (2) allows every retirement system and pension fund to indemnify and protect its consultants against all damage claims and suits, including the defense thereof, when damages are sought for negligent or wrongful acts alleged to have been committed in the scope of employment or under the direction of the trustees (currently, such indemnification is permissive); (3) provides that a survivors insurance beneficiary or their representative may waive the right to receive survivorship benefits within 6 months after SURS notifies the person of the benefits payable (instead of 6 months after the death of the participant to annuitant); (4) makes technical changes related to the SURS Tier II final average salary to reflect the corresponding provisions of Article 1 of the Illinois Pension Code; (5) requires SURS employers to pay any 6% bill within 7 years (instead of 3 years) after the employer's receipt of the bill; and (6) provides that an employer that is liable for aggregate affected annuitant contributions in excess of $300,000 for employing the same affected annuitant during academic years 2021, 2022, and 2023 must receive a credit for said contributions made by the employer against future contributions or penalties owed to SURS to by the employer. Makes other changes. Effective immediately, with some provisions having a delayed effective date.	**Fiscal Impact**; Sponsor Initiative	No	Passed Both Houses on 5/31/25 (House: 103-12-1; Senate: 57-0-0)
HB 3374 (ENRL)	Rep. Rita (Sen. Sims)	Bond Authorization Act of 2025	Creates the Bond Authorization Act of 2025. Authorizes the use of an additional $200 million in State Pension Acceleration Bonds to fund Vested Inactive Buyouts and Tier I AAI Buyouts under SERS, SURS, and TRS. (NOTE: The total State Pension Obligation Acceleration Bond authorization increases from $2 billion to $2.2 billion.) Makes other changes. No effective date listed.	**Fiscal Impact**	No	Passed Both Houses on 6/1/25 (House: 111-0-0; Senate: 37-19-0)

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104TH GENERAL ASSEMBLY - 2025						
LEGISLATION PASSED OR PENDING AS OF SPRING ADJOURNMENT						
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Bill Number	**Sponsor(s)**	**Short Title**	**Short Summary**	**Notes**	**Rule Changes**	**Status**
SB 243 (ENGR)	Sen. Porfirio (Rep. Didech)	OMA and FOIA Omnibus	Amends the Open Meetings Act to make the following changes: (1) allows a public body to hold a closed meeting for self evaluation, practices and procedures, or professional ethics, when meeting with a representative of a statewide or regional association of which the public body is a member; (2) prohibits a public body from holding or scheduling a regular or special meeting on the day of a general primary election, a general election, a consolidated primary election, or a consolidated election, as defined in the Election Code; and (3) allows a member of a public body to participate remotely in a meeting due to performance of active military duty as a service member (and defines "active military duty" and "service member"). Amends the Freedom of Information Act to make the following changes: (1) modifies the definition of a "person" to mean any individual or individual acting as an agent of a corporation, partnership, firm, organization or association, acting individually or as a group; (2) establishes that "public records" under the Act does not include junk mail; (3) defines "junk mail" as (i) any unsolicited commercial mail sent to a public body and not responded to by an official, employee, or agent of the public body or (ii) any unsolicited commercial electronic communication sent to a public body and not responded to by an official, employee, or agent of the public body; (4) establishes that a public body is not required to open electronically attached files or hyperlinks to view or access details of a request under the Act; (5) requires a public body that receives a request that would require the public body to open hyperlinks or attached files to, within 5 business days, notify the requester of the requirement that the entirety of an electronic request must appear within the body of the electronic submission; (6) allows a public body that has a reasonable belief that a request was not submitted by a person to require the requester to verify orally or in writing that the requester is a person and provides that the public body may deny the request if the requester fails to verify that he or she is a person within 30 days after the public body requests such a verification; (7) requires a public body to prominently display certain information about records available for inspection and copying on its website (instead of at its administrative or regional offices); and (8) provides that any officer or employee of a public body that discloses records in accordance with an opinion of the Attorney General is immune from all liabilities by reason thereof and not liable for penalties under the Act. Makes other changes. Effective January 1, 2026.		No	Senate Placed on Calendar Order of Concurrence on 5/31/25; Passed the House (114-0-0) on 5/31/25
SB 1455	Sen. Martwick	State Deferred Compensation Plan Fees	Amends the Deferred Compensation Article of the Illinois Pension Code to require the Department of Central Management Services, beginning January 1, 2026, to provide for the recovery of its expenses for administering the State's Deferred Compensation Plan by charging fees equitably prorated among the participating employers. Effective immediately.	**Fiscal Impact**	No	Senate Placed on Calendar Order of 3rd Reading on 4/9/25
SB 1456	Sen. Martwick	Pension Board Member Training Act	Creates the Pension Board Member Training Act. Amends the General Provisions article of the Illinois Pension Code to require the Department of Insurance to develop and implement a curriculum designed to provide pension board members with necessary education on: (1) legal and fiduciary responsibilities of pension fund management; (2) investment strategies and financial management principles related to pension funds; (3) ethical considerations in public pension governance; (4) actuarial assessments and reporting requirements; (5) relevant State and federal laws regarding pensions and retirement benefits; (6) risk management and actuarial funding policies; and (7) other subjects deemed necessary by the Department of Insurance to effectively govern pension funds. Requires the curriculum to be made available online to all pension board members. Requires the Department of Insurance to: (1) create, maintain, and update the curriculum as necessary to reflect changes in law and best practices; (2) ensure that that the curriculum is accessible online, with resources to facilitate completion of the training; and (3) provide a system for documenting and tracking the completion of training by pension board members. Requires every pension board member to complete the training on an annual basis. Requires completion of the annual training to be documented and such documentation to be provided to the Department of Insurance. Establishes that attendance at pension board meetings cannot be deemed to fulfill this annual training requirement. Authorizes the Department of Insurance to adopt rules for implementation and enforcement. No effective date listed.	**Fiscal Impact**; Sponsor Initiative	No	Senate Placed on Calendar Order of 3rd Reading on 4/8/25

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Bill Number	**Sponsor(s)**	**Short Title**	**Short Summary**	**Notes**	**Rule Changes**	**Status**
SA #1 to SB 1456	Sen. Martwick	Public Pension Board Member Training Act	Creates the Public Pension Board Member Training Act. Requires the State Treasurer to develop and implement a curriculum to provide pension board members relevant training on: (1) legal and fiduciary responsibilities of pension fund management; (2) ethical considerations in public pension governance; (3) actuarial assessments and reporting requirements; (4) relevant State and federal laws regarding pensions and retirement benefits; (5) risk management and actuarial funding policies; and (6) other subjects deemed necessary by the State Treasurer to effectively govern pension funds. Requires every pension board member to complete the training provided by the State Treasurer on an annual basis. Prohibits attendance at pension board business meetings from being deemed to fulfill the annual training requirement. Provides that a pension board member who does not complete the training will be issued a fine of $500 every 6 months until the training is completed. Makes other changes. No effective date listed.	**Fiscal Impact**; Sponsor Initiative	No	Senate Pensions Committee Recommends Do Adopt on 4/9/25
SA #2 to SB 1456	Sen. Martwick	Public Pension Board Member Training Act	Creates the Public Pension Board Member Training Act. Requires the State Treasurer to develop and implement a curriculum to provide pension board members relevant training on: (1) legal and fiduciary responsibilities of pension fund management; (2) ethical considerations in public pension governance; (3) actuarial assessments and reporting requirements; (4) relevant State and federal laws regarding pensions and retirement benefits; (5) risk management and actuarial funding policies; and (6) other subjects deemed necessary by the State Treasurer to effectively govern pension funds. Requires every pension board member to complete the training provided by the State Treasurer on an annual basis, except that: (1) a pension board member who completes at least one hour of training conducted by a pension board on fiduciary duties and the six topics covered under the State Treasurer's training is deemed to satisfy the training requirements for the year in which the training occurred; and (2) in that instance, the pension board must document that determination in its meeting minutes and provide such documentation to the State Treasurer. Prohibits attendance at pension board business meetings from being deemed to fulfill the annual training requirement, except that the annual training may occur during a committee or board meeting of the pension board if the training is conducted as a separate agenda item during the meeting. Requires the State Treasurer, by January 15th and July 15th of each year beginning in 2027, to compile a public report on the Treasurer's website listing pension board members who have not completed the training, along with their titles and the pension boards they serve on. Makes other changes. No effective date listed.	Sponsor Initiative	No	Senate Referred SA #2 to Pensions Committee on 5/7/25
SB 1667 (ENRL)	Sen. Martwick (Rep. Blair-Sherlock)	RUUPA Changes	Amends the Revised Uniform Unclaimed Property Act to: (1) require each State agency to pay any outstanding funds owed to a deceased employee to the heirs of the deceased employee or to the deceased employee's estate within one year of the employee's death and to remit them to the State Treasurer within 90 days after the expiration of the one-year period; (2) modify the process for the escheatment of property presumed abandoned by a State agency. Makes other changes. No effective date listed.	Treasurer's Proposal; Identical to HB 2568 (Rep. Blair-Sherlock)	No	Passed Both Houses on 5/20/25 (Senate: 55-0-0; House: 73-40-0)

Exhibit 1

104TH GENERAL ASSEMBLY - 2025						
LEGISLATION PASSED OR PENDING AS OF SPRING ADJOURNMENT						
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Bill Number	**Sponsor(s)**	**Short Title**	**Short Summary**	**Notes**	**Rule Changes**	**Status**
HA #1 to SB 1937	Rep. Hoffman	Modified We Are One Coalition Proposal	Amends several articles of the Illinois Pension Code, but makes the following changes impacting SURS: (1) increases the Tier II final average salary to the Social Security wage base, beginning Jan. 1, 2027; (2) lowers the Tier II final average salary period for non-public safety employees to the highest 6 consecutive academic years of service within the last 10 years of service prior to termination, beginning Jan. 1, 2027; (3) lowers the Tier II final average salary period for public safety employees with at least 20 years of service to the greater of: (a) the highest 48 consecutive months of service out of the last 60 months of service or (b) the highest 96 consecutive months of service out of the last 120 months of service, beginning Jan. 1, 2027; (4) increases automatic annual increases on retirement annuities to 3% non-compounded, beginning Jan. 1, 2027; (5) applies the Retirement Systems Reciprocal Act to police and firefighter pension funds; (6) allows a person who took a refund or opted-out of participation in a retirement system to purchase service credit for the refund or opt-out; (7) establishes that once a member is a Tier I member, they are always a Tier I member (See GARS + JRS); (8) transfers a total of $8.65 billion from the General Revenue Fund to the Pension Stabilization Fund between FY 2030 and FY 2049 and excludes these amounts from the calculation of State contributions until they are received; (8) changes the funding target from 90% to 100% of assets to liabilities by the end of FY 2049 (instead of FY 2045); (9) smoothes year-to-year changes in unfunded liability over a 20-year period beginning in FY 2036; (10) switches to an entry age normal actuarial cost method beginning in FY 2050; (11) eliminates actuarial value of assets beginning on July 1, 2035; (12) eliminates smoothing of changes in actuarial or investment assumptions beginning in FY 2036; (13) allows a Tier II member to retire at age 65 with 20 years of service (and as early as age 60 with 20 years of service and an age reduction), beginning Jan. 1, 2027 (immediately for SURS); (14) allows a Tier II member to retire at age 62 with 36.36 years of service (and as early as 57 with 36.36 years of service and an age reduction), beginning Jan. 1, 2027 (immediately for SURS); (15) allows a Tier II police officer to retire at age 52 with 20 years of service credit, beginning Jan. 1, 2027; and (16) applies automatic annual increases on retirement annuities beginning the later of January 1 after the retirement age applicable to that member or 1 year after retirement. Makes other changes. Effective immediately.	**Fiscal Impact**; Modified We Are One Coalition Proposal	Yes	House Re-Referred HA #1 to Rules Committee on 6/1/25
HA #2 to SB 1937	Rep. Hoffman	Modified We Are One Coalition Proposal	Amends several articles of the Illinois Pension Code, but makes the following changes impacting SURS: (1) increases the Tier II final average salary to the Social Security wage base, beginning Jan. 1, 2027; (2) lowers the Tier II final average salary period for non-public safety employees to the highest 6 consecutive academic years of service within the last 10 years of service prior to termination, beginning Jan. 1, 2027; (3) lowers the Tier II final average salary period for public safety employees with at least 20 years of service to the greater of: (a) the highest 48 consecutive months of service out of the last 60 months of service or (b) the highest 96 consecutive months of service out of the last 120 months of service, beginning Jan. 1, 2027; (4) increases automatic annual increases on retirement annuities to 3% non-compounded, beginning Jan. 1, 2027; (5) applies the Retirement Systems Reciprocal Act to police and firefighter pension funds, beginning January 1, 2027; (6) allows a person who took a refund or opted-out of participation in a retirement system to purchase service credit for the refund or opt-out; (7) establishes that once a member is a Tier I member, they are always a Tier I member (See GARS + JRS); (8) transfers a total of $11.1 billion from the General Revenue Fund to the Pension Stabilization Fund between FY 2030 and FY 2049 and excludes these amounts from the calculation of State contributions until they are received; (8) changes the funding target from 90% to 100% of assets to liabilities by the end of FY 2049 (instead of FY 2045), with potential drafting error for SURS; (9) smoothes year-to-year changes in unfunded liability over a 20-year period beginning in FY 2036; (10) switches to an entry age normal actuarial cost method beginning in FY 2050; (11) eliminates actuarial value of assets beginning on July 1, 2035; (12) eliminates smoothing of changes in actuarial or investment assumptions beginning in FY 2036; (13) allows a Tier II member to retire at age 65 with 20 years of service (and as early as age 60 with 20 years of service and an age reduction), beginning Jan. 1, 2027 (immediately for SURS); (14) allows a Tier II member to retire at age 62 with 36.36 years of service (and as early as 57 with 36.36 years of service and an age reduction), beginning Jan. 1, 2027 (immediately for SURS); (15) allows a Tier II police officer to retire at age 52 with 20 years of service credit, beginning Jan. 1, 2027; and (16) applies automatic annual increases on retirement annuities beginning the later of January 1 after the retirement age applicable to that member or 1 year after retirement. Makes other changes. Effective immediately.	**Fiscal Impact**; Modified We Are One Coalition Proposal; Removes provisions that passed under SB 1967 and HB 3193; Increases payments between FY 2030 and FY 2049; Expands DROPs to all police and fire	Yes	House Referred HA #2 to Rules Committee on 5/31/25

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104TH GENERAL ASSEMBLY - 2025						
LEGISLATION PASSED OR PENDING AS OF SPRING ADJOURNMENT						
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Bill Number	**Sponsor(s)**	**Short Title**	**Short Summary**	**Notes**	**Rule Changes**	**Status**
SB 2394 (ENRL)	Sen. Cunningham (Rep. A. Williams)	First 2025 General Revisory Act	Creates the First 2025 General Revisory Act. Establishes the intent of the Act not to make any substantive change in the law but to reconcile conflicts that have arisen from multiple amendments and enactments and make technical corrections and revisions in the law. Amends the State Universities Retirement System article of the Illinois Pension Code to make the following technical, non-substantive corrections to Section 15-112: (1) corrects a reference to Public Act 90-511, which became effective on August 22, 1997; (2) changes "20 percent" to "20%," and (3) inserts the word "the" before references to determining the final rate of earnings. Makes other changes. Effective immediately.	No substantive changes	No	Passed Both Houses on 5/31/25 (Senate: 56-0-0; House: 117-0-0)
SB 2510 (ENRL)	Sen. Sims (Rep. Welch)	FY 2026 Budget	Appropriates the full certified state contribution to SURS for FY 2026 ($2,319,446,000). Of this amount, $2,069,446,000 comes from the General Revenue Fund and $250,000,000 comes from the State Pensions Fund. Appropriates the full certified state contribution to the College Insurance Program for FY 2026 from the Education Assistance Fund ($10,966,632). Appropriates $237,900 for the Governor's salary for FY 2026. Currently, the Governor's salary is $226,800 for FY 2025. (40 ILCS 5/15-155(j-5) requires SURS employers to pay the employer normal cost on the portion of an employee's earnings that exceeds the Governor's salary.) Makes other changes. Effective July 1, 2025.	**Fiscal Impact**; Identical to HA #1 and HA #2 to SB 2510 (Rep. Welch), SA#1, SA #2, and SA #3 to SB 2508 (Sen. Sims)	No	Passed Both Houses on 5/31/25 (Senate: 34-23-0; House: 75-41-0)
HR 15	Rep. Gabel	House Rules	Establishes the House Rules for the 104th General Assembly. Makes the following changes from the House Rules of the 103rd General Assembly: (1) adds Appropriations - Pensions and Personnel as a standing committee; (2) changes the name of the Appropriations - Public Safety standing committee to the Appropriations - Public Safety and Infrastructure standing committee; and (3) allows a principal sponsor to be changed in the House while the bill is in the Senate.		N/A	Resolution Adopted in the House on 1/9/25
HR 89	Rep. Kifowit	SURS Retiree Appreciation Day	Resolves that the House of Representatives declares June 13, 2025 as SURS Retiree Appreciation Day to honor and recognize the ongoing contributions and value of SURS retirees. Resolves that the day is an opportunity for all Illinoisans to express gratitude and appreciation for SURS retirees, host community events and recognition ceremonies, and encourage businesses to offer discounts and services as a sign of recognition for SURS retirees' contributions. Resolves that Illinois public officials are urged to take part in celebrations and activities to honor SURS retirees and highlight programs that support SURS retirees in maintaining active, fulfilling lives. Resolves that the day is a reminder of the importance of ensuring a strong, supportive, and engaged community for all citizens, regardless of age or career stage.	SUAA Proposal; Identical to SR 112 (Sen. Harriss)	N/A	Resolution Adopted in the House on 5/31/25
HR 112	Rep. McCombie	No Tax on Retirement Income	Resolves that the House of Representatives states its belief that the Illinois Income Tax Act should not be amended to permit taxing retirement income.		N/A	Referred to House Rules Committee on 2/6/25
SR 4	Sen. Lightford	Senate Rules	Establishes the Senate Rules for the 104th General Assembly. Makes the following changes from the Senate Rules of the 103rd General Assembly: (1) eliminates the Senate Redistricting Committee; (2) adds the Child Welfare, Commerce, Consumer Protection, Criminal Law, and Pensions as standing committees and eliminates Early Childhood Education as a standing committee; (3) requires Senators to avoid threats, inciting violence, or other assaults during debate; (4) makes certain roll call verification rules permanent; (5) removes the residential address of a nominee on executive appointment messages and replaces it with the county in which the nominee resides; (6) updates a reference to Mason's Manual of Legislative Procedure.		N/A	Resolution Adopted in the Senate on 1/9/25

104TH GENERAL ASSEMBLY - 2025						
LEGISLATION PASSED OR PENDING AS OF SPRING ADJOURNMENT						
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Bill Number	**Sponsor(s)**	**Short Title**	**Short Summary**	**Notes**	**Rule Changes**	**Status**
SR 39	Sen. Belt	Reject Social Security Retirement Age Increase	Resolves that the Senate urges Congress to reject any proposals to raise the Social Security retirement age and instead focus on strengthening and securing the program to ensure it provides the necessary benefits to millions of Americans nationwide.		N/A	Senate Placed on Calendar Order of Resolutions on 2/19/25
SR 112	Sen. Harriss	SURS Retiree Appreciation Day	Resolves that the Senate declares June 13, 2025 as SURS Retiree Appreciation Day to honor and recognize the ongoing contributions and value of SURS retirees. Resolves that the day is an opportunity for all Illinoisans to express gratitude and appreciation for SURS retirees, host community events and recognition ceremonies, and encourage businesses to offer discounts and services as a sign of recognition for SURS retirees' contributions. Resolves that Illinois public officials are urged to take part in celebrations and activities to honor SURS retirees and highlight programs that support SURS retirees in maintaining active, fulfilling lives. Resolves that the day is a reminder of the importance of ensuring a strong, supportive, and engaged community for all citizens, regardless of age or career stage.	SUAA Proposal; Identical to HR 89 (Rep. Kifowit)	N/A	Resolution Adopted in the Senate on 6/1/25
SR 113	Sen. Martwick	Retirement Savings Options	Resolves that the Senate recognizes the moral responsibility of all employers to ensure their valued employees have a path to secure retirement and urges employers across the State to provide quality retirement savings options for their employees in recognition of the importance of securing financial independence in retirement and the positive impact that it will have on the well-being of both individual employees and the State's economy as a whole.		N/A	Senate Referred to Assignments Committee on 2/7/25

Commission on Government Forecasting and Accountability

PENSION IMPACT NOTE
104th General Assembly

BILL NO: **SB 1937, as amended by HA 1** May 29, 2025

SPONSOR (S): Martwick (Kifowit – Scherer)

SYSTEM: All systems, except for Chicago Transit Authority (CTA)

FISCAL IMPACT

SB 1937, as amended by HA 1, makes significant changes to the Illinois Pension Code, including modifications to the pension funding plan for the five State-funded systems and Downstate Police/Fire pension funds, along with various changes to Tier 2 provisions.

CGFA's actuary for the State-funded systems, Segal, has conducted a study on SB 2540 from the 104th General Assembly, but with some modification. The study includes provisions similar to some of the main provisions of SB 1937, HA 1. However, please note a key difference: Segal's study is based on a funding goal where the State-funded systems are required to reach 90% funded by FY 2045 and then 100% by FY 2049, whereas SB 1937, HA 1, requires a direct path to 100% funding FY 2049, starting in FY 2027.

A table on the following page is a topline summary of the impact on first-year State contribution in FY 2027, as well as the total State contributions through FY 2049, based on the Segal's study.

Increase (Decrease) in Estimated State Contributions ($ in Million)				
Age 62 with _35 Years_, Age 65 with 20 Years, _90%/100% by FY 45/ FY 49_, and Redirected FY 30 – FY 49 Bond Payments				
Time period	**TRS**	**SERS**	**SURS**	**Total**
FY 2027 (first year of implementation)	**$317**	**$129**	**$95**	**$541**
Through FY 2049	**$37,580**	**$13,078**	**$11,236**	**$61,894**

Please refer to Appendix I of this note for the full Segal's study.

CGFA's actuary for Downstate Police and Fire pension funds, Foster & Foster, analyzed the major provisions of SB 1937, HA 1, by selecting four pension funds: Aurora Firefighters' Pension Fund, Harvey Firefighters' Pension Fund, Aurora Police Pension Fund, and East St. Louis Police Pension Fund. However, please note that this study does not account for the DROP plan component, which is included in SB 1937, HA 1.

Below is a topline summary of the impact on first-year employer contribution in MFY 2025.

Increase (Decrease) in Estimated Employer Contributions ($ in Million)					
Age 52 with 20 Years for Unreduced Pension & 90% by MFY 2055					
Time period	**Aurora Fire**	**Harvey Fire**	**Aurora Police**	**East St. Louis Police**	**Total**
MFY 2025 (first year of implementation)	**($2.656)**	**($1.203)**	**($4.093)**	**($0.779)**	**($8.731)**
Through MFY 2056	**$222.731**	**$61.475**	**$310.673**	**$36.262**	**$631.14**

Please refer to Appendix II of this note for the full Foster & Foster study.

New studies on the main provisions of SB 1937, HA1, will need to be conducted to provide a more reliable assessment of the legislation's impact. Once the new studies from both actuaries are available, this note will be revised accordingly.

SUBJECT MATTER: SB 1937, HA 1, revises the Illinois Pension Code by implementing a new State funding plan targeting 100% funding by FY 2049 and introducing a 20-year layered amortization for the five State systems. The bill also creates additional State contributions from the Pension Stabilization Fund to make extra pension payments from FY 2030 to FY 2049. Additionally, the bill modifies Tier 2 benefits, adjusting Final Average Salary calculations, normal retirement age, and early retirement penalties. More detail is provided below.

COMMENT:

State Funding Plan for the Five State Retirement Systems (TRS, SURS, SERS, JRS, and GARS)

Current Law

- The State shall contribute to the five State retirement systems a minimum required amount such that the required contribution is sufficient to bring the funded ratio of each system up to **90% by the end of FY 2045**.
- The annual required State contribution shall be calculated as a level percentage of payroll over the years remaining to and including FY 2045 and shall be determined under **the projected unit credit** actuarial cost method.
- **The 5-year asset and assumption "smoothing" methods** shall be used in order to mitigate the impact of any unexpected events or changes that may increase or decrease the State contribution.
    - With asset smoothing, implemented by P.A. 96-0043, which became effective on July 15, 2009, any gains or losses from investment fluctuations would be recognized in an equal annual amount over a period of 5 years.
    - Similarly, assumption smoothing, implemented by P.A. 100-0023, which became effective on July 6, 2017, serves to spread out the impact of any change in actuarial assumptions over the 5 year-period.
- Beginning in FY 2046, the minimum State contribution shall be the amount required to maintain the funded ratio of each system at 90%.

SB 1937, HA 1

- SB 1937, HA 1, would modify the current State funding plan for the five State retirement systems starting in FY 2027.
    - The FY 2026 State contribution would still be determined under the current funding plan.
- Major changes in the State funding plan would include:
    - Changing the funding goal to achieve 100% funding by FY 2049;
    - Starting in FY 2036, implementing a 20-year layered-amortization approach when determining the minimum State contribution; and
    - Using the entry age normal cost method beginning in FY 2050.

- Details on the modified State funding plan, categorized by three separate time periods, are discussed as follows:
    - For FY 2027 through FY 2035:
        - The minimum annual State contribution shall be determined by each system to be sufficient to achieve a **100%** funded ratio by the end of **FY 2049**. This contribution shall be calculated as a level percentage of payroll over the remaining years up to and including FY 2049, using the **projected unit credit** actuarial cost method.
        - **The 5-year Asset smoothing and assumption smoothing methods** shall continue to be used when determining the required State contribution, consistent with current law.

    - For FY 2036 through FY 2049:
        - Beginning in FY 2036, a layered-amortization approach for a period of 20 years would be used when determining the minimum annual State contribution.
            - The minimum annual State contribution shall be the amount estimated for the upcoming fiscal year **plus an actuarial "layering" component**, such that the funded ratio of each system equals 100% **20 years** after the fiscal year during which the contribution is made.
            - This adjustment shall be implemented in equal annual amounts over a 20-year period beginning in the fiscal year in which the current actuarial valuation is used to determine the required State contribution.
            - Thus, the 5-year asset smoothing and assumption smoothing methods shall sunset after FY 2035 and would be replaced with the 20-year layered-amortization approach, beginning in FY 2036.

Table 1 below provides a graphic illustration of how a "layered amortization" program functions. **The chart is for illustration purposes only, and is not an actuarial projection**. The chart assumes an unfunded liability is generated in each valuation year shown at left. If the unfunded liability does not increase in the valuation year shown, there would be no 20-year "amortization layer" attributable to that fiscal year.

Table 1

<table>
<tr><th rowspan="2">Valuation Date June 30 (Fiscal Year)</th><th rowspan="2">Fiscal Year State Contribution Determined</th><th colspan="11">The Effect of the 20-Year Layered Amortization for Fiscal Year</th></tr>
<tr><th>2035</th><th>2036</th><th>2037</th><th>2038</th><th>2039</th><th>…</th><th>2055</th><th>2056</th><th>2057</th><th>2058</th><th>2059</th></tr>
<tr><td>2034</td><td>2036</td><td></td><td colspan="6">Amortization Layer Based on the FY 2034 Valuation</td><td></td><td></td><td></td><td></td></tr>
<tr><td>2035</td><td>2037</td><td></td><td></td><td colspan="6">Amortization Layer Based on the FY 2035 Valuation</td><td></td><td></td><td></td></tr>
<tr><td>2036</td><td>2038</td><td></td><td></td><td></td><td colspan="6">Amortization Layer Based on the FY 2036 Valuation</td><td></td><td></td></tr>
<tr><td>2037</td><td>2039</td><td></td><td></td><td></td><td></td><td colspan="6">Amortization Layer Based on the FY 2037 Valuation</td><td></td></tr>
<tr><td colspan="13">The layering process would continue each year in a similar fashion, extending beyond the determination of FY 2049 State contribution.</td></tr>
</table>

  - When making these determinations, the annual required State contribution shall be calculated as a level percentage of payroll for the remaining years up to and including FY 2049, using **the projected unit credit** actuarial cost method.

- o Beginning in FY 2050:
  - **The entry age normal** actuarial cost method shall be used instead of the projected unit credit actuarial cost method.
    - PUC and EAN are two methods of calculating a pension fund's normal cost. PUC backloads costs, causing normal costs to rise over time, while EAN spreads costs evenly for stable contributions. Public pensions favor EAN for long-term stability, while PUC can lead to escalating costs. Though total costs are the same under both, the timing of contributions impacts funding patterns and budget stability.

- Any additional State contributions made under the Budget Stabilization Act shall not be considered when determining the minimum State contribution under the modified State funding plan in SB 1937, HA 1.

Funding Plan for Downstate Police/Fire

Currently, the funding goal for Downstate Police/Fire pension funds is to reach 90% funded by Municipal Fiscal Year (MFY) 2040. When determining the required minimum employer contributions, which are calculated as a level percentage of payroll, the projected unit credit actuarial cost method shall be used.

SB 1937, HA 1, expands the funding target year (the amortization period) to MFY 2055 and requires switching from the current projected unit credit actuarial cost method to the entry age normal cost method.

Fire and Pension Investment Fund Governance Changes

SB 1937, as amended by HA 001, makes several miscellaneous changes affecting the governance of the Police Officers' Pension Investment Fund (POPIF) and the Firefighters' Pension Investment Fund (IFPIF).

The membership of both POPIF and IFPIF is expanded from 9 to 10 trustees. For both funds, the chief executive of the Illinois Municipal League (or a designee) is now a mandated member, replacing the previous gubernatorial appointee. IFPIF must also include the president of a statewide labor organization affiliated with the Illinois AFL-CIO (or designee). POPIF must now include four trustees who are elected mayors or village presidents of municipalities with participating pension funds, up from three. A 6-vote majority is required to pass measures. The number of signatures required to run for trustee in IFPIF is lowered from 400 to 200.

Change to the Tier 2 Pensionable Salary and the Tier 2 Final Average Salary (FAS) Calculation

Current Law

Under current law, the Tier 2 Final Average Salary (FAS) is the average of the highest 8 consecutive annual salaries (or 96 consecutive monthly salaries) within the last 10 years (or 120 consecutive months). For Downstate police and firefighters as well as Chicago firefighters (excluding Chicago police), the Tier 2 FAS may instead be the average of the highest 48 consecutive monthly salaries within the last 60 months if this amount is greater than the 8-year average FAS.

Additionally, the Tier 2 pensionable salary is capped, and members do not make contributions on salary above the cap. The Tier 2 salary cap started at $106,800 in Calendar Year (CY) 2011.

- For most pension funds:
    - The salary cap increases annually by the lesser of 3% or **one-half** of the annual unadjusted percentage increase in the Consumer Price Index-U (CPI-U).
    - As a result, the Tier 2 pensionable salary is capped at $127,283 in CY 2025.
- For GARS, JRS, and downstate police and firefighter pension funds:
    - The salary cap increases annually by the lesser of 3% or **100%** of the annual unadjusted CPI-U.
    - As a result, the Tier 2 pensionable salary cap is equal to $141,408 in CY 2025.
- For the Cook County Pension Fund (CCPF):
    - The Tier 2 salary cap has been set at the SSWB beginning January 1, 2024, pursuant to P.A. 103-0529. The Social Security Wage Base (SSWB) is $176,100 in CY 2025.

SB 1937, HA 1

- Tier 2 Non-public safety members who is active on or after January 1, 2027
    - FAS equal to average of:
        - the highest 6 years (or 72 consecutive months) within the last 10 years (or 120 months); or

        - the highest 8 years (or 96 consecutive months) within the last 10 years (or 120 months), whichever is higher.

    - Beginning on January 1, 2027, the annual earnings of a member shall be capped at the Social Security Wage Base (SSWB) for all funds, except for CCPF and CTA (*Note: P.A. 103-0529 has already aligned the Tier 2 pensionable salary cap for CCPF with the SSWB.*)
        - Retroactive adjustments as a result of the changes
            - Pensionable Salary Cap
                - The pensionable salary cap for a member's salary received on or after January 1, 2011, and before January 1, 2027, shall be retroactively increased to match the SSWB for that year, if the member is still in service on or after January 1, 2027.
            - No retroactive adjustment of any employee contributions nor benefit adjustments are permitted

- Tier 2 public safety members who are active on or after January 1, 2027
    - Chicago Police, IMRF SLEP, and SERS Alternative Plan members, SURS Police/Firefighters
        - FAS equal to average of:
            - the highest 4 years (48 consecutive months) within the last 5 years (60 months); or
            - the highest 8 years (96 consecutive months) within the last 10 years (120 months), whichever is higher.
        - Basically, this legislation allows Tier 2 public safety members, who currently use the 8-years-out-of-10-years rule, to use the 4-years-out-of-5-years calculation applied to Downstate Police/Fire and Chicago Fire.

<u>New Tier 2 Normal Retirement Eligibilities</u>

<u>Current Law</u>
Under current law, most Tier 2 members can retire at <u>age 67 with 10 years</u> of service for normal retirement, except for GARS/JRS and public safety officials, who qualify with either fewer years of service or an earlier normal retirement age. These exceptions include:

- Tier 2 GARS and JRS: age 67 with 8 years
- Tier 2 Public safety officials
    - SERS Alternative Formula: age 60 or age 55 with 20 years, depending on applicable cases
    - SURS Fire/Police: age 60 with 20 years
    - Downstate Police and Fire: age 55 with 10 years
    - Chicago Police and Fire: age 55 with 10 years or mandatory retirement at age 63
    - IMRF Sheriff's plan: age 55

Additionally, each pension system currently requires a different amount of service credit for a member to reach the maximum benefit, expressed as a percentage of the member's Final Average Salary (FAS). For instance, a TRS Tier 2 member would need approximately 34 years of service to reach the 75% maximum annuity cap (75% ÷ 2.2% per year). In contrast, SERS coordinated Regular plan participants would need approximately 45 years of service to reach the 75% max cap (75% ÷ 1.67% per year). The table below summarizes the formula rate per year, maximum annuity, and years of service required to be "maxed out" for the Big 3 systems.

Systems	**Formula Rate**	**Maximum Annuity (% of FAS)**	**Max Out Years**
TRS	2.20%	75%	34.1
SERS (Regular, coordinated plan)	1.67%	75%	44.9
SURS	2.20%	80%	36.4

<u>SB 1937, HA 1</u>

Under this legislation, normal retirement eligibility options for <u>non-public safety</u> Tier 2 members, including GARS and JRS, are as follows:

- Age 62 with the maximum amount of service credit (e.g., approximately 34 years for TRS)
- Age 65 with 20 years of service credit; or
- Age 67 with 10 years of service

For public safety Tier 2 members (Downstate Police/Fire, Chicago Police/Fire, public safety members in other funds such as SURS), the normal retirement eligibility would be lowered to <u>age 52 with 20 years</u> of service, beginning on or after January 1, 2027.

For SERS Tier 2 Alternative Plan Participants, the following individuals would be eligible to retire at age 50 with 25 years or age 55 with 20 years (instead of the current eligibility of age 55 or age 60 with 20 years):

- A firefighter in the fire protection service of a department;
- A security employee of Department of Corrections, Department of Juvenile Justice, the Department of Innovation and Technology, the Department of Human Services;
- An investigator for the Department of the Lottery, the Secretary of State, the Department of Revenue, the Illinois Gaming Board, the Office of the Attorney General;
- A State policeman;
- A conservation police officer;
- A Commerce Commission police officer;
- An arson investigator; or
- A State highway maintenance worker

No retroactive recalculation of retirement benefits shall be permitted as a result of the changes made.

Tier 2 Early Retirement Reduction Penalty

Current Law

Under current law, Tier 2 members are penalized for early retirement based on normal retirement age. If a member retires earlier than the normal retirement *age 67*, his or her benefit is reduced by 6% for each year (or 0.5% for each month) under the normal retirement age 67. A reduction is subject to up to a maximum reduction of 30% for retiring up to 5 years (or 60 months) early.

For example, the earliest retirement age for a SERS Tier 2 member under the regular formula is 62, instead of the normal retirement age of 67, and the member's benefit is permanently reduced by 30% (6% x 5 years).

SB 1937, HA 1

Under this legislation, the early retirement penalty reduction rule would remain identical to current law—up to a maximum 30% reduction for retiring up to 5 years earlier from normal retirement age. However, under this bill, the applicable normal retirement age would vary based on the member's years of service. The table below compares normal and early retirement eligibility, as well as early retirement reduction for the 5 State-funded systems under current law and the proposed changes in this bill.

<table>
<tr><th colspan="3">Current Law</th><th colspan="3">Proposed Changes</th></tr>
<tr><th>Normal Retirement (Unreduced)</th><th>Early Retirement (Reduced)</th><th>Early Retirement Reduction</th><th>Normal Retirement (Unreduced)</th><th>Early Retirement (Reduced)</th><th>Early Retirement Reduction</th></tr>
<tr><td rowspan="3">Age 67 with 10 years (8 years for GARS/JRS)</td><td rowspan="3">Age 62 with 10 years (8 years for GARS/JRS)</td><td rowspan="3">6% for each year (0.5% for each month) under age 67, up to a max 30% reduction</td><td>Age 62 with max FAS</td><td>Age 57 with max FAS</td><td rowspan="3">6% for each year (0.5% for each month) under applicable normal retirement age, up to a max 30% reduction</td></tr>
<tr><td>Age 65 with 20</td><td>Age 60 with 20 years</td></tr>
<tr><td>Age 67 with 10 years (8 years for GARS/JRS)</td><td>Age 62 with 10 years (8 years for GARS/JRS)</td></tr>
</table>

Change to the Tier 2 Automatic Annual Increase

Current Law

- All funds and systems except JRS & GARS have Tier 2 automatic annual increases that are non-compounded, and are calculated at the lesser of:
    - 3%; or
    - ½ the annual unadjusted percentage increase (not less than zero) in the CPI-U.
    - If the increase in CPI-U is 0, no increase is payable.

- JRS & GARS Tier 2 automatic annual increases are compounded, and are calculated at the lesser of:
  - o 3%; or
  - o The annual unadjusted percentage increase in the CPI-U.
- Tier 2 COLAs are payable at the later of January 1 occurring either on or after the attainment of age 67 or the first anniversary of retirement, except for public safety officials, who start receiving increases at age 60.

SB 1937, HA 1

Beginning January 1, 2027, each Tier 2 annual increase (COLA) in a retirement annuity or supplemental annuity shall be a non-compounded 3% increase for all pension funds, except for GARS and JRS.

For GARS and JRS, the proposed Tier 2 COLA would be increased to a compounded 3%, matching the current Tier 1 COLA.

The changes would apply regardless of whether a Tier 2 member was in active service on or after the effective date of this bill.

Under this legislation, the starting date of Tier 2 COLAs would be the later of the following dates:

1) January 1 occurring on or after the attainment of the normal retirement age (which may vary depending on eligibility criteria); or
2) The first anniversary of retirement

"Max and go" provision for Downstate Firefighters

Currently, the earliest retirement age for Tier 2 Downstate firefighters is age 50 with 10 years of service, subject to a 30% reduction in annuity for retiring 5 years earlier than the normal retirement age of 55. Under SB 1937, HA1, a "max and go" provision allows Tier 2 downstate firefighters to retire at any age once they have reached their maximum pension benefits.

Additional Pension Stabilization Fund Payments

SB 1937, HA1, would create a total of $8.65 billion in additional payments to the Pension Stabilization Fund (PSF), to be deposited from General Revenue Fund and made under the auspices of the Office of the Comptroller, as follows:

- FY 2030: $300 million
- FY 2031 through 2033: $400 million annually, totaling $1.2 billion.
- FY 2034 through 2038: $600 million annually, totaling $3.0 billion
- FY 2039: $550 million
- FY 2040: $450 million
- FY 2041 through FY 2049: $350 million annually, totaling $3.15 billion.

All these payments would be paid to the Pension Stabilization Fund in addition to any payments made towards achieving the goal of funding every pension system at 100% by 2049.

Please note that when HB 2540 from the 104th General Assembly—a bill containing similar language regarding additional PSF payments—was introduced, the total amount was $6.2 billion. The intent was to use approximately half of the principal payments made under the $6 billion Income Tax Proceed Bonds ending in FY 2030, and half of the last principal payment made under the Pension Obligation Bonds issued under PA 93-0002 ending in FY 2033.

SB 1937, HA 1, states that none of the aforementioned payments made to the Pension Stabilization Fund shall be used in actuarial calculations of required contributions to achieve the 100% funding goal at the end of FY 2049, as mentioned previously.

Placing Downstate Police & Fire and Chicago Police & Fire Articles Under the Ambit of the Retirement Systems Reciprocal Act

Current Law

Under current law, neither the Chicago Police and Chicago Fire, nor the Downstate Police and Downstate Firefighters' Articles of the Illinois Pension code are included under the Retirement Systems Reciprocal Act, although reciprocity exists between the funds within each respective article (e.g., members of Downstate police funds can utilize reciprocity with other Downstate Police Funds, although this involves the transfer of service credits, whereas the Downstate Fire article has true reciprocity amongst fire pension funds).

The Retirement Systems Reciprocal Act allows for active employees to combine service credit earned from various participating systems to apply towards the minimum vesting requirements of the fund that they participate in currently or the fund that they last participated in before terminating active service. For example, a Tier 2 member in IMRF could utilize reciprocity and combine 4 years of prior service in SERS and 6 years in IMRF to meet the 10-year Tier 2 vesting requirement in IMRF.

SB 1937, as amended by HA 1

SB 1937, as amended by HA 1, would place the Downstate Police, Downstate Fire, Chicago Police, and Chicago Fire Articles of the Illinois Pension Code under the ambit of the Reciprocal Act. The bill states that participation under the Reciprocal Act would only apply to members who have not yet begun receiving retirement annuities as of the effective date. In other words, retired members would not be entitled to a recalculation of their pensions based upon reciprocal service.

IMRF's Sherriff's Law Enforcement Personnel (SLEP) Formula Eligibility for Certain Public Safety Officials

Under current law, county correctional and probation officers, firefighters, and sworn law enforcement officers working for municipalities without an established Article 3 or Article 4 pension fund, as the case may be, participate in the IMRF Regular Formula. Job titles for those who qualify as a "firefighter" include;

- A licensed emergency medical technician (EMT) who is a sworn member of a public fire department;
- A paramedic employed by a unit of local government; and
- An EMT, emergency medical technician – intermediate (EMT-I) or advanced emergency medical technician (A-EMT) employed by a unit of local government.

SB 1937, as amended by HA 1, would make all of these job titles eligible for the IMRF SLEP Formula. The benefits for each formula are shown in the chart below.

	IMRF Regular		IMRF SLEP	
	Tier 1	**Tier 2**	**Tier 1**	**Tier 2**
Retirement Age	•Age 60 w/ 8+ years of service •Age 55 w/ 35+ •Age 55 w/ 8+ (Reduced)	•Age 67 w/ 10+ •Age 62 w/ 35+ •Age 62 w/ 10+ (Reduced)	Age 50 w/ 20+	•Age 55 w/ 10+ •Age 50 w/ 10+ (Reduced)
Formula	1.67% of FAS each year up to 15, 2% every year after 15		2.5% of FAS each year of service	
Max Annuity	75%		80%	75%
FAS	Avg of 4 highest consecutive years of final 10	Avg of highest 8 consecutive years of final 10	Avg of 4 highest consecutive years of final 10	Avg of highest 8 consecutive years of final 10
COLA	3% non-compounded	3% non-compounded or 1/2 CPI-U increase	3% non-compounded	3% non-compounded or 1/2 CPI-U increase
Employee Contributions	4.5% (SS coordinated)	4.5% (SS coordinated)	7%	7.50%

<u>Disability COLA Eligibility for Tier 2 Downstate Fire</u>

Under current law, disabled Tier 2 firefighters under Article 4 (Downstate Fire) are eligible for COLAs upon the latter of the first anniversary of the disability annuity start date or at age 60. The Tier 2 disability COLA is equal to the lesser of 3% or one-half the increase in the CPI-U, and is non-compounded. Under SB 1937, as amended by HA 1, Tier 2 disabled firefighters would receive a 3% non-compounded COLA, payable at the latter of the first anniversary of the disability annuity start date or age 60. In essence, the Tier 2 disability annuity COLA would be brought into line with the Tier 1 disability annuity COLA.

Addition of "De Facto Firefighters" Under the Downstate Fire Article

Under current law, the definition of "Firefighter" under Article 4, the Downstate Fire Article, includes the following job titles listed under Article 10 of the Illinois Municipal Code, found in the table below:

Division 1 Municipalities	**Division 2.1 Municipalities**	**Municipalities w/o Division Designation***	**Not Included**
Firefighter	Firefighter	Firefighter	Anyone actively participating in SURS
Fire Engineer	Fire Engineer	Fire Engineer	
Marine Engineer	Marine Engineer	Marine Engineer	
Fire Pilot	Fire Pilot	Fire Pilot	
Bomb Technician	Bomb Technician	Bomb Technician	
Scuba Diver	Scuba Diver	Scuba Diver	
*Except those who served as a de facto and not as a de jure firefighter			

SB 1937, as amended by HA 1, adds the definition of a "de facto firefighter" to the larger "Firefighter" definition under Article 4. The definition of a "de facto firefighter" is a firefighter who:

- Spends the majority of working time participating in the work of controlling and extinguishing fires at the location of such fires, preparing for such work, or waiting to respond to calls for such work, and;
- Has scheduled or actually works hours commensurate in duration and frequency with firefighters under both divisions under the Illinois Municipal Code.

This definition **does not** include;

- Part-time firefighters not already covered by the Code;
- Auxiliary, reserve, or voluntary firefighters (including paid-on-call firefighters);
- Clerks, dispatchers, or other civilian employees of fire departments or fire protection districts not routinely expected to perform firefighter duties.

Adjustment to Amount of Service Credit Allowed for Conversion of Unused Sick Time in SURS

Current Law

Prior to PA 98-0599, effective June 1, 2014, SURS participants were entitled, within 60 days immediately preceding retirement, to convert unused sick leave time into credit for service in accordance with the following schedule:

- 30-90 full calendar days and 20-59 full work days of unused sick leave = ¼ year of service

- 91-180 full calendar days and 60-119 full work days of unused sick leave = ½ year of service
- 181-270 full calendar days and 120-179 full work days of unused sick leave = ¾ year of service
- 271-360 full calendar days and 180-240 full work days of unused sick leave = 1 year of service.

PA 98-0599 was ruled unconstitutional due to changes that impacted Tier 1 benefit accruals. The Act limited this conversion of credit to participants who joined the fund before the effective date (June 1, 2014), adding language eliminating participants who joined on or after the date from receiving service credit for unused sick leave time. Current law includes the accrual schedule shown above, which is interpreted by SURS as imposing a 1-year cap on the amount of unused sick leave a member can convert into service credit, as long as the member elects to do so within the 60 days immediately preceding retirement.

SB 1937, HA 1

This legislation sets a limit on the amount of service credit a participant can earn from the conversion of unused sick leave time to a maximum of 2 years of service credit, matching the capped amount of service credit a member of TRS can receive for unused sick leave.

Reduction of Minimum Age for Firefighter Eligibility

Current law stipulates that no one under the age of 21 is eligible to become a firefighter under the Illinois Municipal Code. SB 1937, as amended by HA 1, amends the Illinois Municipal code to reduce the age to 18. Therefore, SB 1937, as amended by HA 1, reduces the minimum age at which a person is eligible to become a firefighter.

Deferred Retirement Option Plan (DROP) – Downstate and Chicago Police

DROP Explanation

- Deferred Retirement Option Plans (DROP) are designed to encourage continued employment past the eligible retirement age for a period of time (usually 3-5 years). Below is a summary of the salient features of DROP plans:
  - Workers continue to draw a salary but are considered retired (for annuity purposes);
  - The pension annuity amount the worker is entitled to receive starting on the date they are considered "retired" (DROP date) is credited to the member's individual DROP account; and
  - Upon completion of the DROP period, the member's DROP account balance is available in a lump-sum amount, which can be distributed in any of the following ways:
    - a one-time payment;

  - a payment plan over time;
  - a payment rolled into an IRA.

SB 1937, as amended by HA 1 DROP Provisions

- No later than July 1, 2026, a DROP plan will be made available in the Downstate and Chicago Police articles, regardless of Tier status. Eligible participants must meet the following criteria:
  - The member must be eligible to retire with a full and unreduced pension as determined by the pertinent system;
  - The member must not be in receipt of a disability or retirement annuity at the time of election;
  - The member must not be subject to mandatory retirement under the law and will not become subject to such a retirement age during participation in the DROP;
  - The member must be actively employed as a police officer or policeman in the above-mentioned articles of the Pension Code; and
  - DROP participants must make active member contributions to the pertinent fund for the entirety of the DROP period. DROP participants do not accrue additional service credit during the DROP period.
- The contributions made by the employee during the DROP period are in an amount equal to the employee contributions otherwise required of the participant if they were not participating in DROP.
  - Amounts shall be credited to the member's account and shall be kept by the pension fund to be attributable to the administration of the DROP benefits experienced by the Fund, when the investment returns of the DROP account are is less than the amount necessary to cover administrative costs.
  - Any investment returns in excess of the administrative costs shall be applied toward the UAAL of the fund or deposited with the fund by the employer within 120 days of the end of the DROP period.
- Participation in the DROP must be elected by the eligible members no later than July 1, 2031 and is irrevocable, unless:
  - The DROP participant terminates employment prior to the expiration of the designated DROP period;
  - The DROP participant becomes eligible for and begins collecting a disability benefit from the pension fund or retirement system; or
  - The death of the DROP participant occurs during the designated DROP period.
- The DROP duration is not to exceed 5 years.
- Individual DROP accounts shall consist of:
  - The monthly retirement annuity the participant would have been eligible to receive if the participant had terminated serviced on the date of participation in the DROP, as well as any benefits from a reciprocal system;
  - Employee contributions paid by the participant and credited to their notional account during the DROP period; and

  - o Any auto-increases the member would have been eligible to receive if the participant had terminated service on the date he or she entered the DROP.
- Individual notional DROP accounts accrue interest based on the actual rate of return experienced by the Fund, and the following rules apply to these accounts:
  - o There are no prohibitions on investing notional accounts differently than other assets also held by the Fund;
  - o There are no prohibitions on assigning an interest rate to these notional accounts that differs from an interest rate otherwise used by the Fund for other assets; and
  - o If the interest rate experienced by the Fund is less than zero, the notional account shall have no interest rate applied.
- An employer of a participant electing a DROP shall participate in the DROP. For all other employers of employees covered by this provision, the implementation of a DROP and the positions covered by the DROP shall be subject to collective bargaining. An employer under this provision may manage the notional DROP accounts instead of a pension fund.
- Upon expiration or termination of the member's participation in the DROP, the member will receive the retirement annuity that they would have received had they retired on the date they entered the DROP with applicable automatic increases accrued during the DROP duration, plus the balance in their individual DROP account.
  - o Expiration or termination of a DROP member's participation in the DROP may not occur after July 1, 2036

Ensuring the Tier 1 Status across All Pension Funds

SB 1937, HA1, would add a new provision to clarify a "once in Tier 1, always in Tier 1" standard for all Tier 1 members across all pension funds. This provision overrules any conflicting provisions in the Pension Code.

Under this legislation, a member of a pension fund would be allowed to establish or regain service if the following conditions are met:

- Being active in any pension fund, regardless of which pension fund the service credit is re-established for;
- Paying the employee and employer contributions that would have been required, or in the case of refund, making refund payments, plus interest;
- Completing any required forms; and
- Meeting all the requirements within one year of the effective date of this bill, unless installment payments are allowed for paying the required contributions or refund payments.

A pension fund shall not be required to recalculate a final determined benefit unless a member has a pending action against a pension fund regarding a final determined benefit as of the effective date of this bill.

Estimated Payment – SERS Alternative Formula

SB 1937, as amended by HA 1, amends the SERS Article of the Pension Code to add language to the provision regulating the Alternative Formula that creates an "estimated payment" of a retirement annuity to commence no later than 30 days after:

- the member's last day of employment, or;
- the date the member files for benefits, whichever is later.

The estimated payment shall be:

- the best estimate of SERS; and
- based on information that the System possesses at the time of the estimate.

In the event that a discrepancy exists between the "estimated payment" and the annuity a member is eligible to receive under statute, the System shall either pay or recover the difference within 6 months of the start of the affected annuity.

According to SERS, the Tier 1 Alternative Formula final average salary (FAS) calculation is a very complex exercise, without factoring in the various types of non-pensionable payments issued to employees during their final years of service. SERS asserts that there are often instances in which members have received non-pensionable compensation with the retirement contributions erroneously deducted by their payroll offices. The system maintains that substantial effort is required to sift through and rectify these errors before the proper annuity calculation can be made.

<u>Alternative Formula Eligibility and Applicable Service Credit Upgrade Provisions for Investigators/Security Employees of the Departments of Lottery and Human Services</u>

The current SERS retirement benefits for both Tier 1 & 2 Investigators for the Department of the Lottery are detailed in the chart found below:

Current Law						
Employee	**Tier**	**SS-Coordinated?**	**Contribution Rate**	**Multiplier**	**Full Retirement**	**Reduced Retirement**
Investigator for the Dept. of Lottery	1	No	8%	2.20%	Age 60 with 8 years of service credit OR Rule of 85	Ages 55-60 with 25-30 years (Reduced 1/2 of 1% every year under age 60)
Investigator for the Dept. of Lottery	2	No	8%	2.20%	Age 67 with 10 years service credit	Ages 62-67 with 10 years (Reduced 1/2 of 1% every year under age 67)
SB 1937, as amended by HA 1						
Investigator for the Dept. of Lottery	1	No	12.5%	3.00%	Age 55 with 20 years of service OR Age 50 with 25 years of service	N/A
Investigator for the Dept. of Lottery	2	No	12.5%	3.00%	Age 55 with 20 years of service	N/A

SB 1937, as amended by HA 1, amends the Illinois Pension Code to allow participation in the SERS Alternative Formula for investigators for the Department of the Lottery.

SB 1937, as amended by HA 1, also allows a security employee of the Department of Human Services in the Alternative Formula to elect to convert up to 13 years of prior service credit as a security employee in the Department of Human Services into service credit under the Alternative Formula. SB 1937, as amended by HA 1, also allows a State highway maintenance worker in the Alternative Formula to elect to convert up to 8 years of prior service credit. In both cases, the employee is required to pay an amount equal to the difference between the employee contributions already made and those that would have been paid had their prior service been rendered under the Alternative Formula, plus interest thereon at the statutory service credit purchase rate (the "effective rate") of 6%, compounded annually, from the date of service to the date of payment.

Alternative Formula Participation for Certain Security Employees of the Department of Juvenile Justice

Currently, in order for a security employee of the Department of Juvenile Justice to participate in the SERS alternative formula, the employee must be employed in a position at a DJJ facility and have involvement in areas such as training of delinquent youths, providing rehabilitative and vocational training, and assisting other personnel who perform these duties. Additionally, the employee must:

- Be over the age of 21; and
- Possess a high school diploma or equivalent and either:
    - A bachelor's or advanced degree from an accredited college or university; or
    - 2 or more years of experience providing direct care to youth in the form of residential care, coaching, case management, or mentoring.

SB 1937, as amended by HA 1, stipulates that the bachelor's or advanced degree requirement shall no longer determine eligibility for the alternative formula for the above-mentioned positions at DJJ. Affected employees may convert their prior regular formula service to alternative formula service by paying the difference between the employee contributions for that period of service and the amounts that would have been contributed had the member been participating in the alternative formula from the date of service to the date of payment. The member is not required to pay the employer's normal cost nor interest for the period of service they wish to upgrade.

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Appendix I

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May 13, 2025

Via Email

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Re: Actuarial Impact Study – Revised House Bill 2540 (Reflecting Updated Tier 2 Retirement Eligibilities, 90% Funded by FY 2045 and 100% Funded by FY 2049, and Updated Redirected Bond Payments Through FY 2049)

Dear Clayton:

As requested, we have updated our House Bill 2540 (HB 2540) analyses, previously sent on April 3, 2025 and April 23, 2025, to reflect the impact of additional modifications to the Tier 2 unreduced and reduced retirement ages, inclusion of 90% and 100% funded targets for FY 2045 and FY 2049, respectively, and updated redirected bond payments through FY 2049 on projected costs of the Teachers' Retirement System (TRS), the State Employees' Retirement System (SERS), and the State Universities Retirement System (SURS). Due to limited data available, this analysis does not consider the impact of these changes for General Assembly Retirement System (GARS), Judges' Retirement System of Illinois (JRS), Chicago Teachers' Pension Fund (CTPF), Illinois Municipal Retirement Fund (IMRF), nor the Downstate or Chicago Police and Firefighters' Pension Funds.

The following table provides a high-level summary of the impact of the proposed changes outlined in HB 2540 (and additional modifications noted in this letter) on the increase in State contribution amounts through fiscal year ending June 30, 2049, for each System that was analyzed. Additional details are included later in the letter.

($ in millions)	**TRS**	**SERS**	**SURS**	**Total**
Increase in Total State Contributions through FY 2049				
Baseline	-	-	-	-
Combined HB 2540 Benefit Changes (Age <u>**60**</u> & 35, <u>**64**</u> & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	$39,529	$13,548	$11,439	$64,516
Combined HB 2540 Benefit Changes (Age <u>**62**</u> & 35, <u>**65**</u> & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	37,580	13,078	11,236	61,894

This analysis is based on the provisions of the respective plans. The information contained in this document, as well as the accompanying exhibits, was prepared using census data, actuarial assumptions and methods consistent with those employed in the actuarial valuations as of June 30, 2024, for TRS (dated January 14, 2025), SERS (dated December 27, 2024), and SURS (dated November 15, 2024), except as otherwise noted in this letter.

Proposed Benefit and Contribution Changes

We analyzed the following proposed benefit changes per HB 2540 (further revised to reflect updated Tier 2 retirement eligibility requirements and early retirement reductions) and determined the impact of all proposed benefit changes combined. Please see our prior HB 2540 analysis, dated April 3, 2025, to see the stepwise impact of proposed benefit changes. All changes are effective January 1, 2028, unless otherwise noted.

1. Lowers the unreduced and reduced retirement age requirements for non-public safety Tier 2 members with 20 or more years of service from age 67 to age 64 (or age 65) and age 62 to age 59 (or age 60), respectively, and adds an additional unreduced retirement eligibility at age 60 (or age 62) for members with 35 or more years of service. The current retirement eligibility (i.e., earliest unreduced retirement age of 67 and earliest reduced retirement age of 62) is unchanged for members who retire with less than 20 years of service.
2. Early retirement reductions are applied based on the lesser of 1) months from unreduced retirement age and 2) months from reaching their applicable maximum benefit.
3. Changes the automatic annual cost-of-living adjustment (COLA) increases for Tier 2 members to 3% per year (increases are based on a member's original benefit amount at retirement), with the first increase payable on the later of the following dates: 1) January 1st occurring on or after age 67, age 64 (or age 65) with at least 20 years of service, or age 60 (or age 62) with 35 years of service; or 2) the first anniversary of retirement.
4. Revises the Tier 2 final average salary (FAS) definition from 8 consecutive years (or 96 consecutive months) to 6 consecutive years (or 72 consecutive months).
5. Updates the Tier 2 salary cap to be equal to the Social Security Wage Base (SSWB).
6. [For SERS Only] Allows participation in SERS Alternative Formula for Security Employees of the Department of Human Services and Investigators for the Department of the Lottery, as well as certain members of the Department of Juvenile Justice (due to expansion of Department of Juvenile Justice eligibility for creditable service by removing the bachelor's or advanced degree requirement).

The following proposed benefit changes contained in HB 2540 and summarized by CoGFA are **not** reflected in this analysis due to limited available data:

- Lowers unreduced retirement age for Police and Fire funds.
- Expands the existing pension buyout programs to GARS, JRS, and CTPF.
- Places Downstate Police and Firefighters' Articles of the Illinois Pension Code under the ambit of the Reciprocal Act, which affects reciprocity for vesting.
- Includes a new provision to clarify a "once in Tier 1, always in Tier 1" standard for all Tier 1 members across all pension funds.
- Creates an "estimated payment" requirement for members who retire under the SERS Alternative Formula to aid with commencing benefits in a timely manner.

Proposed Benefit and Contribution Changes continued

We also analyzed the following proposed contribution changes per HB 2540 (further revised to reflect 90% and 100% funded targets and updated redirected bond payment schedule).

7. Modifies the Illinois Pension Code to include a new State funding plan with a goal of achieving 100% funding by FY 2049 and the implementation of a 20-year layered-amortization approach for any unfunded liabilities incurred from FY 2036 through FY 2049 under the projected unit credit actuarial cost method and after FY 2050 under the entry age normal actuarial cost method. The current State funding plan to achieve a 90% funded ratio by FY 2045 is unchanged.

8. Directs additional annual payments to the Pension Stabilization Fund (PSF) as follows:

Fiscal Years Ending June 30	Total Additional Payments to PSF
2030	$300M
2031 – 2033	400M
2034 – 2038	600M
2039	550M
2040	450M
2041 – 2049	350M

These payments are **not** used in determining statutory contributions to achieve the 90% funded goal by FY 2045 nor the 100% funded goal by the end of FY 2049.

For consistency with the proposed benefit changes, the recognition of all proposed contribution changes, including the additional PSF payments, is first effective with the determination of the FY 2027 State contribution.

Actuarial Analysis

The analysis is based upon the census data and actuarial assumptions used in the June 30, 2024, actuarial valuations for TRS, SERS, and SURS. For purposes of this analysis, all changes are assumed to be effective as described in the 'Proposed Benefit and Contribution Changes' section above.

The following assumptions and methods are reflected in this analysis. The numbering below corresponds with the numbers in the previous section of this letter:

1. Assumed retirement rates are shifted as needed to be applicable at earlier retirement ages for members who retire with 20 or more years of service (e.g., the current assumed retirement rate at ages 62 through 67 are now applicable at ages 59 through 64 or ages 60 through 65). The penultimate retirement rate was extended such that no changes were made to the assumed ultimate retirement age.

   To reflect the impact of the proposed additional unreduced retirement eligibility at age 60 (or 62) with 35 years of service, the assumed retirement rates are increased by 20 percentage points at each age the participant is eligible for this unreduced retirement (e.g., if the assumed age 60 retirement rate is currently 15%, the rate increases to 35% for members who attain unreduced retirement eligibility at age 60).

Actuarial Analysis continued

Tier 2 members under the Alternative Formula or Tier 2 police / firefighters are not eligible for this additional unreduced retirement provision.

2. Eligibility for unreduced early retirement is set at 35 years of service for TRS, SERS, and SURS, and does not reflect the assumed years of service needed to reach the maximum percentage of salary (as modeled in the prior HB 2540 analysis).
3. No changes are made to the Tier 2 automatic COLA method (i.e., increases are applied to the original granted annuity benefit and the first increase percentage does not consider the number of years elapsed from date of retirement to the effective date of the initial increase).
4. No additional assumptions or methods implemented to value the change in FAS period.
5. In many instances, Tier 2 member data is reported to the Systems with the salary information limited to the current law applicable Tier 2 cap; as such, salary amounts over the cap may be unknown.

   For Tier 2 participants whose earnings were reported at the current salary cap (i.e., actual earnings are not reported), their actual earnings are estimated for the Plan Year ended June 30, 2023 (for TRS) and the Plan Year ended June 30, 2024 (for SERS and SURS) to be 3/4th of the way between the applicable Tier 2 cap and SSWB. This analysis does not assume any retroactive recalculation of benefits.

   The analysis reflects the known Tier 2 salary limitations and SSWB as summarized below:

Applicable Year	Tier 2 Salary Cap	SSWB
2023	$119,892	$160,200
2024	123,489	168,600
2025	125,774	176,100

   The current Tier 2 salary cap is assumed to annually increase by ½ of the System's inflation assumption and the Social Security Wage Base is assumed to increase 4.00% per year (based on the ultimate rate of the Social Security Administration's intermediate projection assumption used in the 2024 OASDI Trustees Report).
6. The analysis assumes 100% of current and future Tier 1 and Tier 2 investigators for the Department of Lottery opt to participate in the SERS Alternative Formula as well as applicable current and future Tier 1 and Tier 2 members of the Department of Juvenile Justice (according to position codes received from CoGFA on October 1, 2024, identifying affected members).

   The following actuarial assumptions are modified to value the impact for eligible Tier 2 members:

   - The current age 60 retirement rate applicable for Tier 2 members eligible for Alternative Formula benefits (i.e., the age at first retirement eligibility under current provisions) is now assumed to apply at age 55; and,
   - The assumed age 56-60 retirement rates are set to the same rates assumed for Tier 1 members eligible for Alternative Formula benefits.

Actuarial Analysis continued

7. For the Baseline scenario, projected contributions are determined to attain a 90% funded percentage by FY 2045 and maintain this funded percentage for all subsequent years.

   For the HB 2540 scenarios, projected contributions are determined to attain a 90% and 100% funded percentage by FY 2045 and FY 2049, respectively.

   All actuarial assumptions are assumed to materialize as expected in all future years. As a result, no new sources of unfunded liabilities are projected after FY 2036 and, therefore, this analysis does not attempt to include any impact resulting from the implementation of the 20-year layered amortization approach.

8. The assumed pro rata shares of the additional payments to the PSF allocated for each System are based on the projected Unfunded Actuarial Accrued Liability (UAAL) for FY 2030 through FY 2049 using the baseline projection included in each System's respective June 30, 2024, valuation report. As a result, the average allocation amounts of the additional payments to the PSF is as follows:

Fiscal Years Ending June 30	TRS	SERS	SURS	JRS	GARS	Total
2030	$175.0M	$62.6M	$58.8M	$3.2M	$0.4M	$300M
2031 – 2033	235.2M	82.2M	77.7M	4.3M	0.6M	400M
2034 – 2038	356.7M	121.2M	115.2M	6.1M	0.8M	600M
2039	329.7M	109.8M	104.4M	5.4M	0.7M	550M
2040	270.8M	89.5M	84.9M	4.2M	0.6M	450M
2041 – 2049	217.6M	67.9M	61.5M	2.7M	0.3M	350M

   HB 2540 states that **none** of the additional payments made to the Pension Stabilization Fund should be considered in the actuarial calculations of required contributions to achieve the 90% and 100% funding goal by FY 2045 and FY 2049, respectively. As such, the pro rata shares of the additional payments, in addition to the modified statutory contribution requirements under HB 2540, will result in a funded percentage over 90% by 2045 and over 100% by 2049, as shown in the table below:

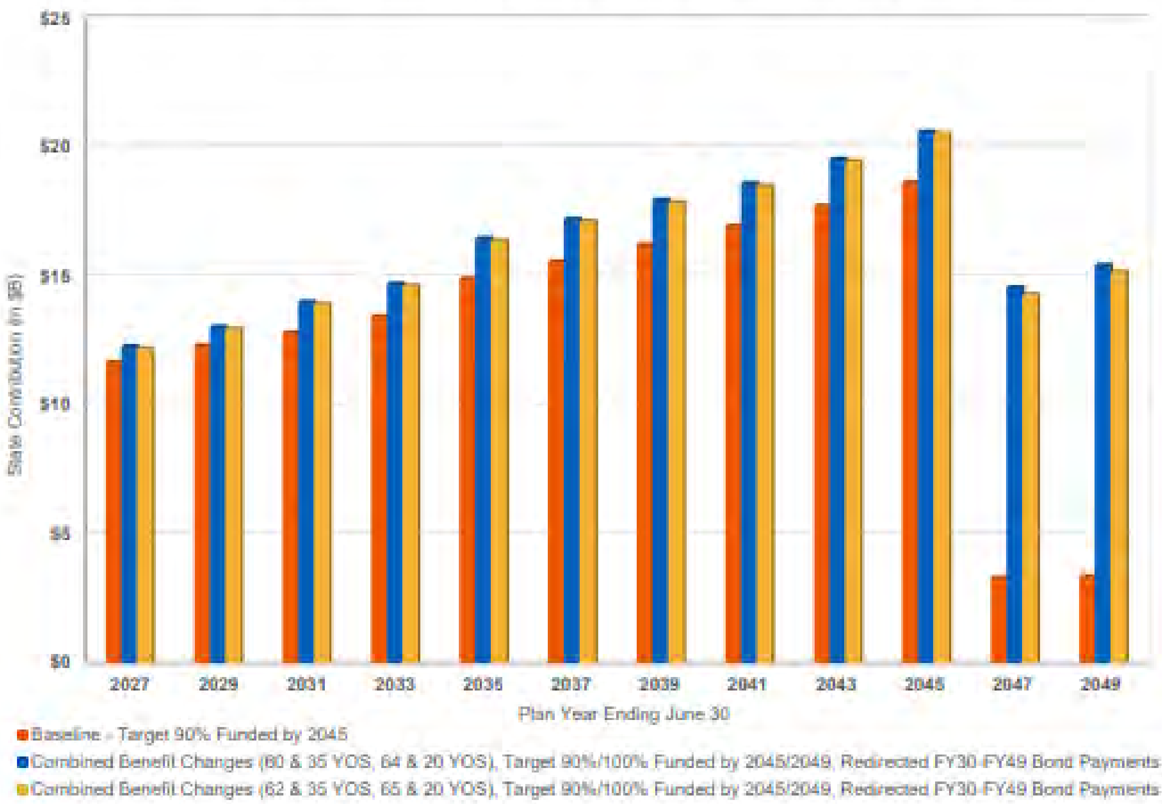
	TRS	SERS	SURS	Total
Funded Percentage as of June 30, 2045				
Baseline	90.0%	90.0%	90.0%	90.0%
Combined HB 2540 Benefit Changes, 90%/100% Funded by FY 2045/2049 & Redirected FY 2030 – FY 2049 Bond Payments	93.3%	93.5%	93.7%	93.4%
Funded Percentage as of June 30, 2049				
Baseline	90.0%	90.0%	90.0%	90.0%
Combined HB 2540 Benefit Changes, 90%/100% Funded by FY 2045/2049 & Redirected FY 2030 – FY 2049 Bond Payments	104.4%	104.8%	104.8%	104.6%

Clayton Klenke
May 13, 2025
Page 6

Actuarial Analysis continued

The following graphs and tables summarize the impact of the proposed changes on the System's Actuarial Accrued Liability (AAL) and projected State contribution amounts through FY 2049. The attached exhibits show in greater detail the projected contributions, actuarial liabilities, actuarial assets, and funded position through 2049 reflecting the changes outlined above, including exhibits that show the total impact of the proposed benefit and contribution changes under HB 2540 for TRS, SERS, and SURS combined.

Projected Annual State Contributions (Every Other Year) – TRS, SERS, and SURS Combined



As shown in the graph above, maintaining the current 90% funded target by FY 2045 and adding the 100% funding target by FY 2049 (along with the implementation of the other proposed benefit changes under HB 2540) results in statutory contribution requirements that are higher in both the short-term and long-term.

This analysis has been prepared at your request and is not to be considered a recommendation by Segal. Numbers shown have been rounded to the nearest million.

The increases and costs shown in the tables on the following pages are based on comparisons to the Baseline results.

($ in millions)

Summary of Results for All Systems

	TRS	SERS	SURS	Total
Projected AAL as of June 30, 2049				
Baseline	$218,981	$66,335	$59,233	$344,549
Combined HB 2540 Benefit Changes (Age **60** & 35, **64** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	257,393	76,767	69,602	403,762
Combined HB 2540 Benefit Changes (Age **62** & 35, **65** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	254,240	76,134	69,526	399,900
Increase in Projected AAL as of June 30, 2049				
Baseline	-	-	-	-
Combined HB 2540 Benefit Changes (Age **60** & 35, **64** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	$38,412	$10,432	$10,369	$59,213
Combined HB 2540 Benefit Changes (Age **62** & 35, **65** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	35,259	9,799	10,293	55,351
Estimated State Contributions for FY 2027				
Baseline	$6,651	$2,623	$2,404	$11,678
Combined HB 2540 Benefit Changes (Age **60** & 35, **64** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	7,018	2,767	2,507	12,292
Combined HB 2540 Benefit Changes (Age **62** & 35, **65** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	6,968	2,752	2,499	12,219
Increase in Estimated State Contribution for FY 2027				
Baseline	-	-	-	-
Combined HB 2540 Benefit Changes (Age **60** & 35, **64** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	$367	$144	$103	$614
Combined HB 2540 Benefit Changes (Age **62** & 35, **65** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	317	129	95	541

($ in millions)

Summary of Results for All Systems continued

	TRS	SERS	SURS	Total
Total State Contributions through FY 2049				
Baseline	$181,792	$71,180	$69,164	$322,136
Combined HB 2540 Benefit Changes (Age **60** & 35, **64** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	221,320	84,728	80,603	386,651
Combined HB 2540 Benefit Changes (Age **62** & 35, **65** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	219,371	84,258	80,400	384,029
Increase in Total State Contributions through FY 2049				
Baseline	-	-	-	-
Combined HB 2540 Benefit Changes (Age **60** & 35, **64** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	$39,528	$13,548	$11,439	$64,515
Combined HB 2540 Benefit Changes (Age **62** & 35, **65** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	37,579	13,078	11,236	61,893
Present Value of Total State Contributions through FY 2049				
Baseline	$89,295	$35,612	$34,775	$159,682
Combined HB 2540 Benefit Changes (Age **60** & 35, **64** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	100,231	39,836	38,336	178,403
Combined HB 2540 Benefit Changes (Age **62** & 35, **65** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	99,519	39,647	38,243	177,409
Increase in Present Value of Total State Contributions through FY 2049				
Baseline	-	-	-	-
Combined HB 2540 Benefit Changes (Age **60** & 35, **64** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	$10,936	$4,224	$3,561	$18,721
Combined HB 2540 Benefit Changes (Age **62** & 35, **65** & 20), 90%/100% Funded by FY 2045/2049, and Redirected FY 2030 – FY 2049 Bond Payments	10,224	4,035	3,468	17,727

Additional Commentary

In addition to modifying the funding goal to achieve 90% funding by FY 2045 and 100% funding by FY 2049, HB 2540 also includes a provision, starting in FY 2036, to implement a 20-year layered amortization approach when determining the minimum State contribution. The implementation approach as explained in HB 2540 is unclear. The proposed statutory language indicates that amortization layers "…shall include an adjustment for differences between the unfunded liability reported in the current actuarial valuation and the unfunded liability reported in the previous year's actuarial valuation…". Unfunded liability changes from one year to the next in ways that are expected as well as unexpected; typically, changes in unfunded liability due to unexpected sources only are used for the basis of establishing amortization layers in a given year.

As noted earlier, this analysis does not attempt to include any impact resulting from the implementation of the 20-year layered amortization approach as all actuarial assumptions are assumed to materialize as expected in all future years (i.e., no future gains or losses due to demographic or economic experience).

Comments about Projections and Risk

Projections, by their nature, are not a guarantee of future results. The modeled projections are intended to serve as estimates of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used.

The assumptions for this projection and analysis are based on those listed in the 2024 actuarial valuation report for TRS, SERS, and SURS, except for the additional assumptions noted in the 'Actuarial Analysis' section that were incorporated for the purpose of valuing the proposed benefit and contribution changes under HB 2540. As noted, the results of these projections are based on all assumptions materializing as expected, including the 7.00% investment return for TRS, the 6.75% investment return for SERS, and the 6.50% investment return for SURS. To the extent there is adverse experience, the projection scenarios would generate larger required State contributions. Given the relatively low funded status of the Systems, investment returns that are less than expected represent a significant risk to the magnitude of the State's required contributions. Additionally, if actual increases in the Social Security Wage Base are greater than assumed (4.00% per year), the State contribution requirements would increase over time, resulting in further backloading on contributions leading up to the June 30, 2049, 100% funded target date. Furthermore, the proposed changes outlined in HB 2540 could affect actual patterns of decrement (e.g., termination, retirement) compared to the current assumptions, which may result in larger (or smaller) required State contributions.

Additional risks to the Systems include, but are not limited to, contribution risk (the risk that the State does not pay the statutorily required amount or contributions will otherwise be less than assumed), longevity risk (the risk that plan participants will collect benefits longer than assumed), and employment risk (the risk that the number of active participants will be different than assumed).

Comments about Projections and Risk continued

Actual experience may differ due to such variables as demographic experience, the economy, stock market performance, and the regulatory environment. The longer the projection period, the less predictable the projections become.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative, and client requirements. Deterministic cost projections are based on our proprietary forecasting model. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility, and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuaries.

Segal is not a law firm and we cannot offer legal advice. Any party seeking a legal opinion should consult with appropriate legal counsel.

This analysis was performed under my supervision. I am a Member of the American Academy of Actuary and meet the Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States of the American Academy of Actuaries to render the actuarial opinion contained herein.

Please let us know if you have any questions.

Sincerely,

Matthew A. Strom

Matthew A. Strom, FSA, MAAA, EA
Senior Vice President and Actuary

Exhibit A – TRS Projection (Baseline)

Funding Projections for the Teachers' Retirement System
Based on Laws in Effect on June 30, 2024
Actuarially Assumed Rate of Return: 7.00%
($ in millions)

Fiscal Year Ending 6/30	Annual State Payroll	State Contribution	State Contribution as Percent of Payroll	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024					$154,325.2	$70,687.6	$83,637.6	45.8%
2025	$12,542.5	$6,203.6	49.5%	$1,151.9	158,427.3	75,370.1	83,057.2	47.6%
2026	12,983.0	6,495.5	50.0%	1,192.3	162,496.1	78,408.4	84,087.6	48.3%
2027	13,334.0	6,651.1	49.9%	1,224.5	166,707.5	82,601.2	84,106.3	49.5%
2028	13,681.0	6,883.2	50.3%	1,256.4	170,870.5	86,974.5	83,896.1	50.9%
2029	14,025.8	7,041.7	50.2%	1,288.1	175,037.2	91,312.7	83,724.5	52.2%
2030	14,367.9	7,185.9	50.0%	1,319.5	179,120.1	95,758.1	83,362.0	53.5%
2031	14,705.9	7,337.2	49.9%	1,350.5	183,098.5	100,316.7	82,781.8	54.8%
2032	15,038.7	7,503.5	49.9%	1,381.1	186,947.8	105,001.2	81,946.6	56.2%
2033	15,364.0	7,682.7	50.0%	1,411.0	190,638.8	109,821.8	80,817.0	57.6%
2034	15,679.7	8,450.0	53.9%	1,440.0	194,145.2	115,388.1	78,757.1	59.4%
2035	15,994.4	8,619.6	53.9%	1,468.9	197,444.0	121,131.7	76,312.3	61.3%
2036	16,305.5	8,787.3	53.9%	1,497.4	200,511.7	127,061.0	73,450.7	63.4%
2037	16,615.9	8,954.6	53.9%	1,526.0	203,328.6	133,192.4	70,136.2	65.5%
2038	16,930.9	9,124.4	53.9%	1,554.9	205,870.0	139,544.8	66,325.1	67.8%
2039	17,247.1	9,294.7	53.9%	1,583.9	208,120.0	146,146.0	61,974.0	70.2%
2040	17,571.6	9,469.6	53.9%	1,613.7	210,066.1	153,032.8	57,033.2	72.8%
2041	17,912.7	9,653.5	53.9%	1,645.0	211,712.8	160,261.7	51,451.1	75.7%
2042	18,276.9	9,849.7	53.9%	1,678.5	213,074.4	167,900.8	45,173.6	78.8%
2043	18,671.3	10,062.3	53.9%	1,714.7	214,180.4	176,038.3	38,142.1	82.2%
2044	19,099.6	10,293.1	53.9%	1,754.0	215,084.8	184,785.2	30,299.5	85.9%
2045	19,570.8	10,547.0	53.9%	1,797.3	215,857.1	194,271.4	21,585.7	90.0%
2046	20,095.3	1,438.6	7.2%	1,845.5	216,579.1	194,921.2	21,657.9	90.0%
2047	20,655.8	1,424.0	6.9%	1,897.0	217,313.3	195,582.0	21,731.3	90.0%
2048	21,238.7	1,418.3	6.7%	1,950.5	218,103.5	196,293.2	21,810.4	90.0%
2049	21,828.7	1,420.4	6.5%	2,004.7	218,980.7	197,082.6	21,898.1	90.0%
Total Through 2049		$181,791.5		$38,547.3				

Exhibit B – SERS Projection (Baseline)

Funding Projections for the State Employees' Retirement System
CoGFA Projections Based on Laws in Effect on June 30, 2024, Baseline
Actuarially Assumed Rate of Return: 6.75%
($ in millions)

Fiscal Year Ending 6/30	Annual Payroll	Total State Contribution	State Contribution as Percent of Payroll	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024					$55,499.8	$25,528.8	$29,971.0	46.0%
2025	$5,765.6	$2,813.0	48.8%	$316.9	56,677.1	27,094.1	29,583.0	47.8%
2026	5,861.6	2,595.3	44.3%	319.8	57,776.9	27,700.9	30,075.9	47.9%
2027	5,959.0	2,622.9	44.0%	322.9	58,799.4	28,905.4	29,894.0	49.2%
2028	6,055.1	2,702.4	44.6%	325.8	59,743.8	30,152.7	29,591.1	50.5%
2029	6,158.1	2,712.6	44.0%	329.3	60,614.6	31,238.6	29,376.0	51.5%
2030	6,267.0	2,740.6	43.7%	333.3	61,414.3	32,305.8	29,108.5	52.6%
2031	6,380.8	2,783.3	43.6%	337.7	62,143.5	33,374.1	28,769.4	53.7%
2032	6,500.0	2,834.6	43.6%	342.2	62,800.4	34,456.0	28,344.4	54.9%
2033	6,621.0	2,892.1	43.7%	346.6	63,384.5	35,563.0	27,821.5	56.1%
2034	6,748.2	3,164.0	46.9%	351.3	63,898.0	36,925.0	26,973.0	57.8%
2035	6,881.8	3,226.6	46.9%	356.2	64,345.1	38,348.6	25,996.6	59.6%
2036	7,018.9	3,290.9	46.9%	361.1	64,725.4	39,843.8	24,881.6	61.6%
2037	7,157.4	3,355.9	46.9%	366.0	65,042.3	41,422.5	23,619.8	63.7%
2038	7,304.0	3,424.6	46.9%	371.4	65,305.2	43,105.8	22,199.4	66.0%
2039	7,458.0	3,496.8	46.9%	377.1	65,518.9	44,911.3	20,607.6	68.5%
2040	7,618.2	3,571.9	46.9%	383.0	65,689.5	46,859.5	18,829.9	71.3%
2041	7,786.4	3,650.7	46.9%	389.3	65,824.3	48,973.1	16,851.2	74.4%
2042	7,960.9	3,732.6	46.9%	396.1	65,932.8	51,274.5	14,658.3	77.8%
2043	8,142.2	3,817.6	46.9%	403.0	66,022.9	53,788.2	12,234.7	81.5%
2044	8,330.1	3,905.7	46.9%	410.1	66,098.0	56,537.0	9,561.0	85.5%
2045	8,524.1	3,996.6	46.9%	417.4	66,161.9	59,545.7	6,616.2	90.0%
2046	8,724.8	952.1	10.9%	425.1	66,215.8	59,594.2	6,621.6	90.0%
2047	8,927.0	963.1	10.8%	432.8	66,267.8	59,641.0	6,626.8	90.0%
2048	9,130.6	964.8	10.6%	440.5	66,306.6	59,675.9	6,630.7	90.0%
2049	9,334.4	969.5	10.4%	448.1	66,335.1	59,701.6	6,633.5	90.0%
Total Through 2049		$71,180.2		$9,303.0				

Exhibit C – SURS Projection (Baseline)

Funding Projections for the State Universities Retirement System
CoGFA Projections Based on Laws in Effect on June 30, 2024
Actuarially Assumed Rate of Return: 6.50%
($ in millions)

Fiscal Year Ending 6/30	Annual Payroll*	Total State Contribution**	State Contribution as Percent of Payroll	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024					$53,307.6	$24,312.6	$28,995.0	45.6%
2025	$5,812.5	$2,268.0	39.0%	$347.9	54,111.8	25,248.1	28,863.7	46.7%
2026	6,099.0	2,367.2	38.8%	364.1	54,884.9	25,574.2	29,310.6	46.6%
2027	6,248.5	2,404.3	38.5%	369.0	55,589.1	26,319.8	29,269.3	47.3%
2028	6,418.4	2,504.5	39.0%	375.5	56,220.6	27,126.6	29,094.0	48.3%
2029	6,599.5	2,571.4	39.0%	382.7	56,777.9	27,869.6	28,908.4	49.1%
2030	6,794.7	2,638.1	38.8%	390.3	57,263.8	28,628.3	28,635.5	50.0%
2031	6,978.2	2,707.2	38.8%	398.3	57,673.1	29,405.2	28,267.9	51.0%
2032	7,176.9	2,788.4	38.9%	406.6	58,010.9	30,223.5	27,787.4	52.1%
2033	7,383.8	2,878.6	39.0%	415.2	58,289.4	31,110.8	27,178.5	53.4%
2034	7,599.7	2,977.4	39.2%	424.4	58,509.1	32,083.4	26,425.7	54.8%
2035	7,821.8	3,067.0	39.2%	433.8	58,674.0	33,144.4	25,529.5	56.5%
2036	8,050.1	3,159.1	39.2%	443.6	58,784.7	34,306.5	24,478.1	58.4%
2037	8,282.3	3,252.8	39.3%	453.4	58,851.3	35,591.9	23,259.4	60.5%
2038	8,519.6	3,348.7	39.3%	463.4	58,872.1	37,011.4	21,860.7	62.9%
2039	8,762.9	3,447.0	39.3%	473.6	58,865.9	38,596.8	20,269.1	65.6%
2040	9,015.1	3,548.7	39.4%	484.3	58,829.9	40,359.0	18,470.9	68.6%
2041	9,273.8	3,653.1	39.4%	495.3	58,785.6	42,333.4	16,452.2	72.0%
2042	9,538.6	3,759.9	39.4%	506.7	58,736.7	44,538.4	14,198.3	75.8%
2043	9,809.2	3,868.9	39.4%	518.3	58,702.7	47,008.0	11,694.7	80.1%
2044	10,086.7	3,980.8	39.5%	530.3	58,688.1	49,763.7	8,924.4	84.8%
2045	10,367.9	4,094.1	39.5%	542.4	58,708.2	52,837.4	5,870.8	90.0%
2046	10,654.1	952.4	8.9%	554.4	58,762.9	52,886.6	5,876.3	90.0%
2047	10,941.8	963.9	8.8%	566.2	58,867.3	52,980.6	5,886.7	90.0%
2048	11,232.8	975.4	8.7%	577.9	59,023.3	53,121.0	5,902.3	90.0%
2049	11,527.6	986.9	8.6%	589.4	59,232.8	53,309.5	5,923.3	90.0%
Total Through 2049		$69,163.8		$11,507.0				

* Includes payroll from Retirement Savings Plan (RSP)
** Includes RSP contributions

Exhibit D – TRS, SERS, and SURS Projection Combined (Baseline)

Combined Funding Projections for the TRS, SERS, and SURS
CoGFA Projections Based on Laws in Effect on June 30, 2024, Baseline
Actuarially Assumed Rate of Return: 7.00% for TRS, 6.75% for SERS, and 6.50% for SURS
($ in millions)

Fiscal Year Ending 6/30	Annual State Payroll*	Total State Contribution**	State Contribution as Percent of Payroll	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024					$263,132.6	$120,529.0	$142,603.6	45.8%
2025	$24,120.6	$11,284.6	46.8%	$1,816.7	269,216.2	127,712.3	141,503.9	47.4%
2026	$24,943.6	$11,458.0	45.9%	$1,876.2	275,157.9	131,683.5	143,474.4	47.9%
2027	$25,541.5	$11,678.3	45.7%	$1,916.4	281,096.0	137,826.4	143,269.6	49.0%
2028	$26,154.5	$12,090.1	46.2%	$1,957.7	286,834.9	144,253.8	142,581.1	50.3%
2029	$26,783.4	$12,325.7	46.0%	$2,000.1	292,429.7	150,420.9	142,008.8	51.4%
2030	$27,429.6	$12,564.6	45.8%	$2,043.1	297,798.2	156,692.2	141,106.0	52.6%
2031	$28,064.9	$12,827.7	45.7%	$2,086.5	302,915.1	163,096.0	139,819.1	53.8%
2032	$28,715.6	$13,126.5	45.7%	$2,129.9	307,759.1	169,680.7	138,078.4	55.1%
2033	$29,368.8	$13,453.4	45.8%	$2,172.8	312,312.7	176,495.6	135,817.1	56.5%
2034	$30,027.6	$14,591.4	48.6%	$2,215.7	316,552.3	184,396.5	132,155.8	58.3%
2035	$30,698.0	$14,913.2	48.6%	$2,258.9	320,463.1	192,624.7	127,838.4	60.1%
2036	$31,374.5	$15,237.3	48.6%	$2,302.1	324,021.8	201,211.3	122,810.5	62.1%
2037	$32,055.6	$15,563.3	48.6%	$2,345.4	327,222.2	210,206.8	117,015.4	64.2%
2038	$32,754.5	$15,897.7	48.5%	$2,389.7	330,047.3	219,662.0	110,385.3	66.6%
2039	$33,468.0	$16,238.5	48.5%	$2,434.6	332,504.8	229,654.1	102,850.7	69.1%
2040	$34,204.9	$16,590.2	48.5%	$2,481.0	334,585.5	240,251.3	94,334.2	71.8%
2041	$34,972.9	$16,957.3	48.5%	$2,529.6	336,322.7	251,568.2	84,754.5	74.8%
2042	$35,776.4	$17,342.2	48.5%	$2,581.3	337,743.9	263,713.7	74,030.2	78.1%
2043	$36,622.7	$17,748.8	48.5%	$2,636.0	338,906.0	276,834.5	62,071.5	81.7%
2044	$37,516.4	$18,179.6	48.5%	$2,694.4	339,870.9	291,085.9	48,785.0	85.6%
2045	$38,462.8	$18,637.7	48.5%	$2,757.1	340,727.2	306,654.5	34,072.7	90.0%
2046	$39,474.2	$3,343.1	8.5%	$2,825.0	341,557.8	307,402.0	34,155.8	90.0%
2047	$40,524.6	$3,351.0	8.3%	$2,896.0	342,448.4	308,203.6	34,244.8	90.0%
2048	$41,602.1	$3,358.5	8.1%	$2,968.9	343,433.4	309,090.1	34,343.3	90.0%
2049	$42,690.7	$3,376.8	7.9%	$3,042.2	344,548.6	310,093.7	34,454.9	90.0%
Total Through 2049		$322,135.5		$59,357.3				

* Includes payroll from Retirement Savings Plan (RSP) for SURS
** Includes RSP contributions for SURS

Exhibit 2

Exhibit 1A – TRS Projection (Combined HB 2540 Benefit Changes [Unreduced Retirement at 60 & 35 YOS, 64 & 20 YOS], 90%/100% Funded by FY 2045/FY 2049, and Redirected FY 2030 – FY 2049 Bond Payments)

Funding Projections for the Teachers' Retirement System

Based on Laws in Effect on June 30, 2024, Combined HB 2540 Benefit Changes (Unreduced Retirement at 60 & 35 YOS, 64 & 20 YOS)
Plus 90%/100% Funded by FY 2045/FY 2049 and Redirected FY 2030 – FY 2049 Bond Payments
Actuarially Assumed Rate of Return: 7.00%
($ in millions)

			Compared to Exhibit A								
Fiscal Year Ending 6/30	Annual State Payroll	State Contribution	(Reduction)/ Increase in State Contribution	Present Value of (Reduction)/ Increase in State Contribution	State Contribution as Percent of Payroll	TRS Portion of Redirected Bond Payments	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024								$154,325.2	$70,687.6	$83,637.6	45.8%
2025	$12,542.5	$6,203.6	$0.0	$0.0	49.5%	$0.0	$1,151.9	158,427.3	75,370.1	83,057.2	47.6%
2026	12,983.0	6,495.5	0.0	0.0	50.0%	0.0	1,192.3	162,496.1	78,408.4	84,087.6	48.3%
2027	13,334.0	7,018.4	367.3	310.1	52.6%	0.0	1,224.5	166,707.5	82,981.3	83,726.2	49.8%
2028	13,697.4	7,268.7	385.5	304.2	53.1%	0.0	1,257.9	171,034.7	87,792.1	83,242.6	51.3%
2029	14,068.0	7,451.7	410.0	302.4	53.0%	0.0	1,292.0	175,584.5	92,640.6	82,943.9	52.8%
2030	14,421.7	7,612.2	426.3	293.8	52.8%	175.0	1,324.4	180,123.4	97,833.9	82,289.5	54.3%
2031	14,773.9	7,780.9	443.7	285.8	52.7%	234.2	1,356.8	184,639.8	103,276.6	81,363.3	55.9%
2032	15,123.5	7,965.9	462.4	278.4	52.7%	235.2	1,388.9	189,118.8	108,932.0	80,186.8	57.6%
2033	15,468.3	8,165.3	482.6	271.5	52.8%	236.2	1,420.6	193,541.1	114,817.9	78,723.2	59.3%
2034	15,806.2	8,954.8	504.8	265.4	56.7%	355.0	1,451.6	197,889.4	121,672.0	76,217.4	61.5%
2035	16,145.7	9,147.2	527.5	259.3	56.7%	355.8	1,482.8	202,152.9	128,820.5	73,332.3	63.7%
2036	16,484.6	9,339.2	551.9	253.5	56.7%	356.6	1,513.9	206,320.8	136,281.5	70,039.3	66.1%
2037	16,826.7	9,533.0	578.4	248.3	56.7%	357.5	1,545.3	210,386.3	144,081.3	66,305.0	68.5%
2038	17,177.0	9,731.4	607.1	243.5	56.7%	358.5	1,577.5	214,338.5	152,250.0	62,088.5	71.0%
2039	17,533.0	9,933.1	638.4	239.4	56.7%	329.7	1,610.2	218,177.1	160,796.6	57,380.5	73.7%
2040	17,902.0	10,142.2	672.5	235.6	56.7%	270.8	1,644.1	221,904.2	169,736.7	52,167.5	76.5%
2041	18,291.4	10,362.8	709.3	232.3	56.7%	211.5	1,679.8	225,539.2	179,133.9	46,405.3	79.4%
2042	18,710.0	10,599.9	750.2	229.6	56.7%	212.7	1,718.3	229,110.7	189,127.5	39,983.3	82.5%
2043	19,167.7	10,859.2	797.0	227.9	56.7%	214.2	1,760.3	232,661.9	199,821.0	32,840.9	85.9%
2044	19,669.4	11,143.5	850.4	227.3	56.7%	216.5	1,806.4	236,261.5	211,343.5	24,918.1	89.5%
2045	20,227.8	11,459.8	912.8	228.0	56.7%	220.7	1,857.7	239,992.6	223,846.5	16,146.1	93.3%
2046	20,852.2	8,138.9	6,700.3	1,564.4	39.0%	220.7	1,915.0	243,942.0	233,687.4	10,254.6	95.8%
2047	21,524.8	8,401.4	6,977.4	1,522.5	39.0%	220.7	1,976.8	248,158.1	244,411.0	3,747.1	98.5%
2048	22,215.4	8,670.9	7,252.6	1,479.0	39.0%	220.7	2,040.2	252,649.5	256,073.3	(3,423.8)	101.4%
2049	22,907.0	8,940.9	7,520.5	1,433.3	39.0%	220.7	2,103.7	257,392.6	268,700.6	(11,307.9)	104.4%
Total Through 2049		$221,320.4	$39,528.9	$10,935.5		$5,222.5	$39,292.9				

Exhibit 1B – SERS Projection (Combined HB 2540 Benefit Changes [Unreduced Retirement at 60 & 35 YOS, 64 & 20 YOS], 90%/100% Funded by FY 2045/FY 2049, and Redirected FY 2030 – FY 2049 Bond Payments)

Funding Projections for the State Employees' Retirement System

CoGFA Projections Based on Laws in Effect on June 30, 2024, Combined HB 2540 Benefit Changes (Unreduced Retirement at 60 & 35 YOS, 64 & 20 YOS)
Plus 90%/100% Funded by FY 2045/FY 2049 and Redirected FY 2030 – FY 2049 Bond Payments
Actuarially Assumed Rate of Return: 6.75%
($ in millions)

			Compared to Exhibit B								
Fiscal Year Ending 6/30	Annual Payroll	Total State Contribution	(Reduction)/ Increase in State Contribution	Present Value of (Reduction)/ Increase in State Contribution	State Contribution as Percent of Payroll	SERS Portion of Redirected Bond Payments	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024								$55,499.8	$25,528.8	$29,971.00	46.0%
2025	$5,765.6	$2,813.0	$0.0	$0.0	48.8%	$0.0	$316.9	56,677.1	27,094.1	29,583.00	47.8%
2026	5,861.6	2,595.3	0.0	0.0	44.3%	0.0	319.8	57,776.9	27,700.9	30,075.90	47.9%
2027	5,959.0	2,766.9	144.0	122.3	46.4%	0.0	322.9	58,799.4	29,054.1	29,745.30	49.4%
2028	6,085.3	2,862.7	160.3	127.6	47.0%	0.0	327.5	60,672.4	30,467.8	30,204.60	50.2%
2029	6,232.6	2,897.5	184.9	137.8	46.5%	0.0	333.3	61,725.7	31,742.2	29,983.50	51.4%
2030	6,357.3	2,936.2	195.6	136.5	46.2%	62.6	338.1	62,728.6	33,081.0	29,647.60	52.7%
2031	6,488.7	2,990.3	207.0	135.4	46.1%	82.8	343.4	63,684.4	34,467.2	29,217.20	54.1%
2032	6,627.0	3,053.8	219.2	134.3	46.1%	82.3	348.9	64,592.4	35,894.7	28,697.70	55.6%
2033	6,768.1	3,124.2	232.1	133.2	46.2%	81.6	354.3	65,454.3	37,377.4	28,076.80	57.1%
2034	6,916.4	3,409.7	245.7	132.1	49.3%	122.1	360.1	66,273.8	39,189.9	27,083.90	59.1%
2035	7,071.3	3,486.0	259.4	130.7	49.3%	121.6	366.1	67,056.2	41,100.5	25,955.70	61.3%
2036	7,230.0	3,564.3	273.4	129.0	49.3%	121.2	372.0	67,801.4	43,120.5	24,680.90	63.6%
2037	7,390.6	3,643.5	287.6	127.1	49.3%	120.8	378.0	68,514.8	45,264.4	23,250.40	66.1%
2038	7,559.5	3,726.7	302.1	125.1	49.3%	120.3	384.4	69,205.7	47,554.3	21,651.40	68.7%
2039	7,735.5	3,813.5	316.7	122.8	49.3%	109.8	391.1	69,879.2	49,999.3	19,879.90	71.6%
2040	7,916.4	3,902.7	330.8	120.2	49.3%	89.5	398.0	70,538.6	52,607.6	17,931.00	74.6%
2041	8,105.2	3,995.7	345.0	117.4	49.3%	69.3	405.3	71,190.9	55,401.7	15,789.20	77.8%
2042	8,300.1	4,091.8	359.2	114.5	49.3%	69.0	412.9	71,847.6	58,425.0	13,422.60	81.3%
2043	8,502.3	4,191.5	373.9	111.7	49.3%	68.6	420.8	72,513.0	61,700.1	10,812.80	85.1%
2044	8,707.6	4,292.7	387.0	108.3	49.3%	68.1	428.7	73,187.0	65,246.0	7,941.00	89.1%
2045	8,916.8	4,396.8	400.2	104.9	49.3%	67.3	436.8	73,870.3	69,085.9	4,784.40	93.5%
2046	9,136.7	2,936.1	1,984.0	487.1	32.1%	67.3	445.2	74,566.6	71,624.7	2,941.90	96.1%
2047	9,356.8	3,006.8	2,043.7	470.0	32.1%	67.3	453.7	75,285.0	74,356.3	928.70	98.8%
2048	9,580.6	3,078.7	2,113.9	455.5	32.1%	67.3	462.2	76,017.8	77,295.0	(1,277.30)	101.7%
2049	9,806.7	3,151.4	2,181.9	440.4	32.1%	67.3	470.7	76,767.4	80,454.5	(3,687.10)	104.8%
Total Through 2049		$84,727.8	$13,547.6	$4,223.9		$1,725.8	$9,591.1				

Exhibit 1C – SURS Projection (Combined HB 2540 Benefit Changes [Unreduced Retirement at 60 & 35 YOS, 64 & 20 YOS], 90%/100% Funded by FY 2045/FY 2049, and Redirected FY 2030 – FY 2049 Bond Payments)

Funding Projections for the State Universities Retirement System

CoGFA Projections Based on Laws in Effect on June 30, 2024, Combined HB 2540 Benefit Changes (Unreduced Retirement at 60 & 35 YOS, 64 & 20 YOS)
Plus 90%/100% Funded by FY 2045/FY 2049 and Redirected FY 2030 – FY 2049 Bond Payments
Actuarially Assumed Rate of Return: 6.50%
($ in millions)

			Compared to Exhibit C								
Fiscal Year Ending 6/30	Annual Payroll*	Total State Contribution**	(Reduction)/ Increase in State Contribution	Present Value of (Reduction)/ Increase in State Contribution	State Contribution as Percent of Payroll	SURS Portion of Redirected Bond Payments	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024								$53,307.6	$24,312.6	$28,995.0	45.6%
2025	$5,812.5	$2,268.0	$0.0	$0.0	39.0%	$0.0	$347.9	54,111.8	25,248.1	28,863.7	46.7%
2026	6,099.0	2,367.2	0.0	0.0	38.8%	0.0	364.1	54,884.9	25,574.2	29,310.6	46.6%
2027	6,248.5	2,506.7	102.4	87.5	40.1%	0.0	369.0	55,589.1	26,425.5	29,163.6	47.5%
2028	6,447.2	2,617.5	113.1	90.7	40.6%	0.0	377.8	56,695.9	27,359.6	29,336.2	48.3%
2029	6,670.6	2,705.0	133.6	100.6	40.6%	0.0	388.4	57,403.2	28,264.5	29,138.7	49.2%
2030	6,879.4	2,780.5	142.4	100.7	40.4%	58.8	397.1	58,060.8	29,266.0	28,794.8	50.4%
2031	7,076.4	2,858.1	150.9	100.2	40.4%	78.1	406.2	58,666.3	30,331.3	28,335.0	51.7%
2032	7,288.6	2,948.0	159.6	99.5	40.4%	77.7	415.5	59,225.5	31,464.9	27,760.6	53.1%
2033	7,508.9	3,047.1	168.5	98.6	40.6%	77.4	425.3	59,752.9	32,696.4	27,056.5	54.7%
2034	7,738.8	3,156.1	178.7	98.2	40.8%	115.8	435.5	60,248.5	34,082.4	26,166.1	56.6%
2035	7,974.4	3,254.6	187.5	96.8	40.8%	115.6	446.1	60,716.9	35,587.3	25,129.6	58.6%
2036	8,217.5	3,356.1	197.0	95.5	40.8%	115.3	457.0	61,163.0	37,228.2	23,934.8	60.9%
2037	8,465.5	3,459.7	206.9	94.2	40.9%	114.9	468.1	61,600.0	39,030.4	22,569.6	63.4%
2038	8,719.4	3,565.9	217.3	92.8	40.9%	114.5	479.4	62,023.3	41,002.1	21,021.2	66.1%
2039	8,980.1	3,674.9	228.0	91.5	40.9%	104.4	491.0	62,455.1	43,168.9	19,286.2	69.1%
2040	9,250.8	3,788.0	239.3	90.2	40.9%	84.9	503.2	62,898.3	45,537.3	17,361.0	72.4%
2041	9,530.4	3,904.7	251.6	89.0	41.0%	65.5	515.9	63,370.3	48,138.2	15,232.1	76.0%
2042	9,818.7	4,024.9	265.0	88.0	41.0%	64.8	529.1	63,880.6	51,015.2	12,865.5	79.9%
2043	10,115.1	4,148.4	279.5	87.2	41.0%	63.9	542.8	64,448.9	54,203.3	10,245.6	84.1%
2044	10,422.2	4,276.2	295.5	86.5	41.0%	62.3	557.2	65,085.2	57,730.4	7,354.7	88.7%
2045	10,738.5	4,407.8	313.7	86.3	41.0%	59.4	572.0	65,802.5	61,626.9	4,175.6	93.7%
2046	11,065.3	2,743.0	1,790.6	462.4	24.8%	59.4	587.4	66,609.2	64,067.0	2,542.2	96.2%
2047	11,399.5	2,827.8	1,863.9	451.9	24.8%	59.4	602.9	67,513.1	66,762.8	750.3	98.9%
2048	11,740.5	2,914.5	1,939.1	441.4	24.8%	59.4	618.5	68,510.1	69,724.1	(1,214.0)	101.8%
2049	12,084.2	3,002.2	2,015.3	430.8	24.8%	59.4	634.0	69,601.5	72,965.3	(3,363.8)	104.8%
Total Through 2049		$80,602.9	$11,439.4	$3,560.5		$1,610.9	$11,931.4				

* Includes payroll from Retirement Savings Plan (RSP)
** Includes RSP contributions

Exhibit 1D – Combined TRS, SERS, and SURS Projection
(Combined HB 2540 Benefit Changes [Unreduced Retirement at 60 & 35 YOS, 64 & 20 YOS], 90%/100% Funded by FY 2045/FY 2049, and Redirected FY 2030 – FY 2049 Bond Payments)

Combined Funding Projections for the TRS, SERS, and SURS

CoGFA Projections Based on Laws in Effect on June 30, 2024, Combined HB 2540 Benefit Changes (Unreduced Retirement at 60 & 35 YOS, 64 & 20 YOS)
Plus 90%/100% Funded by FY 2045/FY 2049 and Redirected FY 2030 - FY 2049 Bond Payments
Actuarially Assumed Rate of Return: 7.00% for TRS, 6.75% for SERS, and 6.50% for SURS
($ in millions)

			Compared to Exhibits A+B+C								
Fiscal Year Ending 6/30	Annual State Payroll*	Total State Contribution**	(Reduction)/ Increase in State Contribution	Present Value of (Reduction)/ Increase in State Contribution	State Contribution as Percent of Payroll	Portion of Redirected Bond Payments for TRS, SERS, and SURS	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024								$263,132.6	$120,529.0	$142,603.6	45.8%
2025	$24,120.6	$11,284.6	$0.0	$0.0	46.8%	$0.0	$1,816.7	269,216.2	127,712.3	141,503.9	47.4%
2026	24,943.6	11,458.0	0.0	0.0	45.9%	0.0	1,876.2	275,157.9	131,683.5	143,474.4	47.9%
2027	25,541.5	12,292.0	613.7	519.9	48.1%	0.0	1,916.4	281,096.0	138,460.9	142,635.1	49.3%
2028	26,229.9	12,748.9	658.9	522.5	48.6%	0.0	1,963.2	288,403.0	145,619.5	142,783.5	50.5%
2029	26,971.2	13,054.2	728.5	540.8	48.4%	0.0	2,013.7	294,713.4	152,647.3	142,066.1	51.8%
2030	27,658.4	13,328.9	764.3	531.0	48.2%	296.3	2,059.6	300,912.8	160,180.9	140,731.9	53.2%
2031	28,339.0	13,629.3	801.6	521.4	48.1%	395.1	2,106.4	306,990.5	168,075.1	138,915.4	54.7%
2032	29,039.1	13,967.7	841.2	512.2	48.1%	395.1	2,153.3	312,936.7	176,291.6	136,645.1	56.3%
2033	29,745.3	14,336.6	883.2	503.3	48.2%	395.3	2,200.2	318,748.3	184,891.7	133,856.6	58.0%
2034	30,461.4	15,520.6	929.2	495.7	51.0%	592.9	2,247.2	324,411.7	194,944.3	129,467.4	60.1%
2035	31,191.4	15,887.8	974.4	486.8	50.9%	593.0	2,295.0	329,926.0	205,508.3	124,417.7	62.3%
2036	31,932.1	16,259.6	1,022.3	478.0	50.9%	593.1	2,342.9	335,285.2	216,630.2	118,655.0	64.6%
2037	32,682.8	16,636.2	1,072.9	469.6	50.9%	593.2	2,391.4	340,501.1	228,376.1	112,125.0	67.1%
2038	33,455.9	17,024.0	1,126.5	461.4	50.9%	593.3	2,441.3	345,567.5	240,806.4	104,761.1	69.7%
2039	34,248.6	17,421.5	1,183.1	453.7	50.9%	543.9	2,492.3	350,511.4	253,964.8	96,546.6	72.5%
2040	35,069.2	17,832.9	1,242.6	446.0	50.9%	445.1	2,545.3	355,341.1	267,881.6	87,459.5	75.4%
2041	35,927.0	18,263.2	1,305.9	438.7	50.8%	346.3	2,601.0	360,100.4	282,673.8	77,426.6	78.5%
2042	36,828.8	18,716.6	1,374.4	432.1	50.8%	346.4	2,660.3	364,838.9	298,567.7	66,271.2	81.8%
2043	37,785.1	19,199.1	1,450.4	426.8	50.8%	346.6	2,723.9	369,623.8	315,724.4	53,899.4	85.4%
2044	38,799.2	19,712.4	1,532.9	422.1	50.8%	346.8	2,792.3	374,533.7	334,319.9	40,213.8	89.3%
2045	39,885.1	20,264.4	1,626.7	419.2	50.8%	347.3	2,866.5	379,665.4	354,559.3	25,106.1	93.4%
2046	41,054.2	13,818.0	10,474.9	2,513.9	33.7%	347.3	2,947.6	385,117.8	369,379.1	15,738.7	95.9%
2047	42,281.1	14,236.0	10,885.0	2,444.4	33.7%	347.3	3,033.4	390,956.2	385,530.1	5,426.1	98.6%
2048	43,536.5	14,664.1	11,305.6	2,375.9	33.7%	347.3	3,120.9	397,177.4	403,092.4	(5,915.0)	101.5%
2049	44,797.9	15,094.5	11,717.7	2,304.5	33.7%	347.3	3,208.4	403,761.5	422,120.4	(18,358.9)	104.5%
Total Through 2049		$386,651.1	$64,515.9	$18,719.9		$8,559.1	$60,815.4				

* Includes payroll from Retirement Savings Plan (RSP) for SURS

** Includes RSP contributions for SURS

Exhibit 2A – TRS Projection (Combined HB 2540 Benefit Changes [Unreduced Retirement at 62 & 35 YOS, 65 & 20 YOS], 90%/100% Funded by FY 2045/FY 2049, and Redirected FY 2030 – FY 2049 Bond Payments)

Funding Projections for the Teachers' Retirement System

Based on Laws in Effect on June 30, 2024, Combined HB 2540 Benefit Changes (Unreduced Retirement at 62 & 35 YOS, 65 & 20 YOS)
Plus 90%/100% Funded by FY 2045/FY 2049 and Redirected FY 2030 – FY 2049 Bond Payments
Actuarially Assumed Rate of Return: 7.00%
($ in millions)

			Compared to Exhibit A								
Fiscal Year Ending 6/30	Annual State Payroll	State Contribution	(Reduction)/ Increase in State Contribution	Present Value of (Reduction)/ Increase in State Contribution	State Contribution as Percent of Payroll	TRS Portion of Redirected Bond Payments	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024								$154,325.2	$70,687.6	$83,637.6	45.8%
2025	$12,542.5	$6,203.6	$0.0	$0.0	49.5%	$0.0	$1,151.9	158,427.3	75,370.1	83,057.2	47.6%
2026	12,983.0	6,495.5	0.0	0.0	50.0%	0.0	1,192.3	162,496.1	78,408.4	84,087.6	48.3%
2027	13,334.0	6,968.4	317.3	267.9	52.3%	0.0	1,224.5	166,707.5	82,929.6	83,777.9	49.7%
2028	13,697.4	7,217.3	334.1	263.6	52.7%	0.0	1,257.9	171,016.6	87,683.2	83,333.5	51.3%
2029	14,068.0	7,398.9	357.2	263.5	52.6%	0.0	1,292.0	175,524.9	92,468.5	83,056.4	52.7%
2030	14,421.7	7,558.1	372.2	256.5	52.4%	175.0	1,324.4	180,014.8	97,592.9	82,421.9	54.2%
2031	14,773.9	7,725.5	388.3	250.1	52.3%	234.2	1,356.8	184,473.8	102,960.2	81,513.6	55.8%
2032	15,123.5	7,909.2	405.7	244.3	52.3%	235.2	1,388.9	188,886.2	108,533.7	80,352.5	57.5%
2033	15,468.4	8,107.4	424.6	238.9	52.4%	236.2	1,420.6	193,231.8	114,330.5	78,901.3	59.2%
2034	15,806.5	8,895.8	445.7	234.4	56.3%	355.0	1,451.6	197,492.7	121,088.7	76,404.0	61.3%
2035	16,146.7	9,087.2	467.6	229.8	56.3%	355.8	1,482.9	201,657.3	128,134.4	73,523.0	63.5%
2036	16,486.5	9,278.4	491.2	225.6	56.3%	356.6	1,514.1	205,714.0	135,485.4	70,228.6	65.9%
2037	16,829.6	9,471.6	517.0	221.9	56.3%	357.5	1,545.6	209,655.0	143,168.4	66,486.6	68.3%
2038	17,181.4	9,669.5	545.2	218.7	56.3%	358.5	1,577.9	213,468.5	151,213.2	62,255.3	70.8%
2039	17,539.0	9,870.8	576.1	216.0	56.3%	329.7	1,610.7	217,153.3	159,628.9	57,524.4	73.5%
2040	17,910.0	10,079.6	610.0	213.7	56.3%	270.8	1,644.8	220,711.3	168,431.7	52,279.6	76.3%
2041	18,302.8	10,300.7	647.2	211.9	56.3%	211.5	1,680.9	224,161.2	177,686.3	46,474.9	79.3%
2042	18,724.7	10,538.1	688.4	210.7	56.3%	212.7	1,719.6	227,531.7	187,532.5	39,999.2	82.4%
2043	19,187.5	10,798.6	736.3	210.6	56.3%	214.2	1,762.1	230,866.1	198,075.9	32,790.1	85.8%
2044	19,695.2	11,084.3	791.2	211.5	56.3%	216.5	1,808.7	234,232.6	209,446.4	24,786.2	89.4%
2045	20,259.5	11,401.9	854.9	213.6	56.3%	220.7	1,860.6	237,715.9	221,797.5	15,918.4	93.3%
2046	20,893.4	7,925.9	6,487.4	1,514.7	37.9%	220.7	1,918.8	241,408.4	231,330.0	10,078.4	95.8%
2047	21,579.8	8,186.3	6,762.4	1,475.6	37.9%	220.7	1,981.8	245,376.6	241,749.7	3,626.8	98.5%
2048	22,302.5	8,460.5	7,042.1	1,436.1	37.9%	220.7	2,048.2	249,653.3	253,139.2	(3,485.9)	101.4%
2049	23,035.0	8,738.3	7,318.0	1,394.7	37.9%	220.7	2,115.5	254,239.5	265,547.5	(11,307.9)	104.4%
Total Through 2049		$219,371.4	$37,580.1	$10,224.3		$5,222.5	$39,333.1				

Exhibit 2B – SERS Projection (Combined HB 2540 Benefit Changes [Unreduced Retirement at 62 & 35 YOS, 65 & 20 YOS], 90%/100% Funded by FY 2045/FY 2049, and Redirected FY 2030 – FY 2049 Bond Payments)

Funding Projections for the State Employees' Retirement System

CoGFA Projections Based on Laws in Effect on June 30, 2024, Combined HB 2540 Benefit Changes (Unreduced Retirement at 62 & 35 YOS, 65 & 20 YOS)
Plus 90%/100% Funded by FY 2045/FY 2049 and Redirected FY 2030 – FY 2049 Bond Payments
Actuarially Assumed Rate of Return: 6.75%
($ in millions)

			Compared to Exhibit B								
Fiscal Year Ending 6/30	Annual Payroll	Total State Contribution	(Reduction)/ Increase in State Contribution	Present Value of (Reduction)/ Increase in State Contribution	State Contribution as Percent of Payroll	SERS Portion of Redirected Bond Payments	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024								$55,499.8	$25,528.8	$29,971.00	46.0%
2025	$5,765.6	$2,813.0	$0.0	$0.0	48.8%	$0.0	$316.9	56,677.1	27,094.1	29,583.00	47.8%
2026	5,861.6	2,595.3	0.0	0.0	44.3%	0.0	319.8	57,776.9	27,700.9	30,075.90	47.9%
2027	5,959.0	2,752.3	129.4	109.9	46.2%	0.0	322.9	58,799.4	29,039.1	29,760.30	49.4%
2028	6,085.3	2,847.8	145.4	115.7	46.8%	0.0	327.5	60,632.3	30,436.3	30,196.00	50.2%
2029	6,232.6	2,882.2	169.6	126.4	46.2%	0.0	333.3	61,673.1	31,692.8	29,980.30	51.4%
2030	6,357.3	2,920.6	180.0	125.7	45.9%	62.6	338.1	62,661.6	33,012.2	29,649.30	52.7%
2031	6,488.7	2,974.4	191.1	125.0	45.8%	82.8	343.4	63,600.6	34,377.4	29,223.30	54.1%
2032	6,626.9	3,037.6	203.0	124.4	45.8%	82.3	348.9	64,489.6	35,782.2	28,707.40	55.5%
2033	6,768.3	3,107.8	215.7	123.8	45.9%	81.6	354.3	65,330.4	37,240.9	28,089.50	57.0%
2034	6,917.0	3,393.0	229.0	123.1	49.1%	122.1	360.1	66,126.6	39,027.9	27,098.70	59.0%
2035	7,072.5	3,469.3	242.7	122.2	49.1%	121.6	366.1	66,883.7	40,912.1	25,971.70	61.2%
2036	7,231.8	3,547.4	256.5	121.0	49.1%	121.2	372.1	67,601.4	42,904.5	24,696.90	63.5%
2037	7,393.0	3,626.6	270.7	119.6	49.1%	120.8	378.1	68,285.4	45,020.0	23,265.40	65.9%
2038	7,563.0	3,709.9	285.3	118.1	49.1%	120.3	384.6	68,945.3	47,281.1	21,664.10	68.6%
2039	7,740.5	3,797.0	300.2	116.4	49.1%	109.8	391.3	69,586.5	49,697.6	19,888.90	71.4%
2040	7,922.9	3,886.5	314.6	114.3	49.1%	89.5	398.3	70,212.0	52,277.5	17,934.50	74.5%
2041	8,112.6	3,979.5	328.8	111.9	49.1%	69.3	405.7	70,829.3	55,043.4	15,785.80	77.7%
2042	8,309.6	4,076.2	343.6	109.5	49.1%	69.0	413.4	71,449.9	58,039.7	13,410.20	81.2%
2043	8,513.0	4,175.9	358.3	107.0	49.1%	68.6	421.3	72,078.6	61,288.6	10,790.00	85.0%
2044	8,720.6	4,277.8	372.1	104.1	49.1%	68.1	429.3	72,716.3	64,810.8	7,905.50	89.1%
2045	8,934.7	4,382.8	386.2	101.2	49.1%	67.3	437.5	73,363.8	68,630.0	4,733.80	93.5%
2046	9,154.9	2,894.6	1,942.5	476.9	31.6%	67.3	446.1	74,024.7	71,122.1	2,902.60	96.1%
2047	9,377.6	2,965.0	2,001.9	460.4	31.6%	67.3	454.7	74,707.9	73,807.0	900.90	98.8%
2048	9,603.2	3,036.3	2,071.5	446.3	31.6%	67.3	463.3	75,409.7	76,701.4	(1,291.70)	101.7%
2049	9,835.0	3,109.6	2,140.1	431.9	31.6%	67.3	472.1	76,134.4	79,821.5	(3,687.10)	104.8%
Total Through 2049		$84,258.4	$13,078.2	$4,034.8		$1,725.8	$9,599.1				

Exhibit 2C – SURS Projection (Combined HB 2540 Benefit Changes [Unreduced Retirement at 62 & 35 YOS, 65 & 20 YOS], 90%/100% Funded by FY 2045/FY 2049, and Redirected FY 2030 – FY 2049 Bond Payments)

Funding Projections for the State Universities Retirement System

CoGFA Projections Based on Laws in Effect on June 30, 2024, Combined HB 2540 Benefit Changes (Unreduced Retirement at 62 & 35 YOS, 65 & 20 YOS) Plus 90%/100% Funded by FY 2045/FY 2049 and Redirected FY 2030 – FY 2049 Bond Payments

Actuarially Assumed Rate of Return: 6.50%

($ in millions)

			Compared to Exhibit C								
Fiscal Year Ending 6/30	Annual Payroll*	Total State Contribution**	(Reduction)/ Increase in State Contribution	Present Value of (Reduction)/ Increase in State Contribution	State Contribution as Percent of Payroll	SURS Portion of Redirected Bond Payments	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024								$53,307.6	$24,312.6	$28,995.0	45.6%
2025	$5,812.5	$2,268.0	$0.0	$0.0	39.0%	$0.0	$347.9	54,111.8	25,248.1	28,863.7	46.7%
2026	6,099.0	2,367.2	0.0	0.0	38.8%	0.0	364.1	54,884.9	25,574.2	29,310.6	46.6%
2027	6,248.5	2,499.1	94.8	81.0	40.0%	0.0	369.0	55,589.1	26,417.6	29,171.5	47.5%
2028	6,447.2	2,609.6	105.1	84.3	40.5%	0.0	377.8	56,669.2	27,343.0	29,326.2	48.3%
2029	6,670.6	2,696.8	125.4	94.4	40.4%	0.0	388.4	57,369.0	28,238.3	29,130.7	49.2%
2030	6,879.4	2,772.0	133.9	94.7	40.3%	58.8	397.1	58,018.1	29,229.5	28,788.6	50.4%
2031	7,076.5	2,849.3	142.2	94.4	40.3%	78.1	406.2	58,613.9	30,283.5	28,330.4	51.7%
2032	7,289.0	2,939.1	150.8	94.0	40.3%	77.7	415.6	59,162.9	31,405.6	27,757.3	53.1%
2033	7,509.6	3,038.1	159.5	93.4	40.5%	77.4	425.3	59,678.7	32,624.4	27,054.3	54.7%
2034	7,739.8	3,147.0	169.6	93.3	40.7%	115.8	435.6	60,162.9	33,998.3	26,164.7	56.5%
2035	7,976.4	3,245.6	178.6	92.2	40.7%	115.6	446.2	60,620.1	35,491.7	25,128.4	58.5%
2036	8,219.9	3,347.0	187.9	91.1	40.7%	115.3	457.2	61,053.8	37,120.1	23,933.7	60.8%
2037	8,468.6	3,450.7	197.8	90.0	40.7%	114.9	468.3	61,479.5	38,911.1	22,568.3	63.3%
2038	8,723.7	3,557.0	208.3	89.0	40.8%	114.5	479.7	61,891.9	40,872.5	21,019.4	66.0%
2039	8,985.8	3,666.2	219.2	88.0	40.8%	104.4	491.5	62,312.7	43,029.2	19,283.5	69.1%
2040	9,258.2	3,779.6	230.9	87.0	40.8%	84.9	503.8	62,747.0	45,390.0	17,357.0	72.3%
2041	9,539.2	3,896.5	243.4	86.1	40.8%	65.5	516.6	63,214.7	47,988.1	15,226.5	75.9%
2042	9,829.8	4,017.3	257.4	85.5	40.9%	64.8	530.0	63,720.2	50,862.2	12,858.0	79.8%
2043	10,128.9	4,141.4	272.5	85.0	40.9%	63.9	543.9	64,287.2	54,051.3	10,235.9	84.1%
2044	10,438.4	4,269.8	289.0	84.6	40.9%	62.3	558.4	64,926.5	57,584.1	7,342.3	88.7%
2045	10,756.5	4,401.7	307.5	84.6	40.9%	59.4	573.5	65,650.0	61,489.6	4,160.4	93.7%
2046	11,085.9	2,731.1	1,778.7	459.3	24.6%	59.4	589.0	66,466.5	63,936.4	2,530.2	96.2%
2047	11,422.0	2,815.8	1,852.0	449.0	24.7%	59.4	604.7	67,386.0	66,643.8	742.1	98.9%
2048	11,765.4	2,902.5	1,927.1	438.7	24.7%	59.4	620.5	68,405.9	69,623.2	(1,217.3)	101.8%
2049	12,117.5	2,991.6	2,004.7	428.5	24.7%	59.4	636.6	69,525.5	72,889.3	(3,363.8)	104.8%
Total Through 2049		$80,400.0	$11,236.3	$3,468.1		$1,610.9	$11,946.9				

* Includes payroll from Retirement Savings Plan (RSP)
** Includes RSP contributions

Exhibit 2D – Combined TRS, SERS, and SURS Projection
(Combined HB 2540 Benefit Changes [Unreduced Retirement at 62 & 35 YOS, 65 & 20 YOS], 90%/100% Funded by FY 2045/FY 2049, and Redirected FY 2030 – FY 2049 Bond Payments)

Combined Funding Projections for the TRS, SERS, and SURS

CoGFA Projections Based on Laws in Effect on June 30, 2024, Combined HB 2540 Benefit Changes (Unreduced Retirement at 62 & 35 YOS, 65 & 20 YOS)
Plus 90%/100% Funded by FY 2045/FY 2049 and Redirected FY 2030 - FY 2049 Bond Payments
Actuarially Assumed Rate of Return: 7.00% for TRS, 6.75% for SERS, and 6.50% for SURS
($ in millions)

			Compared to Exhibits A+B+C								
Fiscal Year Ending 6/30	Annual State Payroll*	Total State Contribution**	(Reduction)/ Increase in State Contribution	Present Value of (Reduction)/ Increase in State Contribution	State Contribution as Percent of Payroll	Portion of Redirected Bond Payments for TRS, SERS, and SURS	Total Employee Contribution	Actuarial Accrued Liability	Actuarial Value of Assets	Unfunded Liability	Funded Ratio
2024								$263,132.6	$120,529.0	$142,603.6	45.8%
2025	$24,120.6	$11,284.6	$0.0	$0.0	46.8%	$0.0	$1,816.7	269,216.2	127,712.3	141,503.9	47.4%
2026	24,943.6	11,458.0	0.0	0.0	45.9%	0.0	1,876.2	275,157.9	131,683.5	143,474.4	47.9%
2027	25,541.5	12,219.8	541.5	458.8	47.8%	0.0	1,916.4	281,096.0	138,386.3	142,709.7	49.2%
2028	26,229.9	12,674.7	584.6	463.6	48.3%	0.0	1,963.2	288,318.1	145,462.5	142,855.6	50.5%
2029	26,971.2	12,977.9	652.2	484.3	48.1%	0.0	2,013.7	294,567.0	152,399.6	142,167.4	51.7%
2030	27,658.4	13,250.7	686.1	476.9	47.9%	296.3	2,059.6	300,694.5	159,834.6	140,859.9	53.2%
2031	28,339.1	13,549.2	721.6	469.5	47.8%	395.1	2,106.4	306,688.3	167,621.1	139,067.2	54.7%
2032	29,039.4	13,885.9	759.5	462.7	47.8%	395.1	2,153.4	312,538.7	175,721.5	136,817.2	56.2%
2033	29,746.3	14,253.3	799.8	456.1	47.9%	395.3	2,200.2	318,240.9	184,195.8	134,045.1	57.9%
2034	30,463.3	15,435.8	844.3	450.8	50.7%	592.9	2,247.3	323,782.2	194,114.9	129,667.3	60.0%
2035	31,195.6	15,802.1	888.9	444.2	50.7%	593.0	2,295.2	329,161.1	204,538.2	124,622.9	62.1%
2036	31,938.2	16,172.8	935.6	437.7	50.6%	593.1	2,343.4	334,369.2	215,510.0	118,859.2	64.5%
2037	32,691.2	16,548.9	985.5	431.5	50.6%	593.2	2,392.0	339,419.9	227,099.5	112,320.4	66.9%
2038	33,468.1	16,936.4	1,038.8	425.8	50.6%	593.3	2,442.2	344,305.7	239,366.8	104,938.9	69.5%
2039	34,265.3	17,334.0	1,095.5	420.4	50.6%	543.9	2,493.5	349,052.5	252,355.7	96,696.8	72.3%
2040	35,091.1	17,745.7	1,155.5	415.0	50.6%	445.1	2,546.9	353,670.3	266,099.2	87,571.1	75.2%
2041	35,954.6	18,176.7	1,219.4	409.9	50.6%	346.3	2,603.2	358,205.2	280,717.8	77,487.4	78.4%
2042	36,864.1	18,631.6	1,289.4	405.7	50.5%	346.4	2,663.0	362,701.8	296,434.4	66,267.4	81.7%
2043	37,829.4	19,115.9	1,367.1	402.6	50.5%	346.6	2,727.3	367,231.9	313,415.8	53,816.1	85.3%
2044	38,854.2	19,631.9	1,452.3	400.2	50.5%	346.8	2,796.4	371,875.4	331,841.3	40,034.1	89.2%
2045	39,950.7	20,186.4	1,548.6	399.4	50.5%	347.3	2,871.6	376,729.7	351,917.1	24,812.6	93.4%
2046	41,134.2	13,551.6	10,208.6	2,450.9	32.9%	347.3	2,953.9	381,899.6	366,388.5	15,511.1	95.9%
2047	42,379.4	13,967.1	10,616.3	2,385.0	33.0%	347.3	3,041.2	387,470.5	382,200.5	5,270.0	98.6%
2048	43,671.1	14,399.3	11,040.7	2,321.1	33.0%	347.3	3,132.0	393,468.9	399,463.8	(5,994.9)	101.5%
2049	44,987.5	14,839.5	11,462.8	2,255.1	33.0%	347.3	3,224.2	399,899.4	418,258.3	(18,358.9)	104.6%
Total Through 2049		$384,029.8	$61,894.6	$17,727.2		$8,559.1	$60,879.1				

* Includes payroll from Retirement Savings Plan (RSP) for SURS
** Includes RSP contributions for SURS

Appendix II

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

May 22, 2025

Mr. Clayton Klenke, Executive Director
Illinois Commission on Government Forecasting and Accountability
T. 217.785.3122

Re: Impact of Funding Policies and Enhanced Tier 2 Benefits

Dear Mr. Klenke,

This letter provides you with the projected impact of Enhanced Tier 2 Benefits coupled with changes to funding policy for a sampling of Illinois Article 3 (Police) and Article 4 (Firefighters') pension funds.

PROJECTED IMPACT OF FUNDING POLICIES AND ENHANCED TIER 2 BENEFITS

We have performed this analysis on the following funds, based on the latest valuation performed for the Firefighters' Pension Investment Fund (FPIF) or Illinois Police Officers' Pension Investment Fund (IPOPIF):

- Aurora Firefighters' Pension Fund
- Harvey Firefighters' Pension Fund
- Aurora Police Pension Fund
- East St. Louis Police Pension Fund

When Tier 2 Benefit Enhancements are modeled, this includes the following changes:

- 3.00% annual simple cost-of-living adjustments;
- The salary limitation is indexed to the Social Security Wage Base; and,
- Unreduced retirement allowed at 20 years of service:
    a. At age 50 and over, or
    b. At age 52 and over.

The attached exhibits provide a summary of the projected impact of the benefit enhancements along with the various funding policies on the annual contribution and funded status of each fund. The following scenarios were modeled:

- <u>Current State:</u> This assumes the continued use of the Projected Unit Credit Cost method, current Tier 2 benefits, and funding to a 90% funding target by the year 2040.
- <u>Fund to 90% by 2040, but Enhanced Tier 2 Benefits (Unreduced at 50/20):</u> In this scenario, we continue to use the Projected Unit Credit Cost method and retain the 90% funding target by the year 2040, but we value the Enhanced Tier 2 benefits scenario with unreduced at age 50 and 20 years of service.
- <u>Fund to 90% by 2050, but Enhanced Tier 2 Benefits (Unreduced at 50/20):</u> In this scenario, we continue to use the Projected Unit Credit Cost method and the 90% funding target, but fund to the year 2050 and value the Enhanced Tier 2 benefits scenario with unreduced at age 50 and 20 years of service.

- Fund to 90% by 2055, but Enhanced Tier 2 Benefits (Unreduced at 50/20): In this scenario, we continue to use the Projected Unit Credit Cost method and the 90% funding target, but fund to the year 2055 and value the Enhanced Tier 2 benefits scenario with unreduced at age 50 and 20 years of service.
- Fund to 90% by 2040, but Enhanced Tier 2 Benefits (Unreduced at 52/20): In this scenario, we continue to use the Projected Unit Credit Cost method and retain the 90% funding target by the year 2040, but we value the Enhanced Tier 2 benefits scenario with unreduced at age 52 and 20 years of service.
- Fund to 90% by 2050, but Enhanced Tier 2 Benefits (Unreduced at 52/20): In this scenario, we continue to use the Projected Unit Credit Cost method and the 90% funding target, but fund to the year 2050 and value the Enhanced Tier 2 benefits scenario with unreduced at age 52 and 20 years of service.
- Fund to 90% by 2055, but Enhanced Tier 2 Benefits (Unreduced at 52/20): In this scenario, we continue to use the Projected Unit Credit Cost method and the 90% funding target, but fund to the year 2055 and value the Enhanced Tier 2 benefits scenario with unreduced at age 52 and 20 years of service.

Assumptions/Methods

The assumptions and methods employed for the purpose of this measurement were consistent with the assumptions that the Firefighters' Pension Investment Fund (FPIF) and Illinois Police Officers Pension Investment Fund (IPOPIF) used for the 2023 and 2024 actuarial valuation reports, without regard to phasing in the assumptions for the IPOPIF funds. When the plan changes are considered, we did revise the retirement rates for Tier 2 to match those for Tier 1 if a participant retires with 20 years of service unreduced. We assumed that these assumptions would be consistent throughout the projection period.

It is worth noting that the retirement assumption differences, which are intended to model the behavior changes as a result of the unreduced ages, also cause some differences in value in the out years, making the 52/20 appear to be more valuable than the 50/20 option. This presents in the funds where the updated pay limitation has little to no impact because salaries at that municipality are expected to be unimpacted by any salary limitation.

For the projections, we assumed that new entrants came into the fund with the following profiles:

	Salary [1]	Age at Hire	% Male
Aurora Fire	95,000	27	98%
Harvey Fire	46,000	28	97%
Aurora Police	98,000	27	86%
East St. Louis Police	62,000	32	87%

[1] The starting salary is adjusted annually by inflation for new hires in future years.

New entrants entered the fund throughout the projection period as Tier 2 participants and at a rate equal to the number of hires required to keep the initial active headcount stable throughout the projection period.

Data

In conducting this analysis, we have relied on personnel data supplied to us by the Illinois Department of Insurance with permission from the FPIF and IPOPIF to employ the data for purposes other than in the issuance of reports on behalf of their respective organizations. The effective date of the data varies by sample fund and is noted below:

- Aurora Fire – 1/1/2024
- Harvey Fire – 5/1/2024
- Aurora Police – 1/1/2024
- East St. Louis Police – 1/1/2024

While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. Below is a summary of the data as of the valuation date listed above for each fund.

	Count	Pay	Age	Service
Aurora Fire				
Tier 1	96	155,941	48.0	20.3
Tier 2	134	117,780	31.2	4.6
Harvey Fire				
Tier 1	17	82,744	52.0	23.5
Tier 2	19	62,404	31.2	2.8
Aurora Police				
Tier 1	149	142,347	45.6	20.3
Tier 2	178	112,726	30.9	4.2
East St. Louis Police				
Tier 1	14	76,560	54.5	21.1
Tier 2	16	64,003	36.9	4.5

Discussion of Risk and Third-Party Software

These calculations were determined for the purpose of estimating the cost impact of potential Tier 2 pension legislation and possible funding policy changes. Use of the results for other purposes may not be applicable and produce significantly different results. Future actuarial measurements may differ significantly from the current measurements presented in this letter for a variety of reasons including: changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations.

ASOP No. 51, Assessment and Disclosure of Risk Associated with Measuring Pension Obligations and Determining Pension Plan Contributions, states that the actuary should identify risks that, in the actuary's professional judgment, may reasonably be anticipated to significantly affect the plan's future financial condition. These results are based on the premise that all future plan experience will align with the plan's actuarial assumptions; however, there is no guarantee that actual plan experience will align with the plan's assumptions. It is possible that actual plan experience will differ from anticipated experience in an unfavorable manner that will negatively impact the plan's funded position. Measurement of the impact of potential deviation from the actuarial assumptions is outside the scope of this assessment, however, it is important to note that the estimate provided is produced at a single point in time and subject to the demographics as they exist on the valuation date and the actuarial assumptions used to determine the cost impact.

In performing the analysis, we used third-party software to model (calculate) the underlying liabilities and costs. These results are reviewed in the aggregate and for individual sample lives. The output from the software is either used directly or input into internally developed models to generate the costs. All internally developed models are reviewed as part of the process. As a result of this review, we believe that the models have produced reasonable results. We do not believe there are any material inconsistencies among assumptions or unreasonable output produced due to the aggregation of assumptions.

Statement of Actuarial Opinion

The undersigned are familiar with the immediate and long-term aspects of pension calculations and meet the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. To the best of our knowledge, the results are complete and accurate, and in our opinion, the techniques and assumptions used are reasonable.

To our knowledge, no associate of Foster & Foster, Inc. working on this project has any direct financial interest or indirect material interest in the Article 3 and 4 funds included in this analysis, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of these funds. Thus, there is no relationship existing that might affect our capacity to prepare and certify this analysis.

Respectfully submitted,
Foster & Foster, Inc.

Jason L. Franken

Jason L. Franken, FSA, EA, MAAA

Heidi Andorfer

Heidi E. Andorfer, FSA, EA, MAAA

Aurora Fire

Benefits	Current Benefits		50/20 Unreduced		50/20 Unreduced		50/20 Unreduced		52/20 Unreduced		52/20 Unreduced		52/20 Unreduced	
Funding Year	2040		2040		2050		2055		2040		2050		2055	
Funding Method	PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%	
Year	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status
2024	15,269,811	60%	15,269,811	60%	15,269,811	60%	15,269,811	60%	15,269,811	60%	15,269,811	60%	15,269,811	60%
2025	15,864,172	60%	17,215,933	60%	14,109,966	60%	13,351,791	60%	17,055,826	60%	13,963,158	60%	13,208,230	60%
2026	16,635,829	60%	18,113,310	60%	14,763,837	59%	13,946,539	59%	17,937,870	60%	14,601,536	59%	13,787,452	59%
2027	17,651,532	60%	19,261,348	60%	15,585,016	58%	14,690,530	58%	19,069,695	60%	15,406,205	58%	14,514,875	58%
2028	17,636,217	62%	19,383,350	62%	15,696,078	60%	14,795,914	59%	19,174,775	62%	15,499,875	60%	14,602,774	59%
2029	18,044,866	64%	19,934,022	64%	16,103,818	61%	15,169,079	60%	19,707,779	64%	15,889,248	61%	14,957,440	60%
2030	18,505,850	65%	20,538,678	65%	16,549,600	61%	15,577,250	60%	20,294,319	65%	16,315,921	61%	15,346,319	60%
2031	19,033,806	67%	21,213,344	67%	17,045,619	62%	16,032,169	61%	20,950,199	67%	16,791,774	62%	15,780,830	61%
2032	19,638,709	68%	21,964,127	69%	17,593,905	63%	16,535,528	61%	21,682,083	69%	17,319,267	63%	16,263,082	61%
2033	20,325,117	70%	22,791,827	70%	18,187,254	63%	17,079,330	62%	22,493,583	70%	17,893,812	63%	16,787,670	61%
2034	21,106,764	72%	23,702,556	72%	18,823,481	64%	17,660,939	62%	23,392,858	72%	18,514,732	64%	17,353,410	62%
2035	21,992,025	73%	24,690,353	74%	19,482,225	65%	18,259,184	62%	24,379,422	74%	19,165,986	65%	17,943,329	62%
2036	23,024,679	75%	25,791,980	76%	20,177,979	66%	18,887,671	63%	25,491,795	76%	19,861,336	65%	18,570,084	63%
2037	24,261,191	77%	27,031,332	78%	20,901,599	66%	19,536,764	63%	26,764,885	78%	20,597,847	66%	19,229,946	63%
2038	25,816,701	80%	28,480,134	81%	21,657,638	67%	20,210,245	64%	28,280,448	81%	21,378,427	67%	19,924,516	64%
2039	27,973,737	83%	30,274,274	83%	22,423,133	68%	20,884,560	65%	30,219,710	83%	22,193,448	68%	20,642,754	64%
2040	31,787,765	86%	33,021,358	86%	23,215,297	69%	21,577,131	65%	33,321,814	86%	23,055,512	69%	21,396,174	65%
2041	6,391,488	90%	8,343,320	90%	24,038,779	71%	22,294,207	66%	8,527,200	90%	23,936,846	70%	22,156,776	66%
2042	7,521,829	89%	9,220,413	90%	24,881,384	72%	23,023,326	67%	9,470,571	90%	24,838,210	71%	22,924,628	67%
2043	7,652,868	89%	9,120,067	90%	25,728,691	73%	23,748,965	68%	9,394,756	90%	25,765,647	73%	23,704,554	67%
2044	7,795,384	89%	9,058,221	90%	26,592,225	75%	24,481,550	69%	9,371,422	90%	26,731,655	74%	24,505,401	68%
2045	7,963,101	89%	9,064,004	90%	27,515,416	77%	25,260,869	70%	9,411,274	90%	27,767,104	76%	25,350,083	69%
2046	8,166,532	89%	9,177,353	90%	28,505,597	78%	26,082,752	71%	9,522,913	90%	28,878,256	78%	26,228,412	71%
2047	8,349,142	89%	9,282,616	90%	29,580,340	80%	26,959,140	73%	9,586,217	90%	30,099,704	80%	27,163,495	72%
2048	8,549,112	89%	9,325,236	90%	30,681,163	82%	27,823,119	74%	9,610,719	90%	31,428,706	82%	28,129,737	73%
2049	8,730,519	89%	9,330,747	90%	31,828,434	85%	28,672,822	76%	9,706,652	90%	32,975,210	84%	29,158,234	75%
2050	8,961,848	89%	9,199,612	90%	32,991,131	87%	29,481,041	77%	9,764,814	90%	34,958,235	87%	30,186,805	77%
2051	9,163,915	89%	8,920,588	90%	8,120,009	90%	30,212,433	79%	9,665,905	90%	8,704,441	90%	31,173,211	78%
2052	9,387,235	89%	8,466,796	90%	8,382,314	90%	30,778,383	81%	9,314,358	90%	9,351,050	90%	32,046,158	81%
2053	9,524,364	89%	8,339,404	90%	8,339,404	90%	31,066,750	83%	8,812,077	90%	8,810,677	90%	32,714,970	83%
2054	9,683,255	89%	8,452,240	90%	8,452,240	90%	30,844,200	86%	8,306,121	90%	8,306,175	90%	33,014,309	85%
2055	9,835,142	89%	8,578,908	90%	8,578,908	90%	29,314,396	88%	8,387,369	90%	8,387,369	90%	32,415,868	88%
2056	9,967,410	89%	8,723,856	90%	8,723,856	90%	8,723,856	90%	8,491,317	90%	8,491,317	90%	8,491,317	90%
Total	492,211,915		531,281,118		640,526,147		708,232,244		532,830,557		643,148,497		714,942,654	
Present Value	213,349,576		233,000,814		233,000,418		232,761,851		232,062,236		232,062,237		232,108,156	

Aurora Fire

Year	Current Benefits, 2040, PUC / 90%: Contribution	Funded Status	50/20 Unreduced, 2040, PUC / 90%: Contribution	Funded Status	50/20 Unreduced, 2050, PUC / 90%: Contribution	Funded Status	50/20 Unreduced, 2055, PUC / 90%: Contribution	Funded Status	52/20 Unreduced, 2040, PUC / 90%: Contribution	Funded Status	52/20 Unreduced, 2050, PUC / 90%: Contribution	Funded Status	52/20 Unreduced, 2055, PUC / 90%: Contribution	Funded Status
Impact (vs. Baseline)														
2024			-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
2025			1,351,761	-1%	(1,754,206)	-1%	(2,512,381)	-1%	1,191,654	-1%	(1,901,014)	-1%	(2,655,942)	-1%
2026			1,477,481	-1%	(1,871,992)	-1%	(2,689,290)	-1%	1,302,041	0%	(2,034,293)	-1%	(2,848,377)	-1%
2027			1,609,816	0%	(2,066,516)	-2%	(2,961,002)	-2%	1,418,163	0%	(2,245,327)	-2%	(3,136,657)	-2%
2028			1,747,133	0%	(1,940,139)	-3%	(2,840,303)	-3%	1,538,558	0%	(2,136,342)	-3%	(3,033,443)	-3%
2029			1,889,156	0%	(1,941,048)	-3%	(2,875,787)	-4%	1,662,913	0%	(2,155,618)	-3%	(3,087,426)	-4%
2030			2,032,828	0%	(1,956,250)	-4%	(2,928,600)	-5%	1,788,469	0%	(2,189,929)	-4%	(3,159,531)	-5%
2031			2,179,538	0%	(1,988,187)	-5%	(3,001,637)	-6%	1,916,393	0%	(2,242,032)	-5%	(3,252,976)	-6%
2032			2,325,418	0%	(2,044,804)	-6%	(3,103,181)	-7%	2,043,374	0%	(2,319,442)	-6%	(3,375,627)	-7%
2033			2,466,710	1%	(2,137,863)	-7%	(3,245,787)	-8%	2,168,466	0%	(2,431,305)	-7%	(3,537,447)	-8%
2034			2,595,792	1%	(2,283,283)	-8%	(3,445,825)	-10%	2,286,094	1%	(2,592,032)	-8%	(3,753,354)	-10%
2035			2,698,328	1%	(2,509,800)	-9%	(3,732,841)	-11%	2,387,397	1%	(2,826,039)	-9%	(4,048,696)	-11%
2036			2,767,301	1%	(2,846,700)	-10%	(4,137,008)	-12%	2,467,116	1%	(3,163,343)	-10%	(4,454,595)	-13%
2037			2,770,141	1%	(3,359,592)	-11%	(4,724,427)	-14%	2,503,694	1%	(3,663,344)	-11%	(5,031,245)	-14%
2038			2,663,433	1%	(4,159,063)	-13%	(5,606,456)	-16%	2,463,747	1%	(4,438,274)	-13%	(5,892,185)	-16%
2039			2,300,537	1%	(5,550,604)	-14%	(7,089,177)	-18%	2,245,973	1%	(5,780,289)	-15%	(7,330,983)	-18%
2040			1,233,593	1%	(8,572,468)	-16%	(10,210,634)	-20%	1,534,049	1%	(8,732,253)	-17%	(10,391,591)	-21%
2041			1,951,832	0%	17,647,291	-19%	15,902,719	-23%	2,135,712	0%	17,545,358	-19%	15,765,288	-24%
2042			1,698,584	0%	17,359,555	-18%	15,501,497	-22%	1,948,742	0%	17,316,381	-18%	15,402,799	-23%
2043			1,467,199	0%	18,075,823	-16%	16,096,097	-21%	1,741,888	0%	18,112,779	-17%	16,051,686	-22%
2044			1,262,837	0%	18,796,841	-15%	16,686,166	-20%	1,576,038	0%	18,936,271	-15%	16,710,017	-21%
2045			1,100,903	0%	19,552,315	-13%	17,297,768	-19%	1,448,173	0%	19,804,003	-13%	17,386,982	-20%
2046			1,010,821	0%	20,339,065	-11%	17,916,220	-18%	1,356,381	0%	20,711,724	-11%	18,061,880	-19%
2047			933,474	0%	21,231,198	-9%	18,609,998	-17%	1,237,075	0%	21,750,562	-9%	18,814,353	-17%
2048			776,124	0%	22,132,051	-7%	19,274,007	-15%	1,061,607	0%	22,879,594	-7%	19,580,625	-16%
2049			600,228	1%	23,097,915	-5%	19,942,303	-14%	976,133	0%	24,244,691	-5%	20,427,715	-14%
2050			237,764	1%	24,029,283	-2%	20,519,193	-12%	802,966	0%	25,996,387	-2%	21,224,957	-13%
2051			(243,327)	1%	(1,043,906)	1%	21,048,518	-10%	501,990	1%	(459,474)	1%	22,009,296	-11%
2052			(920,439)	1%	(1,004,921)	1%	21,391,148	-8%	(72,877)	1%	(36,185)	1%	22,658,923	-9%
2053			(1,184,960)	1%	(1,184,960)	1%	21,542,386	-6%	(712,287)	1%	(713,687)	1%	23,190,606	-7%
2054			(1,231,015)	1%	(1,231,015)	1%	21,160,945	-4%	(1,377,134)	1%	(1,377,080)	1%	23,331,054	-4%
2055			(1,256,234)	1%	(1,256,234)	1%	19,479,254	-1%	(1,447,773)	1%	(1,447,773)	1%	22,580,726	-2%
2056			(1,243,554)	1%	(1,243,554)	1%	(1,243,554)	1%	(1,476,093)	1%	(1,476,093)	1%	(1,476,093)	1%
Total			39,069,203		148,314,232		216,020,329		40,618,642		150,936,582		222,730,739	
% Increase			7.9%		30.1%		43.9%		8.3%		30.7%		45.3%	
Present Value			19,651,238		19,650,842		19,412,275		18,712,660		18,712,661		18,758,580	
% Increase			9.2%		9.2%		9.1%		8.8%		8.8%		8.8%	

Harvey Fire

Benefits	Current Benefits		50/20 Unreduced		50/20 Unreduced		50/20 Unreduced		52/20 Unreduced		52/20 Unreduced		52/20 Unreduced	
Funding Year	2040		2040		2050		2055		2040		2050		2055	
Funding Method	PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%	
Year	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status
2024	3,832,459	22%	3,832,459	22%	3,832,459	22%	3,832,459	22%	3,832,459	22%	3,832,459	22%	3,832,459	22%
2025	4,000,858	23%	4,050,075	23%	3,042,363	23%	2,803,571	23%	4,043,812	23%	3,036,477	23%	2,797,774	23%
2026	4,223,001	23%	4,278,140	23%	3,203,560	21%	2,948,939	21%	4,270,903	23%	3,196,686	21%	2,942,151	21%
2027	4,437,500	24%	4,498,715	24%	3,358,603	20%	3,088,722	19%	4,490,478	24%	3,350,707	20%	3,080,907	19%
2028	4,653,380	25%	4,720,638	25%	3,513,546	19%	3,228,357	18%	4,711,405	25%	3,504,617	19%	3,219,503	18%
2029	4,891,278	26%	4,964,579	27%	3,680,410	18%	3,378,143	16%	4,954,330	27%	3,670,417	18%	3,368,216	16%
2030	5,153,567	28%	5,233,053	29%	3,861,327	17%	3,540,343	15%	5,221,746	29%	3,850,208	17%	3,529,277	15%
2031	5,442,215	30%	5,527,742	31%	4,055,599	17%	3,714,066	13%	5,515,392	31%	4,043,345	17%	3,701,849	13%
2032	5,758,144	33%	5,849,646	34%	4,260,683	16%	3,896,497	12%	5,836,245	34%	4,247,250	16%	3,883,080	12%
2033	6,109,351	36%	6,206,657	37%	4,479,551	16%	4,090,311	11%	6,192,189	37%	4,464,878	16%	4,075,627	11%
2034	6,504,762	40%	6,607,454	41%	4,713,402	15%	4,296,335	9%	6,591,945	41%	4,697,443	15%	4,280,333	9%
2035	6,953,453	45%	7,061,054	46%	4,959,279	15%	4,511,159	8%	7,044,553	45%	4,941,983	15%	4,493,777	8%
2036	7,482,388	50%	7,594,776	51%	5,223,649	16%	4,740,701	8%	7,577,339	51%	5,204,907	16%	4,721,820	7%
2037	8,133,843	57%	8,248,987	58%	5,504,025	16%	4,981,669	7%	8,230,866	58%	5,483,799	16%	4,961,238	7%
2038	9,019,688	65%	9,133,854	66%	5,806,991	17%	5,239,784	7%	9,115,555	66%	5,785,180	17%	5,217,683	6%
2039	10,553,495	75%	10,655,370	76%	6,129,135	19%	5,510,466	7%	10,638,734	76%	6,105,718	19%	5,486,651	6%
2040	1,719,748	88%	1,852,720	88%	6,470,977	21%	5,792,642	7%	1,831,183	88%	6,447,741	21%	5,768,869	6%
2041	2,104,337	88%	2,236,987	88%	6,841,712	24%	6,093,331	8%	2,218,286	88%	6,819,608	23%	6,070,431	7%
2042	2,135,603	88%	2,267,427	88%	7,245,563	27%	6,414,009	9%	2,250,974	88%	7,223,054	26%	6,390,184	8%
2043	2,185,404	88%	2,314,929	88%	7,684,968	31%	6,752,539	10%	2,300,800	88%	7,665,442	30%	6,730,954	10%
2044	2,232,628	88%	2,356,814	88%	8,164,974	36%	7,107,196	13%	2,350,828	88%	8,152,840	35%	7,091,756	12%
2045	2,279,631	88%	2,385,375	88%	8,698,360	41%	7,480,587	15%	2,394,294	88%	8,696,565	41%	7,472,784	15%
2046	2,334,591	88%	2,410,471	88%	9,307,119	48%	7,875,540	19%	2,437,279	88%	9,322,699	48%	7,879,789	18%
2047	2,384,693	88%	2,415,201	88%	10,025,697	56%	8,289,912	23%	2,465,312	88%	10,069,720	55%	8,311,774	22%
2048	2,430,869	88%	2,402,618	88%	10,949,993	65%	8,727,656	28%	2,481,863	88%	11,041,719	64%	8,772,136	27%
2049	2,482,197	88%	2,391,844	88%	12,469,557	75%	9,198,003	33%	2,497,467	88%	12,659,736	75%	9,267,479	33%
2050	2,529,499	88%	2,382,091	88%	1,997,492	89%	9,712,283	40%	2,504,372	88%	2,116,546	88%	9,809,401	39%
2051	2,575,018	88%	2,372,578	88%	2,387,255	88%	10,292,902	47%	2,500,769	88%	2,515,569	88%	10,422,199	47%
2052	2,616,973	88%	2,381,199	88%	2,380,639	88%	10,982,652	55%	2,508,692	88%	2,508,127	88%	11,151,771	55%
2053	2,659,517	88%	2,417,104	88%	2,417,125	88%	11,895,914	65%	2,539,819	88%	2,539,842	88%	12,119,513	64%
2054	2,707,597	88%	2,476,029	88%	2,476,028	88%	13,461,146	76%	2,589,620	88%	2,589,619	88%	13,779,898	75%
2055	2,752,564	88%	2,541,717	88%	2,541,717	88%	2,122,489	89%	2,640,842	88%	2,640,842	88%	2,213,785	89%
2056	2,802,136	88%	2,614,391	88%	2,614,391	88%	2,630,390	88%	2,696,017	88%	2,696,017	88%	2,712,315	88%
Total	138,082,387		138,682,694		174,298,149		198,630,713		139,476,368		175,121,760		199,557,383	
Present Value	59,334,463		60,037,612		60,037,612		60,037,668		60,068,328		60,068,326		60,068,385	

Harvey Fire

Benefits	Current Benefits		50/20 Unreduced		50/20 Unreduced		50/20 Unreduced		52/20 Unreduced		52/20 Unreduced		52/20 Unreduced	
Funding Year	2040		2040		2050		2055		2040		2050		2055	
Funding Method	PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%	
Year	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status
Impact (vs. Baseline)														
2024			-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
2025			49,217	0%	(958,495)	0%	(1,197,287)	0%	42,954	0%	(964,381)	0%	(1,203,084)	0%
2026			55,139	0%	(1,019,441)	-2%	(1,274,062)	-2%	47,902	0%	(1,026,315)	-2%	(1,280,850)	-2%
2027			61,215	0%	(1,078,897)	-4%	(1,348,778)	-5%	52,978	0%	(1,086,793)	-4%	(1,356,593)	-5%
2028			67,258	0%	(1,139,834)	-6%	(1,425,023)	-7%	58,025	0%	(1,148,763)	-6%	(1,433,877)	-7%
2029			73,301	0%	(1,210,868)	-8%	(1,513,135)	-10%	63,052	0%	(1,220,861)	-8%	(1,523,062)	-10%
2030			79,486	0%	(1,292,240)	-11%	(1,613,224)	-13%	68,179	0%	(1,303,359)	-11%	(1,624,290)	-14%
2031			85,527	0%	(1,388,616)	-14%	(1,728,149)	-17%	73,177	0%	(1,398,870)	-14%	(1,740,366)	-17%
2032			91,502	1%	(1,497,461)	-17%	(1,861,647)	-21%	78,101	0%	(1,510,894)	-17%	(1,875,064)	-21%
2033			97,306	1%	(1,629,800)	-21%	(2,019,040)	-26%	82,838	1%	(1,644,473)	-21%	(2,033,724)	-26%
2034			102,692	1%	(1,791,360)	-25%	(2,208,427)	-31%	87,183	1%	(1,807,319)	-25%	(2,224,429)	-31%
2035			107,601	1%	(1,994,174)	-29%	(2,442,294)	-36%	91,100	1%	(2,011,470)	-29%	(2,459,676)	-36%
2036			112,388	1%	(2,258,739)	-35%	(2,741,687)	-43%	94,951	1%	(2,277,481)	-35%	(2,760,568)	-43%
2037			115,144	1%	(2,629,818)	-41%	(3,152,174)	-50%	97,023	1%	(2,650,044)	-41%	(3,172,605)	-50%
2038			114,166	1%	(3,212,697)	-48%	(3,779,904)	-59%	95,867	1%	(3,234,508)	-48%	(3,802,005)	-59%
2039			101,875	1%	(4,424,360)	-56%	(5,043,029)	-69%	85,239	0%	(4,447,777)	-56%	(5,066,844)	-69%
2040			132,972	0%	4,751,229	-67%	4,072,894	-81%	111,435	0%	4,727,993	-68%	4,049,121	-82%
2041			132,650	0%	4,737,375	-64%	3,988,994	-80%	113,949	0%	4,715,271	-64%	3,966,094	-81%
2042			131,824	0%	5,109,960	-61%	4,278,406	-79%	115,371	0%	5,087,451	-61%	4,254,581	-80%
2043			129,525	0%	5,499,564	-57%	4,567,135	-77%	115,396	0%	5,480,038	-57%	4,545,550	-78%
2044			124,186	0%	5,932,346	-52%	4,874,568	-75%	118,200	0%	5,920,212	-52%	4,859,128	-76%
2045			105,744	0%	6,418,729	-46%	5,200,956	-72%	114,663	0%	6,416,934	-47%	5,193,153	-73%
2046			75,880	0%	6,972,528	-40%	5,540,949	-69%	102,688	0%	6,988,108	-40%	5,545,198	-70%
2047			30,508	0%	7,641,004	-32%	5,905,219	-65%	80,619	0%	7,685,027	-32%	5,927,081	-65%
2048			(28,251)	0%	8,519,124	-23%	6,296,787	-60%	50,994	0%	8,610,850	-23%	6,341,267	-61%
2049			(90,353)	0%	9,987,360	-12%	6,715,806	-54%	15,270	0%	10,177,539	-12%	6,785,282	-55%
2050			(147,408)	1%	(532,007)	1%	7,182,784	-48%	(25,127)	0%	(412,953)	1%	7,279,902	-48%
2051			(202,440)	1%	(187,763)	1%	7,717,884	-40%	(74,249)	0%	(59,449)	0%	7,847,181	-41%
2052			(235,774)	1%	(236,334)	1%	8,365,679	-32%	(108,281)	0%	(108,846)	0%	8,534,798	-33%
2053			(242,413)	1%	(242,392)	1%	9,236,397	-23%	(119,698)	0%	(119,675)	0%	9,459,996	-23%
2054			(231,568)	1%	(231,569)	1%	10,753,549	-12%	(117,977)	1%	(117,978)	1%	11,072,301	-12%
2055			(210,847)	1%	(210,847)	1%	(630,075)	1%	(111,722)	0%	(111,722)	0%	(538,779)	1%
2056			(187,745)	1%	(187,745)	1%	(171,746)	1%	(106,119)	1%	(106,119)	1%	(89,821)	0%
Total			600,307		36,215,762		60,548,326		1,393,981		37,039,373		61,474,996	
% Increase			0.4%		26.2%		43.8%		1.0%		26.8%		44.5%	
Present Value			703,148		703,148		703,205		733,864		733,862		733,921	
% Increase			1.2%		1.2%		1.2%		1.2%		1.2%		1.2%	

Aurora Police

Benefits	Current Benefits		50/20 Unreduced		50/20 Unreduced		50/20 Unreduced		52/20 Unreduced		52/20 Unreduced		52/20 Unreduced	
Funding Year	2040		2040		2050		2055		2040		2050		2055	
Funding Method	PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%	
Year	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status
2024	20,653,846	59%	20,653,846	59%	20,653,846	59%	20,653,846	59%	20,653,846	59%	20,653,846	59%	20,653,846	59%
2025	21,609,163	60%	23,089,288	59%	18,785,260	59%	17,720,386	59%	22,861,903	59%	18,576,751	59%	17,516,547	59%
2026	22,722,802	60%	24,358,172	60%	19,732,520	59%	18,588,378	59%	24,106,914	60%	19,499,950	59%	18,360,443	59%
2027	24,081,682	60%	25,889,438	60%	20,839,769	59%	19,593,869	58%	25,611,678	60%	20,580,308	59%	19,338,966	58%
2028	24,360,281	62%	26,350,933	62%	21,225,734	60%	19,958,084	59%	26,044,988	62%	20,937,429	60%	19,674,209	59%
2029	25,004,721	64%	27,184,264	64%	21,863,279	61%	20,547,186	60%	26,849,055	64%	21,544,702	61%	20,232,846	60%
2030	25,665,268	65%	28,041,437	66%	22,506,371	61%	21,138,174	60%	27,675,581	66%	22,155,681	61%	20,791,452	60%
2031	26,392,209	67%	28,975,614	67%	23,202,224	62%	21,777,403	61%	28,577,238	67%	22,816,945	62%	21,395,725	61%
2032	27,181,154	69%	29,975,745	69%	23,935,359	63%	22,449,039	62%	29,543,880	69%	23,513,704	63%	22,030,500	62%
2033	28,018,166	70%	31,023,940	71%	24,679,037	64%	23,125,463	62%	30,562,021	71%	24,223,330	64%	22,672,240	62%
2034	28,971,773	72%	32,186,704	73%	25,486,539	65%	23,858,831	63%	31,699,886	73%	24,999,981	65%	23,373,880	63%
2035	30,083,604	74%	33,493,888	75%	26,371,620	65%	24,662,090	63%	32,985,407	75%	25,853,632	65%	24,144,394	63%
2036	31,387,401	76%	34,965,806	77%	27,328,974	66%	25,528,968	64%	34,444,327	77%	26,781,969	66%	24,980,334	64%
2037	32,954,248	78%	36,651,759	79%	28,359,815	67%	26,459,129	64%	36,137,376	79%	27,793,380	67%	25,888,346	64%
2038	34,908,489	81%	38,631,779	81%	29,456,778	68%	27,443,966	65%	38,154,600	81%	28,878,893	68%	26,857,719	65%
2039	37,604,020	83%	41,146,614	84%	30,646,717	69%	28,508,850	66%	40,760,418	84%	30,058,495	69%	27,906,261	65%
2040	42,301,665	86%	45,000,426	87%	31,897,776	70%	29,620,132	66%	44,913,423	86%	31,344,328	70%	29,043,774	66%
2041	9,143,313	90%	12,902,570	90%	33,213,357	71%	30,782,401	67%	12,683,226	90%	32,739,006	71%	30,271,788	67%
2042	10,640,661	89%	14,243,589	90%	34,602,411	73%	32,006,098	68%	14,205,935	90%	34,207,682	72%	31,552,382	68%
2043	10,865,875	89%	14,336,308	90%	36,012,149	74%	33,238,008	69%	14,437,026	90%	35,719,514	74%	32,851,548	68%
2044	11,198,717	89%	14,421,650	90%	37,390,673	76%	34,424,100	70%	14,681,577	90%	37,292,579	75%	34,182,343	69%
2045	11,472,652	89%	14,382,427	90%	38,801,303	77%	35,636,504	71%	14,869,680	90%	38,949,194	77%	35,563,724	71%
2046	11,803,911	89%	14,369,219	90%	40,242,131	79%	36,879,343	72%	15,046,241	90%	40,651,227	79%	36,945,301	72%
2047	12,161,417	89%	14,563,992	90%	41,757,196	81%	38,187,675	74%	15,277,848	90%	42,478,123	80%	38,382,279	73%
2048	12,506,182	89%	14,693,424	90%	43,218,648	83%	39,440,387	75%	15,423,432	90%	44,434,168	83%	39,856,395	74%
2049	12,810,370	89%	14,718,307	90%	44,570,455	85%	40,618,116	77%	15,637,628	90%	46,632,336	85%	41,395,316	76%
2050	13,200,217	89%	14,646,535	90%	45,619,841	88%	41,718,342	78%	15,917,066	90%	49,413,812	87%	42,932,877	78%
2051	13,576,256	89%	14,435,842	90%	14,024,685	90%	42,721,918	80%	16,016,193	90%	14,799,859	90%	44,433,242	79%
2052	13,981,042	89%	14,322,688	90%	14,322,688	90%	43,536,934	82%	15,758,721	90%	15,802,888	90%	45,829,384	81%
2053	14,261,210	89%	14,618,142	90%	14,618,142	90%	43,982,944	84%	15,296,472	90%	15,294,869	90%	47,011,165	83%
2054	14,582,084	89%	14,926,171	90%	14,926,171	90%	43,779,613	86%	14,923,873	90%	14,923,930	90%	47,837,058	85%
2055	14,888,956	89%	15,254,456	90%	15,254,456	90%	41,882,998	88%	14,882,597	90%	14,882,597	90%	47,799,707	88%
2056	15,210,624	89%	15,606,328	91%	15,606,328	91%	15,606,328	90%	15,170,941	90%	15,170,941	90%	15,170,941	90%
Total	686,203,979		760,061,301		901,152,252		986,075,503		761,810,997		903,606,049		996,876,932	
Present Value	303,298,563		333,016,212		333,123,442		332,492,721		331,182,175		331,182,176		331,300,848	

Aurora Police

Benefits	Current Benefits		50/20 Unreduced		50/20 Unreduced		50/20 Unreduced		52/20 Unreduced		52/20 Unreduced		52/20 Unreduced	
Funding Year	2040		2040		2050		2055		2040		2050		2055	
Funding Method	PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%	
Year	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status
Impact (vs. Baseline)														
2024			-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
2025			1,480,125	-1%	(2,823,903)	-1%	(3,888,777)	-1%	1,252,740	0%	(3,032,412)	0%	(4,092,616)	0%
2026			1,635,370	0%	(2,990,282)	-1%	(4,134,424)	-1%	1,384,112	0%	(3,222,852)	-1%	(4,362,359)	-1%
2027			1,807,756	0%	(3,241,913)	-2%	(4,487,813)	-2%	1,529,996	0%	(3,501,374)	-2%	(4,742,716)	-2%
2028			1,990,652	0%	(3,134,547)	-3%	(4,402,197)	-3%	1,684,707	0%	(3,422,852)	-2%	(4,686,072)	-3%
2029			2,179,543	0%	(3,141,442)	-3%	(4,457,535)	-4%	1,844,334	0%	(3,460,019)	-3%	(4,771,875)	-4%
2030			2,376,169	0%	(3,158,897)	-4%	(4,527,094)	-5%	2,010,313	0%	(3,509,587)	-4%	(4,873,816)	-5%
2031			2,583,405	0%	(3,189,985)	-5%	(4,614,806)	-6%	2,185,029	0%	(3,575,264)	-5%	(4,996,484)	-6%
2032			2,794,591	0%	(3,245,795)	-6%	(4,732,115)	-7%	2,362,726	0%	(3,667,450)	-6%	(5,150,654)	-7%
2033			3,005,774	0%	(3,339,129)	-7%	(4,892,703)	-8%	2,543,855	0%	(3,794,836)	-7%	(5,345,926)	-8%
2034			3,214,931	1%	(3,485,234)	-8%	(5,112,942)	-9%	2,728,113	0%	(3,971,792)	-8%	(5,597,893)	-10%
2035			3,410,284	1%	(3,711,984)	-9%	(5,421,514)	-11%	2,901,803	1%	(4,229,972)	-9%	(5,939,210)	-11%
2036			3,578,405	1%	(4,058,427)	-10%	(5,858,433)	-12%	3,056,926	1%	(4,605,432)	-10%	(6,407,067)	-12%
2037			3,697,511	1%	(4,594,433)	-11%	(6,495,119)	-14%	3,183,128	1%	(5,160,868)	-11%	(7,065,902)	-14%
2038			3,723,290	1%	(5,451,711)	-12%	(7,464,523)	-16%	3,246,111	1%	(6,029,596)	-13%	(8,050,770)	-16%
2039			3,542,594	1%	(6,957,303)	-14%	(9,095,170)	-17%	3,156,398	1%	(7,545,525)	-14%	(9,697,759)	-18%
2040			2,698,761	0%	(10,403,889)	-16%	(12,681,533)	-20%	2,611,758	0%	(10,957,337)	-16%	(13,257,891)	-20%
2041			3,759,257	0%	24,070,044	-18%	21,639,088	-23%	3,539,913	0%	23,595,693	-19%	21,128,475	-23%
2042			3,602,928	0%	23,961,750	-17%	21,365,437	-22%	3,565,274	0%	23,567,021	-17%	20,911,721	-22%
2043			3,470,433	0%	25,146,274	-15%	22,372,133	-21%	3,571,151	0%	24,853,639	-16%	21,985,673	-21%
2044			3,222,933	0%	26,191,956	-14%	23,225,383	-20%	3,482,860	0%	26,093,862	-14%	22,983,626	-20%
2045			2,909,775	0%	27,328,651	-12%	24,163,852	-18%	3,397,028	0%	27,476,542	-13%	24,091,072	-19%
2046			2,565,308	0%	28,438,220	-10%	25,075,432	-17%	3,242,330	0%	28,847,316	-11%	25,141,390	-18%
2047			2,402,575	0%	29,595,779	-8%	26,026,258	-16%	3,116,431	0%	30,316,706	-9%	26,220,862	-16%
2048			2,187,242	0%	30,712,466	-6%	26,934,205	-14%	2,917,250	0%	31,927,986	-7%	27,350,213	-15%
2049			1,907,937	0%	31,760,085	-4%	27,807,746	-13%	2,827,258	0%	33,821,966	-5%	28,584,946	-14%
2050			1,446,318	0%	32,419,624	-2%	28,518,125	-11%	2,716,849	0%	36,213,595	-2%	29,732,660	-12%
2051			859,586	1%	448,429	1%	29,145,662	-9%	2,439,937	0%	1,223,603	0%	30,856,986	-10%
2052			341,646	1%	341,646	1%	29,555,892	-7%	1,777,679	0%	1,821,846	0%	31,848,342	-8%
2053			356,932	1%	356,932	1%	29,721,734	-5%	1,035,262	1%	1,033,659	1%	32,749,955	-6%
2054			344,087	1%	344,087	1%	29,197,529	-3%	341,789	1%	341,846	1%	33,254,974	-4%
2055			365,500	1%	365,500	1%	26,994,042	-1%	(6,359)	1%	(6,359)	1%	32,910,751	-2%
2056			395,704	1%	395,704	1%	395,704	1%	(39,683)	1%	(39,683)	1%	(39,683)	1%
Total			73,857,322		214,948,273		299,871,524		75,607,018		217,402,070		310,672,953	
% Increase			10.8%		31.3%		43.7%		11.0%		31.7%		45.3%	
Present Value			29,717,649		29,824,879		29,194,158		27,883,612		27,883,612		28,002,285	
% Increase			9.8%		9.8%		9.6%		9.2%		9.2%		9.2%	

East St. Louis Police

Benefits	Current Benefits		50/20 Unreduced		50/20 Unreduced		50/20 Unreduced		52/20 Unreduced		52/20 Unreduced		52/20 Unreduced	
Funding Year	2040		2040		2050		2055		2040		2050		2055	
Funding Method	PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%	
Year	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status
2024	2,674,272	40%	2,674,272	40%	2,674,272	40%	2,674,272	40%	2,674,272	40%	2,674,272	40%	2,674,272	40%
2025	2,736,844	40%	2,790,374	40%	2,125,976	40%	1,961,595	40%	2,785,973	40%	2,121,861	40%	1,957,551	40%
2026	2,838,795	41%	2,900,019	40%	2,201,519	39%	2,028,634	39%	2,895,406	40%	2,197,186	39%	2,024,371	39%
2027	2,987,899	40%	3,056,666	40%	2,310,299	38%	2,125,797	37%	3,051,832	40%	2,305,736	38%	2,121,301	37%
2028	3,052,462	42%	3,127,864	42%	2,360,447	38%	2,170,510	37%	3,122,802	42%	2,355,642	38%	2,165,769	37%
2029	3,169,040	43%	3,251,251	43%	2,448,868	37%	2,250,461	36%	3,245,953	43%	2,443,808	37%	2,245,462	36%
2030	3,299,240	44%	3,388,261	44%	2,547,943	36%	2,340,526	35%	3,382,717	44%	2,542,613	36%	2,335,252	35%
2031	3,442,934	45%	3,538,628	46%	2,657,031	36%	2,440,039	34%	3,532,831	46%	2,651,417	36%	2,434,476	34%
2032	3,599,434	47%	3,701,405	48%	2,774,667	36%	2,547,506	33%	3,695,351	48%	2,768,753	36%	2,541,635	33%
2033	3,768,446	49%	3,874,203	50%	2,897,557	35%	2,659,562	32%	3,867,891	50%	2,891,329	35%	2,653,369	32%
2034	3,951,444	52%	4,060,652	53%	3,028,222	35%	2,778,678	31%	4,054,284	53%	3,021,863	35%	2,772,342	31%
2035	4,145,545	55%	4,258,029	56%	3,163,016	36%	2,901,241	31%	4,254,017	56%	3,158,891	36%	2,897,124	31%
2036	4,357,057	59%	4,468,674	60%	3,301,432	36%	3,026,615	30%	4,464,862	60%	3,296,984	36%	3,022,112	30%
2037	4,594,058	63%	4,703,463	64%	3,449,842	37%	3,161,060	30%	4,700,763	64%	3,445,354	37%	3,156,398	30%
2038	4,864,296	68%	4,966,773	69%	3,605,070	38%	3,301,371	30%	4,965,321	69%	3,600,423	38%	3,296,433	30%
2039	5,184,364	74%	5,275,846	75%	3,764,576	39%	3,444,897	31%	5,276,045	75%	3,759,664	39%	3,439,577	31%
2040	5,667,964	81%	5,723,357	82%	3,933,547	41%	3,596,374	31%	5,726,610	82%	3,928,357	41%	3,590,662	31%
2041	836,949	90%	972,277	90%	4,112,409	43%	3,755,874	32%	967,023	90%	4,106,911	43%	3,749,745	32%
2042	1,041,778	89%	1,181,147	89%	4,298,043	46%	3,920,271	34%	1,175,060	89%	4,292,392	46%	3,913,879	34%
2043	1,064,154	89%	1,206,139	89%	4,489,497	49%	4,088,381	36%	1,201,387	89%	4,485,821	49%	4,083,847	35%
2044	1,089,919	89%	1,229,751	89%	4,683,366	53%	4,256,588	38%	1,229,059	89%	4,682,400	52%	4,254,498	38%
2045	1,118,569	89%	1,245,352	89%	4,876,375	57%	4,421,124	40%	1,251,133	89%	4,878,816	56%	4,421,740	40%
2046	1,154,384	89%	1,251,314	89%	5,069,497	61%	4,582,498	43%	1,259,971	89%	5,073,773	61%	4,583,608	43%
2047	1,183,003	89%	1,229,440	90%	5,258,712	66%	4,738,738	46%	1,236,752	90%	5,265,222	66%	4,740,160	46%
2048	1,199,659	89%	1,187,665	90%	5,432,789	71%	4,881,834	50%	1,195,548	90%	5,446,972	71%	4,888,718	50%
2049	1,211,585	89%	1,150,986	90%	5,591,386	77%	5,012,996	54%	1,172,905	90%	5,622,989	77%	5,032,077	54%
2050	1,230,498	89%	1,131,626	90%	5,744,190	83%	5,141,304	58%	1,178,914	90%	5,816,179	83%	5,173,830	58%
2051	1,248,731	89%	1,116,107	90%	958,902	90%	5,271,254	63%	1,182,266	90%	1,013,878	90%	5,315,808	63%
2052	1,264,627	89%	1,103,358	90%	1,098,081	90%	5,402,108	68%	1,169,352	90%	1,175,467	90%	5,458,618	67%
2053	1,274,026	89%	1,108,616	90%	1,108,808	90%	5,536,393	73%	1,160,937	90%	1,160,714	90%	5,605,973	73%
2054	1,288,189	89%	1,147,526	90%	1,147,520	90%	5,686,991	78%	1,183,221	90%	1,183,229	90%	5,771,014	78%
2055	1,309,416	89%	1,216,495	90%	1,216,495	90%	5,898,251	84%	1,237,990	90%	1,237,989	90%	6,001,125	84%
2056	1,335,228	89%	1,286,645	90%	1,286,645	90%	1,116,642	90%	1,296,618	90%	1,296,618	90%	1,123,660	90%
Total	83,184,809		84,524,181		105,616,999		119,120,385		84,795,066		105,903,523		119,446,406	
Present Value	38,452,709		39,301,784		39,301,784		39,301,146		39,312,066		39,312,066		39,311,416	

East St. Louis Police

Benefits	Current Benefits		50/20 Unreduced		50/20 Unreduced		50/20 Unreduced		52/20 Unreduced		52/20 Unreduced		52/20 Unreduced	
Funding Year	2040		2040		2050		2055		2040		2050		2055	
Funding Method	PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%		PUC / 90%	
Year	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status	Contribution	Funded Status
Impact (vs. Baseline)														
2024			-	0%	-	0%	-	0%	-	0%	-	0%	-	0%
2025			53,530	0%	(610,868)	0%	(775,249)	0%	49,129	0%	(614,983)	0%	(779,293)	0%
2026			61,224	0%	(637,276)	-1%	(810,161)	-2%	56,611	0%	(641,609)	-1%	(814,424)	-2%
2027			68,767	0%	(677,600)	-3%	(862,102)	-3%	63,933	0%	(682,163)	-3%	(866,598)	-3%
2028			75,402	0%	(692,015)	-4%	(881,952)	-5%	70,340	0%	(696,820)	-4%	(886,693)	-5%
2029			82,211	0%	(720,172)	-6%	(918,579)	-7%	76,913	0%	(725,232)	-6%	(923,578)	-7%
2030			89,021	0%	(751,297)	-7%	(958,714)	-9%	83,477	0%	(756,627)	-7%	(963,988)	-9%
2031			95,694	0%	(785,903)	-9%	(1,002,895)	-12%	89,897	0%	(791,517)	-9%	(1,008,458)	-12%
2032			101,971	0%	(824,767)	-11%	(1,051,928)	-14%	95,917	0%	(830,681)	-12%	(1,057,799)	-14%
2033			105,757	1%	(870,889)	-14%	(1,108,884)	-17%	99,445	1%	(877,117)	-14%	(1,115,077)	-18%
2034			109,208	1%	(923,222)	-17%	(1,172,766)	-21%	102,840	1%	(929,581)	-17%	(1,179,102)	-21%
2035			112,484	1%	(982,529)	-19%	(1,244,304)	-24%	108,472	1%	(986,654)	-20%	(1,248,421)	-25%
2036			111,617	1%	(1,055,625)	-23%	(1,330,442)	-29%	107,805	1%	(1,060,073)	-23%	(1,334,945)	-29%
2037			109,405	1%	(1,144,216)	-26%	(1,432,998)	-33%	106,705	1%	(1,148,704)	-26%	(1,437,660)	-33%
2038			102,477	1%	(1,259,226)	-30%	(1,562,925)	-38%	101,025	1%	(1,263,873)	-31%	(1,567,863)	-38%
2039			91,482	1%	(1,419,788)	-35%	(1,739,467)	-44%	91,681	1%	(1,424,700)	-35%	(1,744,787)	-44%
2040			55,393	1%	(1,734,417)	-40%	(2,071,590)	-50%	58,646	0%	(1,739,607)	-40%	(2,077,302)	-50%
2041			135,328	0%	3,275,460	-46%	2,918,925	-57%	130,074	0%	3,269,962	-46%	2,912,796	-57%
2042			139,369	0%	3,256,265	-43%	2,878,493	-55%	133,282	0%	3,250,614	-43%	2,872,101	-56%
2043			141,985	0%	3,425,343	-40%	3,024,227	-54%	137,233	0%	3,421,667	-40%	3,019,693	-54%
2044			139,832	0%	3,593,447	-37%	3,166,669	-52%	139,140	0%	3,592,481	-37%	3,164,579	-52%
2045			126,783	0%	3,757,806	-33%	3,302,555	-49%	132,564	0%	3,760,247	-33%	3,303,171	-49%
2046			96,930	0%	3,915,113	-28%	3,428,114	-46%	105,587	0%	3,919,389	-28%	3,429,224	-46%
2047			46,437	0%	4,075,709	-23%	3,555,735	-43%	53,749	0%	4,082,219	-24%	3,557,157	-43%
2048			(11,994)	0%	4,233,130	-18%	3,682,175	-39%	(4,111)	0%	4,247,313	-18%	3,689,059	-40%
2049			(60,599)	0%	4,379,801	-12%	3,801,411	-35%	(38,680)	0%	4,411,404	-12%	3,820,492	-36%
2050			(98,872)	0%	4,513,692	-6%	3,910,806	-31%	(51,584)	0%	4,585,681	-6%	3,943,332	-31%
2051			(132,624)	0%	(289,829)	1%	4,022,523	-27%	(66,465)	0%	(234,853)	1%	4,067,077	-27%
2052			(161,269)	0%	(166,546)	0%	4,137,481	-22%	(95,275)	0%	(89,160)	0%	4,193,991	-22%
2053			(165,410)	0%	(165,218)	0%	4,262,367	-17%	(113,089)	0%	(113,312)	0%	4,331,947	-17%
2054			(140,663)	0%	(140,669)	0%	4,398,802	-11%	(104,968)	0%	(104,960)	0%	4,482,825	-11%
2055			(92,921)	0%	(92,921)	0%	4,588,835	-5%	(71,426)	0%	(71,427)	0%	4,691,709	-6%
2056			(48,583)	0%	(48,583)	0%	(218,586)	1%	(38,610)	0%	(38,610)	0%	(211,568)	1%
Total			1,339,372		22,432,190		35,935,576		1,610,257		22,718,714		36,261,597	
% Increase			1.6%		27.0%		43.2%		1.9%		27.3%		43.6%	
Present Value			849,075		849,075		848,437		859,357		859,357		858,708	
% Increase			2.2%		2.2%		2.2%		2.2%		2.2%		2.2%	

Exhibit 3

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Legal Department

To: **Legal & Legislative Committee**

From: **Albert J. Lee, Associate General Counsel**

Date: **May 21, 2025**

Re: **Proposed Rulemaking**

I. <u>New Proposed Rulemaking</u>

SURS Legal Staff proposes an amendment to the SURS Open Meetings Act rules under Title 18, Section 1600.120 of the Illinois Administrative Code (80 Ill. Adm. Code § 1600.120) that would make the following changes:

1. Adds "unexpected childcare obligations" as a permissible reason for remote attendance at a Board or Board committee meeting. This reason was added to the Open Meetings Act by Public Act 103-311, effective July 28, 2023. The amendment conforms the SURS regulatory language to the statutory change.

2. Adds a catch-all phrase that automatically references any permissible reason for remote attendance as legislated under Section 7 of the Open Meetings Act.

3. Relaxes the deadline for a member of the public to provide written notice of the intent to address the Board or a Board committee in an open meeting from "at least 48 hours" to "at least 24 hours" prior to the schedule meeting. This amendment further protects the public's right to participate in open meetings at SURS by ensuring that the public is notified of the substance of the meeting through the published agenda (required to be issued at least 48 hours in advance of the meeting) before being required to submit the intent to publicly address the Board or Board committee.

II. <u>Recommended Motion</u>

That the Legal & Legislative Committee approve the proposed rulemaking substantially in the form presented for First Notice filing with the Joint Committee on Administrative Rules and publication in the Illinois Register by the Secretary of State.

TITLE 80: PUBLIC OFFICIALS AND EMPLOYEES
SUBTITLE D: RETIREMENT SYSTEMS
CHAPTER II: STATE UNIVERSITIES RETIREMENT SYSTEM
PART 1600 UNIVERSITIES RETIREMENT
SECTION 1600.120 OPEN MEETINGS ACT

Section 1600.120 Open Meetings Act

a) Introduction

1) The Illinois Open Meetings Act [5 ILCS 120] sets forth *the public policy of the State of Illinois that public bodies exist to aid in the conduct of the people's business and that the people have a right to be informed as to the conduct of their business.* It is *also the public policy of the State that its citizens be given advance notice of and the right to attend all meetings at which any business of a public body is discussed or acted upon in any way.*

2) *It is the intent of the Open Meetings Act*:

A) *to ensure that the actions of public bodies be taken openly and that their deliberations be conducted openly*;

B) *to protect the citizen's right to know; and*

C) *that provisions for exceptions to the open meeting requirements be strictly construed against closed meetings.* [5 ILCS 120/1]

3) By means of this Section, SURS has established procedures to conduct its business in accordance with the Open Meetings Act.

b) Definition

"Meeting" − *Any gathering, whether in person or by video or audio conference, telephone call, electronic means (such as, without limitation, electronic mail, electronic chat, and instant messaging), or other means of contemporaneous interactive communication, of a majority of a quorum of the Board held for the purpose of discussing SURS business.* [5 ILCS 120/1.02] A quorum for a Board of Trustees meeting shall be six members of the Board. A quorum for a Board committee is the least number more than one-half of the members of the committee. A quorum of the Board or of a Board committee must be physically present at the location of an open meeting of the Board or the committee, respectively. If, however, an open meeting of the Board or a Board committee is held simultaneously at one of its offices and one or more other locations in a public building, which may include other of its offices, through an interactive video conference and public notice is provided as required under the Open Meetings Act for all locations, then members physically present in those locations all count towards determining a quorum. "Public building", as used in this Section, means any building or portion of a building owned or leased by any public body. The requirement that a quorum be physically present at the location of an open meeting shall not apply, however, to Board committees that do not have authority to make binding recommendations or determinations or to take any other substantive action.

c) Attendance by a Means Other Than Physical Presence

1) If a quorum of the members of the Board or a Board committee is physically present as required by subsection (b), a majority of those physically present, or at least 3 physically present members of a committee consisting of 5 members, may allow a member of that body to attend the meeting by other means (video or audio conference) if the member is prevented from physically attending because of:

A) personal illness or disability;

B) employment purposes or the business of the public body; ~~or~~

C) a family or other emergency~~.~~;

D) unexpected childcare obligations; or

E) any other reason allowed by Section 7 of the Open Meetings Act [5 ILCS 120/7].

2) If a member wishes to attend a meeting by other means, the member must notify the recording secretary of the Board or the Board committee before the meeting unless advance notice is impractical.

3) A majority of the Board or a committee may allow a member to attend a meeting by other means only in accordance with and to the extent allowed by this subsection (c).

4) Except as provided in this subsection (c)(4), the limitations of this subsection (c) shall not apply to closed meetings of the Board or the Executive Committee or to open or closed meetings of any other subsidiary body, including without limitation any committee other than the Executive Committee, that does not have authority to make binding recommendations or determinations or to take any other substantive action. If the limitations of this subsection (c) do not apply, any or all members of the Board or a subsidiary body may attend a meeting by audio or video conference. An open meeting attended by audio or video conference will be broadcast at the properly noticed location of the meeting. Neither advance notice nor permission for such means of

attendance is required. No minimum number of members need be physically present at the noticed location of the meeting.

d) Time and Place of Open Meetings

1) *All open meetings shall be held at specified times and places which are convenient and open to the public*.

2) *No open meeting shall be held on a legal holiday unless the regular meeting day falls on that holiday*. [5 ILCS 120/2.01]

e) Public Notice; Agenda; Schedule

1) Posting. *Public notice shall be given by posting a copy of the notice at the principal office of* SURS [5 ILCS 120/2.02(a)]. *Copies of the posted notice shall also be given to any news medium that has filed with the Executive Director an annual request for notice of meetings* [5 ILCS 120/2.02(b)].

2) News Medium Request. Any news medium may file with the Executive Director of SURS an annual request for public notice of all meetings of the Board of Trustees of SURS. The Executive Director shall maintain an updated list of all news media that have filed annual requests and shall be responsible for seeing that the news media receive the notices mandated by the Open Meetings Act and this Section.

3) Regular Meetings. *Public notice shall be given of the schedule of regular meetings at the beginning of each fiscal year, stating the regular dates, times, and places of each meeting*.

A) *Agenda of Regular Meetings. An agenda for each regular meeting shall be posted in accordance with subsection (e)(1) at least 48 hours in advance of the holding of the meeting. However, this requirement shall not preclude the consideration of items not specifically set forth in the agenda*. [5 ILCS 120/2.02(a)]

B) Schedule of Regular Meetings. At the beginning of each fiscal year, the Executive Director of SURS shall prepare and make available a schedule of all its regular meetings for that fiscal year, listing the times and places of meetings.

C) Change in Regular Meeting Date. *If a change is made in a regular meeting date, at least 10 days' notice of the change shall be given by publication in the official State newspaper. Notice of the change shall also be posted at the principal office of* SURS. *Notice of the change shall also be given to any news medium that has filed with the* Executive Director *an annual request for notice of meetings*. [5 ILCS 120/2.03]

4) Special Meetings. Public notice of any special meeting shall be given at least 48 hours before the meeting.

A) Agenda of Special Meetings. *An agenda of a special meeting shall also be included with the public notice of the meeting. However, the validity of any action taken by the Board that is germane to a subject on the agenda shall not be affected by other errors or omissions in the agenda.* [5 ILCS 120/2.02(a)]

B) News Medium Notice. *Any news medium that has filed an annual request for notice shall be given the same notice of any special meeting in the same manner as is given to members of the Board, provided that the news medium has given the Executive Director an address or telephone number within Illinois at which notice may be given.* [5 ILCS 120/2.02(b)]

5) Rescheduled or Reconvened Meetings. *Public notice of any rescheduled or reconvened meeting shall be given at least 48 hours before the meeting*.

A) Exception to Notice Requirement. No public notice is required to be given of any reconvened meeting when the meeting was open to the public and either:

i) the meeting *is to be reconvened within 24 hours; or*

ii) *an announcement of the time and place of the reconvened meeting is made at the original meeting and there is no change in the agenda*. [5 ILCS 120/2.02(a)]

B) Agenda of Rescheduled or Reconvened Meeting. *An agenda of a rescheduled or reconvened meeting shall also be included with the public notice of the meeting. However, the validity of any action taken by the Board that is germane to a subject on the agenda shall not be affected by other errors or omissions in the agenda*. [5 ILCS 120/2.02(a)]

C) News Medium Notice. *Any news medium that has filed an annual request for notice shall be given the same notice of any rescheduled or reconvened meeting in the same manner as is given to members of the Board, provided that the news medium has given the Executive Director an address or telephone number within Illinois at which notice may be given*. [5 ILCS 120/2.02(b)]

6) Emergency Meeting. *Notice of an emergency meeting shall be given as soon as is practicable. In any event, prior to an emergency meeting being held, notice shall be given to any news medium that has filed an annual*

request for notice. [5 ILCS 120/2.02(a)] *Any news medium that has filed an annual request for notice shall be given the same notice of any emergency meeting in the same manner as is given to members of the Board, provided that the news medium has given the* Executive Director *an address or telephone number within Illinois at which notice may be given*. [5 ILCS 120/2.02(b)]

f) Recording Meeting

1) *Any person may record by tape, film or other means the proceedings at any open meeting*, subject to the provisions of this subsection (f).

2) *If any witness at any meeting required to be open under the* Open Meetings Act *refuses to testify on the grounds that he or she may not be compelled to testify if any portion of his or her testimony is to be broadcast or televised or if motion pictures are to be taken, then the authority holding the meeting shall prohibit any recording during the testimony of the witness. Nothing in this* subsection (f) *shall be construed to extend the right to refuse to testify at any meeting not subject to the provisions of Section 8-701 of the Code of Civil Procedure*. [5 ILCS 120/2.05]

3) "Recording Device" shall mean any device that records and stores, transcribes, transmits or broadcasts still images, moving images and/or sounds, regardless of format or medium, including, but not limited to, still cameras, video cameras, camcorders, computing devices (regardless of size), mobile phones, personal data assistants, voice recorders or any other similar device and any accessories or equipment used in conjunction with the device that are used to record an open meeting.

4) A recording device shall be operated in a manner that does not disrupt or interfere with the deliberative process and the public's ability to observe or listen to the proceedings. The Board, Board committee, or SURS staff may limit the number of recording devices being operated in the meeting room if the number of devices being operated in the aggregate causes or may cause disruption or interference.

5) All mounted recording devices must be set up prior to the commencement of the meeting and may not be moved or removed until the proceeding has concluded, unless otherwise permitted by the Board, Board committee, or SURS staff. If a recording device requires additional equipment that needs placement in the meeting room, such as power cords, standing lights and microphones, those items may only be placed and operated in

designated areas assigned by the Board, Board committee or SURS staff, provided the areas are not limited to a location from which the recording device is not reasonably capable of making a recording. Arrangements shall be made with SURS staff at least 48 hours prior to the meeting to ensure the availability of space for recording devices and equipment.

6) Recording devices are not permitted to be placed or operated in any emergency exit pathways or aisles, including entrances and exits.

7) No recording device operated by a member of the public may be used to record a closed meeting.

g) Closed Meetings

1) Subject. The Board or a Board committee may hold closed meetings to consider any subject permitted under Section 2(c) of the Open Meetings Act, including the following subjects:

A) *The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of* SURS*, including hearing testimony on a complaint lodged against an employee to determine its validity* [5 ILCS 120/2(c)(1)];

B) *Collective negotiating matters between* SURS *and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees* [5 ILCS 120/2(c)(2)];

C) *Evidence or testimony presented in open hearing, or in closed hearing when specifically authorized by law, to a quasi-adjudicative body, provided that the body prepares and makes available for public inspection a written decision setting forth its determinative reasoning* [5 ILCS 120/2(c)(4)];

D) *The purchase or lease of real property for the use of* SURS [5 ILCS 120/2(c)(5)];

E) *The setting of a price for sale or lease of real property owned by* SURS [5 ILCS 120/2(c)(6)];

F) *The sale or purchase of securities, investments, or investment contracts* [5 ILCS 120/2(c)(7)];

G) *Emergency security procedures and the use of personnel and equipment to respond to actual danger to the safety of employees, staff, or public property,* provided that a description of the actual danger shall be made a part of the motion to close the meeting [5 ILCS 120/2(c)(8)];

H) *Litigation, when an action against, affecting or on behalf of SURS has been filed and is pending before a court or administrative tribunal, or when the* Board or a Board committee *finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting* [5 ILCS 120/2(c)(11)];

I) *Self evaluation, practices and procedures or professional ethics, when meeting with a representative of a statewide association of which* SURS *is a member* [5 ILCS 120/2(c)(16)];

J) *The classification and discussion of matters classified as confidential or continued confidential by the State Employees Suggestion Award Board* (see 20 ILCS 405/67.28) [5 ILCS 120/2(c)(20)]; and

K) *Discussion of minutes of closed meetings, whether for purposes of approval by the* Board or Board committee *of the minutes, or for purposes of semiannual review of the minutes* [5 ILCS 120/2(c)(21)].

2) Procedure

A) Vote. Upon the majority vote of a quorum present of the Board or Board committee at an open meeting, the Board *may hold a meeting closed to the public or may close a portion of a meeting to the public*. The motion to close a meeting, or a portion of the meeting, *shall state a citation to the specific exemption set forth in* Section 2 of the Open Meetings Act. The vote of each member shall be taken by roll call vote, *shall be publicly disclosed, and shall be recorded and entered into the minutes of the meeting*.

B) Subject. *Only topics specified in the vote to close may be considered during the closed meeting*.

C) Series of Meetings. *A single vote may be taken with respect to a series of meetings, a portion or portions of which are proposed to be closed to the public, provided each meeting in the series involves the same particular matters and is scheduled to be held within no more than 3 months after the vote*. [5 ILCS 120/2a]

h) Minutes of Meetings

1) Open Meetings

A) Content. The Board or Board committee shall keep written minutes of all open meetings. The minutes shall include:

i) the date, time and place of the meeting;

ii) the members of the Board recorded as either present or absent, and whether the members were physically present or present by means of video or audio conference; and

iii) a summary of discussion on all matters proposed, deliberated, or decided, and a record of any votes taken.

iv) Public Inspection. The minutes of any open meeting shall be available for public inspection within 7 days after the approval of the minutes by the Board or Board committee.

2) Closed Meetings

A) Content. The Board or Board committee *shall keep written minutes of all closed meetings. The minutes shall include*:

i) *the date, time and place of the meeting*;

ii) *the members of the Board recorded as either present or absent; and*

iii) *a summary of discussion on all matters proposed, deliberated, or decided, and a record of any votes taken*.

B) Public Inspection. *The minutes of any closed meeting shall be available for public inspection only after the Board determines that it is no longer necessary to protect the public interest or the privacy of an individual by keeping the minutes confidential.*

C) Semiannual Review. The Board *shall semiannually review minutes of all closed meetings. At closed meetings, a determination shall be made, and reported in an open session, that either:*

i) *the need for confidentiality still exists as to all or a part of those minutes; or*

ii) *the minutes or portions of the minutes no longer require confidential treatment and are available for public inspection.* [5 ILCS 120/2.06]

i) Address by Members of the Public

1) Notice. A person who wishes to address the Board or a Board committee shall provide written notice of the intent to make an address at least ~~48~~ 24 hours prior to the scheduled commencement of the meeting of the Board or Board committee. The notice shall provide~~describe~~ the identity of the speaker and the topic~~general subject matter~~ of the address, and shall specify the Board committee or Board meeting at which the address will be made. A copy of any written materials that the person wishes to distribute to the Board or Board committee members during the address must be attached to the notice.

2) Time Allotment. The person may address the Board or Board committee concerning any matter that does not concern a resolution of final action on the agenda for no longer than 5 minutes at the end of the meeting of the Board or Board committee specified in the notice, unless otherwise permitted by the Board or Board committee. If the person wishes to address the Board or Board committee concerning a resolution of final action on the agenda, then the person may address the Board or Board committee for no longer than 5 minutes after the scheduled presentations on the resolution have concluded.

(Source: Amended at 37 Ill. Reg. 3866, effective March 15, 2013)

MAY COMPLIANCE REPORT (2025)

Complete/Next due > 30 days | Due < 30 days | Past Due/Missed

Report Owner: Compliance Officer * indicates new requirement/change in requirement **EOQ= End of Quarter** **EOM=End of Month**

Department	Report	Filed With	Frequency	Statute/Rule	Last Filed	Next Due	Status	Notes
ADMINISTRATION COMPLIANCE ITEMS								
Administration	Travel Exception Report	Illinois Higher Education Travel Control Board	Quarterly - due the 15th of the month after the quarter ends	80 IL 2900.105	4/1/2025	8/15/2025		This is due by the 15th of the month after the Q ends.
Administration	Drivers License & Insurance Certification - Staff and Trustees	Annual to Executive Director and also to University of Illinois	Annual - certification to be provided between July 1-31 of each year OR within 30 days after new employment begins, whichever is later	625 ILCS 5/7-203, 625 ILCS 5/7-601(c), 625 ILCS 5/10-101(b), JCAR 44 Ill. Adm. Code Sec 5040.500 and 80 Ill. Adm. Code Sec. 3000.300(f)(1)	7/2/2024	6/30/2025		
Administration	Oath of Office - all trustees	Kept electronically at SURS	Ad Hoc	40 ILCS 5/15-159(h)	As needed	As needed		
Administration	Mandatory 8-hour trustee training for educational hours (ethics and fiduciary topics)	Annual Certification of Completion sent by SURS ED to Public Pension Division of Department of Insurance	Annual training to be completed by 6/30; report to follow	40 ILCS 5/1-113.18	7/2/2024	6/30/2025		
Administration	Notice of Regularly Scheduled Board Meetings	Posted in SURS Lobby and SURS website	Annual	5 ILCS 120/2.02(a) Board votes on the schedule in June and schedule is posted by July 1 and again by December 31 (if there are any changes)	Jun-24	Dec-25		
Administration	Verbatim Audio or Video Recordings of Regular Open or Special Open Meetings (if any)	Post online at SURS.org	Only post these if we actually have them as there is no legal requirement to make audio or video recordings of open meetings	15 ILCS 50/20	As needed	As needed		
Administration	Verbatim Recordings of Closed Session Meetings	Keep internally for at least 18 months; and then board can vote to discard or keep	Kept after each closed session	5 ILCS 120/2.06	As needed	As needed		
Administration	Copies of All Approved Board and Committee Minutes - **Open Sessions**	online - SURS.org (post for at least 60 days)	After finalized and approved for each meeting	5 ILCS 120/2.06 and 40 ILCS 5/15-170	As needed	As needed		
Administration	Copies of All Approved Board and Committee Minutes - **Closed Sessions**	Keep electronically at SURS and only posted to SURS website when board votes to open the minutes (then post for at least 60 days)	After finalized and approved for each meeting	5 ILCS 120/2.06 and 40 ILCS 5/15-170	As needed	As needed		
Administration	Disclosure of Appointed Trustee Interest in State Contracts, Disclosure of Conflicts of Interest and initial Statement of Economic Interest - trustees	Illinois Secretary of State	Ad Hoc - upon appointment	5 ILCS 420/3A-30, 15 ILCS 50/15, and Article 4A of the Governmental Ethics Act	As needed	As needed		
Administration	Trustee Indemnification Agreements	Keep electronically at SURS	Ad Hoc	40 ILCS 5/1-107 & SURS Board Governance Bylaws	As needed	As needed		
Administration	IPad User Agreements	Keep electronically at SURS	Ad Hoc	Internal Operational Requirement	As needed	As needed		
Administration	Performance Systems Report	Governor and posted on SURS website	Quarterly	30 ILCS 25/3-15	TBD	TBD		Still determining whether this is a SURS required compliance item separate from the PAR report below. And - are we providing all of the required information?
INTERNAL AUDIT COMPLIANCE ITEMS								

MAY COMPLIANCE REPORT (2025)

Audit	Deceased Annuitant Reporting	Per internal audit - death matches are still done regularly as required by statute but there is no statutory requirement to report them anywhere and per recent changes, they are no longer being reported to the board. The death matches are now being done by the DDD team at SURS.	No actual report required for the board or to any third party.	40 ILCS 5/1-140	No longer reported	No longer reported		NOTE: THIS NEEDS TO BE MOVED TO DDD TEAM COMPLIANCE. PER STATUTE MUST BE DONE MONTHLY BUT NO REPORTING REQUIRED.
Audit	Fiscal Year Two Year Audit Plan - Identifying internal audits for the pending fiscal year	Internal - Approved by the SURS Executive Director - then filed internally	Annual - due by 6/30	Fiscal Control & Internal Auditing Act; 30 ILCS 10/2003(a)(1)	Approved by ED 6/26/2024	6/30/2025		
Audit	Fiscal Year Audit Completion Report - Two Year Audit Plan - Detailed Report for how audit plan was carried out for that FY	Internal - Filed with the SURS Executive Director	Annual - due by 9/30	Fiscal Control & Internal Auditing Act; 30 ILCS 10/2003(a)(1)	9/13/2024	9/30/2025		
Audit	FCIAA Internal Control Certification	Office of the IL Auditor General	Annual (filed by 5/1)	Fiscal Control & Internal Auditing Act; 30 ILCS 10/3003	4/16/2025	5/1/2026		
Audit	Submission of System Audit Report completed by Office of Auditor General (due after FY end) -- this is a "sign-off approval" of the financial audit that allows SURS to publish the Annual Comprehensive Financial Report (ACFR)	SURS submits a copy of the audit to the Governor. The Office of the Auditor General submits copies to the Commission, the Governor, the Speaker and minority leader of the House and President and Minority Leader of the Senate	Annual - due as soon as possible after the completion of the audit after the end of each fiscal year	State Auditing Act and 30 ILCS 5/3-14 and 40 ILCS 5/15-174	FY24 - 1/30/2025*	FY25 (no set filing deadline - typically wait until financial and compiance audits are done and send them all together - usually in May the year after the FY ends)		*note - this year (FY24) we did not have a compliance audit so this report could be sent earlier than usual
ACCOUNTING / FINANCE COMPLIANCE ITEMS								
Finance	GAAP Package	Comptroller	Annual (usually by the 3rd week of September - Comptroller sends a letter with the prelim filing date for that year and SURS is to file its final package as quickly as we can after the prelim filing) Statute says due by 10/31	15 ILCS 540/19.5	Prelim filed 9/27/2024 - Final due when final numbers are done - updated filed 10/24/2024	10/31/2025		This is a specific set of reports that we have to file with the Comptroller. This is NOT the ACFR.
Finance	Annual Comprehensive Financial Report (ACFR)	Comptroller - we Post System Annual Comprehensive Financial Report to website (voluntarily send copies to OAG, Comptroller, GOMB) , (Audit sends to Governor)	Annual - by January 7	40 ILCS 5/15-175 and 30 ILCS 105/3(a) and 30 ILCS 105/9.08	FY24 was finalized and released on 1/9/2025	FY25		This cannot be released until the OAG releases it.
Finance	Public Accountability Report (PAR report is different from ACFR)	Comptroller	Annual (indicator worksheet by 9/15, final report by 12/15)	Statewide Accounting Management Systems (SAMS) 30 ILCS 25/3-15	11/25/2024	9/15/2025 and then 12/15/2025		
Finance	IRS Form 941-Employer Fed Tax Return Form and State of Illinois Form (details of info on W-2 forms)	IRS and State of Illinois	Quarterly	IRS CODE	4/15/2025	7/31/2025		
Finance	IRS Form 945 Annual Return of Withheld Federal Tax (relates to the 1099R forms)	IRS only	Annual	IRS CODE	1/30/2025	1/31/2026		
Finance	Cash Receipts and Disbursement Reports	Comptroller	Quarterly	15 ILCS 405/16	4/30/2025	7/31/2025		
Finance	Agency Fixed Asset Report	Comptroller	Quarterly	15 ILCS 405/16	10/28/2024	10/31/2025		
Finance	Accounts Receivable Report	Comptroller	Quarterly	15 ILCS 405/16	1/23/2025	1/31/2026		
Finance	Illinois State Legislature Package (part of the appropriations process to help prepare for the budget hearings)	This includes request from GA with a narrative with questions to complete, requested spreadsheet with budget numbers for last FY, current FY and est. next FY. Copy of Org chart, ACFR sent. Send to IL Senate and House and to both Republican and Democratic caucuses (include 4 paper copies of the package + 4 copies of the SURS ACFR by email and paper copy)	Annual - Letter sent to SURS and response is due within 48 hours after the Governor's Budget Address	This is not required by statue but the General Assembly expects to have this information from SURS; see the GA list of ISL forms	2/19/2025	Feb. 2026		
Finance	Preliminary Certification of Annual State Contribution (this is done by letter and certification reflecting board approval)	State Actuary, Governor, and General Assembly	Annual (Preliminary due by 11/1)	40 ILCS 5/15-165(a-5)	10/29/2023	11/1/2025		

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Finance	Final Certification of Annual State Contribution	State Actuary, Governor, and General Assembly	Annual (final due by 1/15)	40 ILCS 5/15-165(a-5)	12/18/2024	1/15/2026	
Finance	Report on SMP/RSP Participation Rate - Letter done by SURS actuary that SURS provides	COGFA	Annual	40 ILCS 5/15-158.3	10/29/2024	11/15/2025	
Finance	Cert. of State Contribution of Community College Annuitant and survivor health benefits (CIP)	Governor, Director of CMS, and Comptroller	Annual (final by 11/15)	5 ILCS 375/6.10(c)	10/29/2024	11/15/2025	
Finance	Department of Insurance Report (filing fee check in amount of $8,000 for Annual Compliance Fee to the IL Dept. of Insurance, made payable to IL State Treasurer)	Pension Division of Illinois Dept. of Ins.	Annual - Report due by 12/31	40 ILCS 5/1A-109 & 110 and 40 ILCS 5/1A-113 includes the penalties for a failure to timely files these reports. The $8,000 filing fee is due by June 30 for the following state FY.	12/19/2024	12/31/2025	
Finance	Department of Insurance - Payment of Annual Compliance Fee (see above)	Pension Division of Illinois Dept. of Ins. - check payable to IL Treasurer	Fee Due by 6/30 for the following state FY (invoiced by the Dept. of Insurance)	40 ILCS 5/1A-112	4/23/2024	6/30/2025	
Finance	IRS Form 1099R - forms sent to members	IRS	Annual by 1/31	IRS CODE	1/23/2025	1/31/2026	
Finance	IRS Form 1099R - NEC (non-employee compensation)	Mailed to recipients (applicable vendors) and e-filed report as proof of filing to IRS; same due date	Annual by 1/31	IRS CODE	1/14/2025	1/31/2026	
Finance	IRS Form 1099R (FIRE) (report with details behind the 1099R forms)	IRS	Annual by 4/1 (unless extension given)	IRS CODE	2/18/2025	4/1/2026	
Finance	IRS Form 1099R Tax report (FIRE)	Tax Report filed on behalf of SURS and Forms sent to SURS members	Annual - Postmarked by 3/31	IRS CODE	1/23/2025 (sent to members) 2/18/2025 (tax report filed)	3/31/2026	This report is different from the line item No. 30 above. This report includes sending member data supporting the 1099s to the IRS.
Finance	IRS 1042S Forms: Withholding US income of Foreign Persons - sent to members	IRS	Annual by 3/15	IRS CODE	3/14/2025	3/15/2026	
Finance	IRS 1042 Tax Return	IRS	Annual by 3/15	IRS CODE	3/11/2025	3/15/2026	
Finance	Actuarial Valuation	SURS Board requests this from SURS actuary and includes this with the certified state contribution; send to employers as well	Annual (no set date in statute)	40 ILCS 5/15-173	Prelim to board for approval in October 2024	Prelim to board in October of 2025	This has to be done to go to the GA by 11/1 for the prelim and by 1/15 for the final Submission of System Reports to COGFA
Finance	Actuarial Experience Study	SURS Board requests this from the SURS actuary and uses it to re-evaluate the actuarial assumptions	Every 3 years (no set date in statute)	40 ILCS 5/15-173	Presented to Board in June of 2024 (June 30, 2020 - June 30, 2023)	June of 2025	
Finance	Fee Imposition Report	SURS sends to Comptroller who sends to Gen. Assembly	Annual - to Comptroller by 7/31; Comptroller to GA by 9/1	15 ILCS 405/16.2	7/25/2024	7/31/2025	
Finance	5 year review of 90% funding target	COGFA	5 years	40 ILCS 1/103.3	10/27/2021	12/31/2026	The ED sends a letter to COGFA on this issue via K. Houch
Finance	Annual review/presentation of MWDB policy goal for the next fiscal year	Presented to the SURS Diversity Committee and approved by the Board	Annual - Investments reports the overall numbers in the SURS report. See below.	40 ILCS 5/1-109.1(6)	September 2024 Board Meeting	September 2025 Board meeting	
Finance	Certification of Overpayments	Internal and Board of Trustees	Determined Internally	80 Ill Adm. Code Sec.1600.450	As needed	As needed	
Finance	IRS W-2 forms to SURS employees and EBA members	Sent to Staff with Report to IRS	Annual by 1/31	IRS CODE	1/20/2025	Jan-26	Finance and HR work together on these. They go out through ADP.
Finance	IRS W-3 Form	IRS	Annual	IRS Code	1/27/2025	1/31/2026	
Finance	Information to COGFA when requested	COGFA	Ad Hoc/At will/as requested	40 ILCS 5/22-803	As requested	As requested	

Exhibit 4

MAY COMPLIANCE REPORT (2025)

Finance	Submission of System Information to COGFA	COGFA	Annual by 3/1 (these go out via same prelim and final deadlines of 11/1 and 1/15 for the actuarial valuation and annual certification	40 ILCS 5/22-1001	Prelim info sent 10/29/2024 and Final sent 12/18/2024.	Prelim to be sent by 11/1/2025 and final due by 1/15/2026		This typically goes out in December/January: valuation, certification, appropriation cert, CIP appropriate amounts and RSP participation info.	
Finance	Debt Transparency Report	Comptroller	Now annual (due by 7/31)	30 ILCS 105/9.08	7/2/2024	7/31/2025		SURS received a waiver of monthly reporting and as of 8/30/23 we now only have to file an annual report.	
Finance	GRS (actuary) gives SURS a letter that is approved by SURS Board that includes the employer normal cost of the DB plan	Approved letter is published on SURS.org	Annual	statutory reference?	10/24/2023	10/31/2025		Per Tara, normal cost recommendations are taken from GRS to the Board for annual approval in October. Once approved this information is posted to the SURS website for employers.	
Finance	Certification of Prescribed Rate of Interest and Effective Rate of Interest	SURS board approves each year in December and the information is shared with the public via a press release	December (to become effective on the following 7/1)	40 ILCS 5/15-125 and 40 ILCS 5/15-164	12/6/2024	12/31/2025		Per Tara, the SURS board votes on this each December and it is used for everything except money purchase which is determined by the Comptroller.	
Finance	IRS Form 1098-F (payment of penalties exceeding $50,000)	Payor and then the IRS	Annual reporting - Form due to payor by Jan. 31 and then file the form with the IRS by 2/28 (if paper) or by 4/1 (if electronic)	IRS Section 6050X	As needed	As needed		This is a new reporting requirement. Threshold for reporting is $50,000.	
Finance	Participation in Deferred Compensation Plan	Details must be made public and are included in the ACFR	Annual (no set date in statute)	40 ILCS 5/15-202	Same as ACFR publication date - see above	Same as ACFR Publication date - see above			
ACCOUNTING -- FINANCE -- MEMBER SERVICES									
Finance/Mem Serv	Illinois Revised Unclaimed Property Act	IL Treasurer's Office	Annual report due 11/1 reporting period covers 7/1-6/30 of the preceding year	765 ILCS 1026/15-402 (for property held outside the trust) and 403 (due date) and 765 ILCS 1026/15-1505 (for property held in the trust) SURS must retain records for 10 years after date last report was filed unless shorter period is allowed by rule per 765 ILCS 1026/15-404	The reports SURS can file for RMD and Death relating to RUUPA were filed on 8/5/2024 for FY24. These are the only reports we can provide until the PAS project is done.	Report for FY25 due on 11/1/2025		The Treasurer's Office has confirmed that the reports we have provided at this point will comply with the statute until our PAS project is complete.	

MAY COMPLIANCE REPORT (2025)

Finance/Mem Serv	Financial Statements to Participants / Service Credit Statements / Annual Benefit Summary Statements	Full ACFR is posted to SURS.org once released. Individual statements are sent members and annuitants from Member Services	Annually for the system when the ACFR is done. Individual reports sent out in mid-November (Statute only requires indiv. Statements to go out if requested by the member.	40 ILCS 5/15-170 and 15-175	Ongoing	Ongoing	
Finance/Mem Serv	Reports to Reciprocals	Sent to Reciprocal Systems	As requested	40 ILCS 5/20-126	Ongoing	ongoing	
HUMAN RESOURCES COMPLIANCE ITEMS							
Human Resources	Consumer Coverage Disclosure Act - Health Insurance	Health Insurance Information to be provided to employees	At the time of hire and annually thereafter (using CMS generated information)	820 ILCS 46/10	Ongoing	Ongoing	
Human Resources	Separation Report	State Universities Civil Service System	Monthly (w/n 10 days of end of month)	Civil Service Rule 250.30 and/or 250.140c	5/1/2025	6/10/2025	
Human Resources	Monthly Wage Report	IDES taxnet Online	Monthly (EXCEPT 1/4/7/10)	305 ILCS 5/11-5.2	5/1/2025	6/30/2025	
Human Resources	Form UI-3	IDES taxnet Online	Quarterly (1/31, 4/30, 7/31, 10/31	305 ILCS 5/11-5.2	3/25/2025	7/31/2025	
Human Resources	Report of Employee Served (Civil Service Report)	State Universities Civil Service System	Quarterly (w/n 10 days within End of Quarter	Civil Service Rule 250.30 and/or 250.140c	4/4/2025	7/31/2025	
Human Resources	Exempt Employees Report	State Universities Civil Service System	Quarterly	110 ILCS 70/36(e)	4/4/2025	7/31/2025	
Human Resources	Occupational Ethnic and Gender Report	State Universities Civil Service System	Quarterly (w/n 10 days of end of quarter	Civil Service Rule 240.30 and/or 250.140c	4/4/2025	7/10/2025	
Human Resources	Agency Workforce Report	Secretary of State; Office of Governor	Annual	5 ILCS 410/5, 5 ILCS 410/15 and 5 ILCS 410/20	12/19/2023	12/31/2025	
Human Resources	TA-2 - Headquarters Report	Legislative Audit Commission	Bi-Annually	St. Fin. Act 30 ILCS 105/12-3	12/18/2024	7/15/2025	
Human Resources	I-9 Eligibility	Internal Kept in Employee's Personnel File	Ad Hoc w/n 20 days of hire	Dept. Homeland Security - Immigration and Reform Act of 1986	At Time of Hire	As needed	
Human Resources	1094C and 1095C Reports	Sent to SURS Staff with W-2s, then Filed with the IRS	Annual by 2/28 (paper form) or 3/31 (electronically)	IRS CODE	2/18/2025 to IRS	2/28/2026 (if paper) or 3/31/2026 (if electronic)	SURS must file electronically due to number of employees. This info goes out by ADP with the W-2s.
Human Resources	Earned Income and Tax Credit Information Notice	Sent to SURS staff with W-2 via the ADP System	Annual	820 ILCS 170/15	1/20/2025	1/31/2026	Same as above item.
Human Resources	Civil Service Salary Report	State Universities Civil Service System	Bi-annually due 4/15 and 10/15	110 ILCS 70/36b	4/8/2025	10/15/2025	
Human Resources	Report on State Employees Combined Appeal (SECA) Voluntary Deductions for SURS staff and annuitants	Comptroller	Annual by 3/1	5 ILCS 340/5 (staff) and 8(c) (annuitants)	1/15/2025	3/1/2026	Confirm that we are sending this information in for staff and annuitants
Human Resources	Revolving Door Policy Sign Off and Ongoing List	Provided to staff upon hiring with SURS to maintain internal list. Updated list provided to Governor's' office when requested. We do not provide info for electronic portal	As needed / ad hoc	5 ILCS 430/5-45	Time of Hire	Ongoing	
Human Resources	Adverse Judgment / Administrative Ruling Report for EEOC violations	IL Department of Human Rights	Annual Report due 7/1 for the preceding calendar year	775 ILCS 5/2-108	Only required if SURS had an adverse judgment or administrative ruling against it in the preceding year	Ad Hoc	
Human Resources	SSA 1945 - Form Confirming to New Hire that Employer does not Participate in Social Security	Internal In File - for all new SURS employees	Ad Hoc w/n 20 days of hire	Social Security Administration	Time of Hire	Ongoing	
INFORMATION TECHNOLOGY COMPLIANCE ITEMS							
Information Technology	Data Breach Report - Personal Info Protection Act	Notice to member must be sent "in the most expedient time possible and without unreasonable delay." If impacts > 500 residents, the Attorney General's office must be notified	Ad Hoc	815 ILCS 530/10	Eff. 1/1/20	As needed	

MAY COMPLIANCE REPORT (2025)

INVESTMENTS COMPLIANCE ITEMS							
Investments	RSP Performance Update as part of the Investment Options Guide	Online SURS.org	Quarterly	Internal procedure	NEW REPORTING ITEM	TO BE CONFIRMED BY INVESTMENTS	This is a new report that investments has added to SURS.org to show RSP investment performance. Specifics to follow.
Investments	Investment Update Report	Online Surs.org	To be completed 8 weeks after the end of each quarter due to late reporting of private market investment information	Internal procedure - 8 weeks after each quarter ends	January posted 3/14/2025* *Note new reporting schedule effective 4/2025	Q1 report (Jan, Feb, March) due by 5/31/2025	These reports are often delayed - waiting for private equity information and quarter end delays. NOTE: The investment team changed the posting dates for this report. It will now be completed 8 weeks after the end of each quarter.
Investments	Investments Information Report - Monthly	Online Surs.org	Monthly (by the 15th)	30 ILCS 237/10	5/15/2025	6/15/2025	
Investments	Report to Gov. on MWDB Firms / HR / Vendors	Governor and General Assembly	Annual by January 1	40 ILCS 5/1-109.1(8)	12/30/2024	1/1/2026	SURS shall submit a report to the Governor and General Assembly that includes: (1) the policy adopted under Section 1/109.1(4) (policy setting forth goals for utilization of emerging investment managers), (2) the policy adopted under Section 1/109.1(5) (policy setting forth goals for increasing the racial, ethnic and gender
Investments	Investment Transparency Disclosures - Must list total amount of fund, asset allocations, current/historical returns, listing of investment advisers, performance against benchmarks, list of all consultants, list of all contractors, RFP info, names and emails for board members and senior staff, and description of each contract as required under 1-113.14(g)	Posted to SURS.org	Quarterly - this information disclosed in a combination of other compliance items tracked separately. There is no one single report for these items.	40 ILCS 5/1-113.14 and 5/1-113.16	See Investment Compliance Items generally	See Investment Compliance Items generally	

Exhibit 4

MAY COMPLIANCE REPORT (2025)

Investments	Consultant Report on MWDB searches*	Consultants must disclose to the SURS Board of Trustees	Annual by January 1 NOTE: this info is collected from the consultants by 12/31 and staff reports the information to the board the following March	40 ILCS 5/1-113.22	Both - 12/30/25	1/1/2026		*These are filed in the same document with the item below. *Both statutes, as written, are impossible to meet. Auditors have accepted 1/31 as the due date.
Investments	Consultant Report on Economic Opportunities*	Consultants must disclose to the SURS Board of Trustees	Annual by January 1 NOTE: this info is collected from the consultants by 12/31 and staff reports the information to the board the following March	40 ILCS 5/1-113.23	Both - 12/30/25	1/1/2026		
Investments	Quinquennial Rep. US Owned Foreign Securities**	Federal Reserve Bank	Only upon request 5 years	22 USC Sec 3101	2022 (no report required)	Not due until 2027		*req. threshold for reporting not met for 2017. Next reporting year = 2027 and only if we meet the reporting threshold.
Investments	Restricted Companies Divestiture Reporting*	Illinois Investment Policy Board	Annual by April 1	40 ILCS 5/1-110.16(g)	3/25/2025	4/1/2026		
Investments	Illinois Finance Entity/High Risk Home Loan Act Cert.	Formerly to the Dept. of Financial and Professional Regulation - now filed with the Public Pension Division of the Department of Insurance	Annual	40 ILCS 5/1-110.10	8/19/2024	9/30/2025		
Investments	Invest in Illinois - Report of Economic Opportunity Investments in Illinois	Governor and General Assembly	Annual by September 1	40 ILCS 5/1A-108.5(c)	8/29/2024	9/1/2025		
Investments	Annual SEC ADV's from Financial managers	SEC	Annual-120 days from FY end	US Investment Advisors Act of 1940	Ongoing	Ongoing		*not all managers are required to file by 4/1
Investments	Investment Manager Fee Disclosure to the Board (DB Plan) and description of investment adviser and consultant contracts posted to SURS website	SURS.org website	Quarterly	40 ILCS 5/1-113.14(e)(f) and (g) and 40 ILCS 5/1-113.16(d)	2/11/2025	6/30/2025		Regina provides this info.
Investments	Investment Manager and Consultant Fee Disclosure - RSP/DCP Plan) Fees and Description of every investment contract on surs.org	SURS.org website	Quarterly	40 ILCS 5/1-113.14(e) and (g) and 40 ILCS 5/1-113.16(d)	1/24/2024* *note new filing date per investments	1st Q ending 3/31/2025 is due 6/30/2025		* New filing date per investments: This information is provided after the quarter ends - the report is posted approximately 3 months after quarter end. Statute does not have a specific date.
Investments	Written Investment Policies - must include references to sustainability factors used in decision-making under IL Sustainable Investing Act, 30 ILCS 238	Illinois Department of Insurance, Illinois Procurement Policy Board and SURS.org website	Ad Hoc - within 30 days after policy is amended	40 ILCS 5/1-113.14(b) and 40 ILCS 5/1-113.17	10/3/2024	As needed		
Investments	Investment Procurement Policy	Illinois Procurement Policy Board and posted on SURS Website	Ad Hoc - best practice - file updated versions of the policy even though statute is silent on follow-up filings. Any procurement exceptions must be identified on the SURS website. (sole source, emergency, <1 yr. w/ value , 20k and Follow-on-Funds	40 ILCS 5/1-113.14(b)	10/3/2024	As needed		
Investments	General Investment Policy - Initial Filing and Updates	Illinois Department of Insurance	Ad Hoc	40 ILCS 5/1-113.17	10/3/2024	w/30 days of updates to policy		

MAY COMPLIANCE REPORT (2025)

Investments	Investment Services - Description of all Investment Services Contracts, company, total amount of contract, total fees paid/to be paid and disclosure approved by SURS board describing factors that contributed to the selection of investment advisor or consultant	Posted on the SURS website when services are obtained	Ongoing	40 ILCS 5/1-113.14 (g)	Ongoing	Ongoing		This statutory requirement is met by the public dislosure of the DB and DC fee info and by the Fund of Fund Disclosures made by Investments -- all of which are posted to the SURS website.
Investments	Disclosure of Fund of Fund Investments to include description of each contract, total commitment, and disclosure approved by SURS board describing factors that contributed to the selection of investment advisor or consultant	SURS.org website	Ongoing	40 ILCS 5/1-113.15(b)	As needed	As needed		
Investments	Procurement Forms - Uniform RFP Documents	Posted on the SURS website when issued	ongoing	40 ILCS 5/1-113.14(f)	As needed	As needed		
Investments	Managers' Annual Certification of Fiduciary Duty and Compliance with Insurance Requirements	Internal on file	Annual	contract provisions	5/31/2024	9/1/2025		
Investments	Fiduciary Report: Proxy Voting Guidelines for Voting Proxy Ballots and detailed report regarding how the board considers sustainability factors in investments	Posted to SURS website	Annual - due by 9/1	40 ILCS 5/15-177.6	8/29/2024	9/1/2025		
Investments	Illinois Sustainable Investing Act - Inv. Policy New Requirements (eff. 1-1-2020)	Illinois Department of Insurance	Ad Hoc	30 ILCS 238/15 and 40 ILCS 5/1-113.17	As needed	w/30 days of update		New statute requires inv. policy to include sustainability factors
LEGAL & ETHICS COMPLIANCE ITEMS								
Legal & Ethics	Ethics Officer Designation Notice	IL Executive Ethics Commission	As Needed/Ad Hoc	5 ILCS 430/20-23	As needed	as needed		
TRAINING REQUIREMENTS								
Legal & Ethics (HR)	General Ethics Training Plan for Staff and Trustees	SURS Internal Auditor and OEIG	Annual* (no specific date in statute and SURS recieves differing filing dates from different offices)	5 ILCS 430/5-10	1/22/2025	1/15/2026*		This is a line item on the year end training report.
Legal & Ethics (HR)	Ethics Orientation for State of Illinois **Staff** - Paper	OEIG	within 30 days of hire	5 ILCS 430/5-10	As needed	As needed		
Legal & Ethics (HR)_	Annual Ethics Training **Trustees** (OneNet)	Regular Annual Ethics Act training certification goes to OEIG	Annual (to be completed by 6/30 - final completion must be done by 12/31*)	5 ILCS 430/5-10 (regular annual)	12/31/2024	12/31/2025		
Legal & Ethics (HR)	Annual Completed Ethics Training Report of Completion - **Trustees** (OneNet)	Regular Annual Ethics Act training certification goes to OEIG	Annual - report due by 1/15 of the following year	5 ILCS 430/5-10 (regular annual)	1/22/2025*	1/15/2026		*The OEIG did not send timely filing instructions.
Legal & Ethics (HR)	Annual Ethics Training **Staff** (OneNet)	OEIG	Annual by 12/31	5 ILCS 430/5-10	12/31/2024	12/31/2025		
Legal & Ethics (HR)	Annual Ethics Training Report of Completion - **Staff** (OneNet)	Report goes to the OEIG	Annual - report due by 1/15 of the following year	5 ILCS 430/5-10	1/22/2025*	1/15/2026		*The OEIG did not send timely filing instructions.
Legal & Ethics (HR)	Anti-Discrimination and Harassment Training for **Trustees** (OneNet)	OEIG	Annual (to be completed by 6/30 - final completion must be done by 12/31) AND must be done w/in 30 days of commencing elected or appointed trustee position	5 ILCS 430/5-10.5(a-5)	12/31/2024	12/31/2025		
Legal & Ethics (HR)	Anti-Discrimination and Harassment Training for **Trustees** - Report of Completion (OneNet)	IL Executive Ethics Commission - OEIG	Annual - report due by 1/15 of following year & w/in 30 days of commencing elected or appointed position/office	5 ILCS 430/5-10.5(a-5)	1/22/2025*	1/15/2026		*The OEIG did not send timely filing instructions.
Legal & Ethics (HR)	Anti-Discrimination and Harassment Training for **Staff** (OneNet)	IL Executive Ethics Commission - OEIG	Annual	5 ILCS 430/5-10.5(a-5)	12/31/2024	12/31/2025		

Exhibit 4

MAY COMPLIANCE REPORT (2025)

Legal & Ethics (HR)	Anti-Discrimination and Harassment Training for **Staff** - Report of Completion (OneNet)	IL Executive Ethics Commission - OEIG	Annual - report due by 1/15 of following year	5 ILCS 430/5-10.5(a-5)	1/22/2025*	1/15/2026	*The OEIG did not send timely filing instructions.
Legal & Ethics (HR)	Cybersecurity Training for **Trustees** (OneNet)	IL Dept. of Innovation and Technology	Annual	20 ILCS 450/25 - there is no separate reporting requirement	12/31/2024	12/31/2025	
Legal & Ethics (HR)	Cybersecurity Training for **Staff** (OneNet)	IL Dept. of Innovation and Technology	Annual	20 ILCS 450/25 -there is no separate reporting requirement	12/31/2024	12/31/2025	
Legal & Ethics	FOIA Officer Training & Annual Certification - **Staff**	IL Attorney General	Annual	5 ILCS 140/3.5	Dec-24	12/31/2025	
Legal & Ethics	Open Meetings Act - **Trustee** Training	IL Attorney General - Public Access Counselor	One Time - within 90 days of taking the oath	5 ILCS 120/1.05(b)	As needed	As needed	
Legal & Ethics	OMA Officer Training - designated SURS **Staff**	IL Attorney General - Public Access Counselor	Annual	5 ILCS 120/1.05(a)	12/31/2024	12/31/2025	
Legal & Ethics (HR)	Additional Diversity/Inclusion / LGBTQ+ / Critical Threat Response Training offered by the Governor's Office - staff (voluntarily done)	Governor's Office	Annual (voluntary)	This is voluntary for SURS per the discretion of the EC as it is only mandated for public agencies by an Executive Order	12/31/2024	12/31/2025*	*only if SURS decides to voluntarily take any of these additional trainings again
LEGAL & ETHICS MISCELLANEOUS COMPLIANCE ITEMS							
Legal & Ethics	SURS Regulatory Agenda - Administrative Rules	IL Secretary of State	Bi-annual, to be filed by 1/1 and 7/1	5 ILCS 100/5-60	12/13/2024	7/1/2025	
Legal & Ethics	Revolving Door Policy Notifications - Designated SURS Staff	IL Executive Inspector General	As Needed/Ad Hoc	5 ILCS 430/5-5-45	Time of Hire	As needed	
Legal & Ethics	Statement of Economic Interests (Trustees and Designated Staff members)	IL Secretary of State	Annual	5 ILCS 420/4A-101	5/1/2024 - staff 5/1/2024 - trustees	5/1/2026	
Legal & Ethics	Ex Parte Communications Reports	Executive Ethics Commission	As Needed/Ad Hoc	5 ILCS 430/5-50	9/13/2017	As needed	
Legal & Ethics	Certificate of Status of Exempt Property - for 1801 Fox Drive and 1901 Fox Drive	Chief County Assessment Officer (Urbana, IL)	Annual by 4/15	35 ILCS 200/15-10 through 15-20	3/20/2025	4/1/2026	These forms are mailed to SURS from the County Assessor.
Legal & Ethics	Fraud	SURS Board of Trustees and/or Appropriate State's Attorney	As needed	40 ILCS 5/1-135 and 40 ILCS 5/15-186	6/3/2022	As needed	
Legal & Ethics	QILDRO Forms Electronically Available	SURS.org website	Ongoing requirement	40 ILCS 5/1-119	current	as updated	
Legal & Ethics	ARDC Registration - staff attorney law license renewal	IL Supreme Court and ARDC	Annual	Supreme Court Rule 756	12/31/2024	12/31/2025	
Legal & Ethics	Freedom of Information Act Manual - Public Facing	Posted to SURS.org	Ongoing requirement - to be updated annually	5 ILCS 140/4	6/10/2024	6/30/2025	This needs to be updated annually to reflect the new budget figure.