



MINUTES

**Quarterly Meeting of the Legal & Legislative Committee
of the Board of Trustees of the
State Universities Retirement System
Friday, September 13, 2024, 9:00 a.m.
State Universities Retirement System
1901 Fox Dr. – Main Conference Room – Champaign, IL
*Optional Remote Connection for Members of the Public***

This meeting was held in person at the State Universities Retirement System in Champaign, IL.

The following trustees were present: Dr. Fred Giertz, Mr. Scott Hendrie, Mr. John Lyons, Mr. Pranav Kothari (via zoom), Mr. Herbert Pittman, Dr. Steven Rock, Mr. Collin Van Meter and Mr. Antonio Vasquez.

Others present: Ms. Suzanne Mayer, Executive Director; Mr. Michael Schlachter, Chief Investment Officer (CIO); Ms. Bianca Green, General Counsel; Ms. Nichole Hemming, Chief Human Resources Officer; Ms. Tara Myers, Chief Financial Officer; Ms. Jackie Hohn, Chief Internal Auditor; Mr. Jefferey Saiger, Chief Technology Officer; Mr. Albert Lee, Associate General Counsel; Ms. Heather Kimmons, Associate Legal Counsel; Ms. Anna Dempsey, Investment Counsel; Ms. Kristen Houch, Director of Legislative and Stakeholder Relations; Ms. Stephany Brinkman, Associate Investment Officer; Ms. Tracy Bennett, Investment Compliance Analyst; Mr. Alex Deal, Internal Auditor; Ms. Kelly Carson, Ms. Chelsea McCarty and Ms. Annette Ackerman, Executive Assistants; Mr. Michael Calabrese of Foley; Ms. Amy Williams, Mr. Brian Murphy, Ms. Kristen Brundirks and Mr. Kevin Noelke of GRS

Legal & Legislative Committee roll call attendance was taken. Trustee Bodnaruk, not called; Trustee Giertz, present; Trustee Lyons, present; and Trustee Rock, present.

MOTION TO ALLOW TRUSTEES TO PARTICIPATE VIA ELECTRONIC MEANS

Trustee Rock opened the meeting by asking for a motion to allow specific trustees to participate remotely.

Trustee Lyons made the following motion:

- That Trustees Bodnaruk and Kothari be allowed to participate via video or conference call for the Legal & Legislative Committee Meeting on September 13, 2024, pursuant to Section 7(a) of the Open Meetings Act.

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

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

APPROVAL OF MINUTES

Trustee Rock presented the minutes from the Legal & Legislative Committee meeting of the June 7, 2024.

Trustee Giertz made the following motion:

- That the minutes from the June 7, 2024, Legal & Legislative Committee meeting be approved as presented.

Trustee Lyons 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 provided the legislative update. This included a review of information relating to the General Assembly. Ms. Houch provided a recap of what happened in the spring session and stated that the General Assembly will be back in session after the election in November. Ms. Houch also provided information on the governor's funding proposal.

A copy of the reports titled "Board and Website Summaries" and "Cost Impact Governor's Proposal 2024" are incorporated as part of these minutes as [Exhibit 1](#) and [Exhibit 2](#).

UPDATE ON LEGISLATIVE CONSULTANT SEARCH

Ms. Kristen Houch provided an update on the Legislative Consultant search. Interviews were held at SURS in August 2024. Based upon the interviews, Ron Holmes Consulting was selected pending successful contract negotiations. Ms. Houch provided more detailed information about Mr. Ron Holmes. SURS staff also decided to notify the firm of GR Consulting that they were identified as the contingent legislative consulting firm should SURS' needs change before the next RFP is issued. However, contract will only be entered into with the contingent firm if, and when, SURS determines it needs their assistance.

RULEMAKING COMPLIANCE UPDATES

Status of Pending Rules

Mr. Albert Lee provided a brief update on the status of pending rules to the SURS Board of Trustees. A first notice was published on August 2, 2024, and included “clean-up” rulemaking changes relating to benefit suspensions, service credit adjustments, the 6% Rule, evidence to establish age, parentage, or marital status, the 20% earnings limitation, *de minimis* amounts that are exempt from overpayment recovery efforts, benefit forfeitures for felony convictions, line-of-duty police officer disability benefits, disability retirement annuity claims procedure, and board candidate petitions. The First Notice version was published in Volume 48 of the Illinois Register on August 2, 2024 (48 Ill. Reg. 10992 (August 2, 2024)). SURS will be required to keep the first notice period open for at least 45 days (September 16, 2024) to receive any potential public comment before proceeding to the Second Notice phase and then final adoption of the rulemaking changes.

A copy of the staff memorandum titled “Memo to LL Committee Rulemaking Update” has been incorporated into these minutes as [Exhibit 3](#).

Compliance Stop Light Report

Ms. Bianca Green highlighted a few items in the August Compliance Report for 2024 and provided an overview of the report.

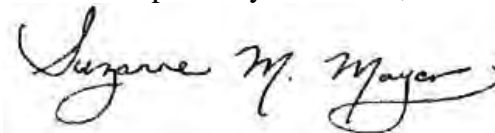
A copy of the staff report titled “August 2024 Stoplight Report” has been incorporated into these minutes as [Exhibit 4](#).

PUBLIC COMMENT

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

There was no further business brought before the committee and Trustee Lyons moved to adjourn the meeting. The motion was seconded by Trustee Giertz, and it passed via all committee members present voting in favor of the motion.

Respectfully submitted,

A handwritten signature in cursive script that reads "Suzanne M. Mayer". The signature is written in black ink and is centered on the page.

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

SMM:aa

Contact: Office of Legislative Affairs		Last Updated 8/27/24
--	--	----------------------

103RD GENERAL ASSEMBLY - 2024

Legislation amending the Illinois Pension Code is highlighted in yellow

Bill Number	Sponsor(s)	Short Title	Short Summary	Notes	Status
-------------	------------	-------------	---------------	-------	--------

Legislation Passed Both Houses

HB 4844 (ENRL)	Rep. Gabel (Sen. Cunningham)	First 2024 General Revisory	Creates the First 2024 General Revisory Act. Establishes that the Act is not intended to make any substantive change in the law. Establishes the intent of the Act to reconcile conflicts that have arisen from multiple amendments and enactments and make technical corrections and revisions in the law. Amends the SURS article of the Illinois Pension Code to incorporate references to Public Act 103-0080 and Public Act 103-0548. Makes other changes.		Governor Pritzker Signed into Law as Public Act 103-0605 (Effective 7/1/24)
HB 4959 (ENRL)	Rep. Gabel (Sen. Sims)	FY 2025 Budget Implementation Act	Creates the FY 2025 Budget Implementation Act. Makes changes in State programs necessary to implement the State budget for FY 2025. Amends the State Finance Act and the Revised Uniform Unclaimed Property Act to pay a portion of the annual required State contribution to SURS for FY 2025 from the State Pensions Fund. Allows the Travel Regulation Council to provide, by rule, for alternative methods of determining the appropriate reimbursement rate for a traveler's subsistence expenses based upon the length of travel, as well as the embarkation point and destination. Amends the GARS, SERS, SURS, TRS, and JRS articles of the Illinois Pension Code to require the applicable Board, at the request of the State Comptroller, to submit multiple monthly payments for advance payment of State contributions due to the System, beginning in FY 2025. Makes other changes.	Similar to HA #2 to SB 2665 (Rep. Gordon-Booth)	Governor Pritzker Signed into Law as Public Act 103-0588 (Effective 7/1/24)
HB 5450 (ENRL)	Rep. Ford (Sen. Halpin)	Repeal IBHE Sick Leave Report	Amends the SURS article of the Illinois Pension Code to make the following requirements inoperative on and after December 31, 2026: (1) that the Illinois Board of Higher Education and Governor's Office of Management and Budget prepare an annual report showing the amount by which costs associated with compensable sick leave have been reduced as a result of the termination of compensable sick leave accrual on and after January 1, 1998 by employees of higher education institutions who are participants in SURS; (2) that the report is disseminated to SURS, COGFA, IBHE, and the Governor; and (3) that the report must be taken into account by COGFA in making any recommendation to extend by legislation beyond December 31, 2002 the provision that allows a SURS participant to retire at any age with 30 or more years of service. Makes other changes.		Governor Pritzker Signed into Law as Public Act 103-0862 (Effective 1/1/25)
SB 251 (ENRL)	Sen. Sims (Rep. Gordon-Booth)	FY 2025 Operating and Capital Budgets	Appropriates the full certified State contribution to SURS for FY 2025 (\$2,212,810,000). (Of this amount, \$1,997,810,000 comes from the General Revenue Fund and \$215 million comes from the State Pensions Fund). Appropriates the full certified State contribution to the College Insurance Program for FY 2025 (\$9,191,049) from the Education Assistance Fund. (CIP provides health insurance benefits for certain community college retirees and their eligible dependents.) Appropriates \$226,800 for the Governor's salary 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. The Governor's salary is \$216,000 for FY 2024.) Makes other changes.		Governor Pritzker Signed into Law as Public Act 103-0589 (Effective 6/5/24)

Resolutions Adopted

HR 596	Rep. Stuart	Adjunct Faculty Fair Treatment	Urges that adjuncts/non-tenure/part-time instructors in institutions of higher education be treated with the same respect, recognition, value, and standards as full-time instructors and no longer be second class citizens within the ranks of higher education professionals as has been the practice within these institutions of higher learning. Affirms that these professionals, who have the same credentials as the full-time instructors, are being underpaid to do the same job. Pledges to seek solutions that include, but are not limited to, legislated salary parity, mandated access to health benefits, and full and fair pension reporting and accountability for all part-time/contingent/adjunct Illinois public teachers, librarians, counselors, and educational support personnel.	Nearly Identical to SR 76 (Sen. Martwick)	House Adopted Resolution on 4/30/24 (106-0-0)
------------------------	-------------	--------------------------------	---	---	---

Legislation Passed First House

Contact: Office of Legislative Affairs		Last Updated 8/27/24
--	--	----------------------

103RD GENERAL ASSEMBLY - 2024**Legislation amending the Illinois Pension Code is highlighted in yellow**

Bill Number	Sponsor(s)	Short Title	Short Summary	Notes	Status
HB 3765 (ENGR)	Rep. Kifowit (Sen. Cunningham)	Public Safety Pension Omnibus	Amends the General Provisions Article of the Illinois Pension Code to require downstate police, downstate firefighters, Chicago police, Chicago firefighters, IMRF, Cook County, SERS, and SURS to implement deferred retirement option plans (DROPs) for public safety employees by January 1, 2026. Requires the following amounts to be credited to a DROP member's account: the monthly retirement annuity (including automatic annual increases), employee contributions, and interest based on the actual rate of return on investment experienced by the applicable pension fund or retirement system (but not less than zero). Requires the account balance to be paid to the DROP member as a lump sum. Amends the downstate police, downstate firefighters, Chicago police, and Chicago firefighters pension fund articles of the Illinois Pension Code to adopt the Retirement Systems Reciprocal Act. Makes other changes.	Nearly Identical to HA #2 to HB 3765 (Rep. Kifowit) but includes interest on DROP accounts	Senate Referred to Assignments Committee on 5/22/24; Passed the House (109-0-0) on 5/22/24
HB 4508 (ENGR)	Rep. Kifowit (Sen. Martwick)	Downstate Police Reciprocity and SURS Tier II Police Retire at Age 55	Amends the SURS article of the Illinois Pension Code to allow a Tier II police officer with at least 20 years of service to retire at age 55. (Currently, Tier II police officers with at least 20 years of service can retire at age 60.)	Similar to SB 3453 (Sen. Martwick)	Senate Referred to Assignments Committee on 4/19/24; Passed the House (101-11-0) on 4/18/24
Legislation Passed Committee					
HB 3519	Rep. Kifowit	Tier II Pension Benefits	Amends the General Provisions, IMRF, Chicago Municipal, Cook County, SERS, and SURS Articles of the Illinois Pension Code to modify benefits under Tier II. Establishes that changes made by the legislation are intended to be retroactive to January 1, 2011 and apply without regard to whether a member or participant is in active service on or after the effective date of the legislation. Reduces the Tier II final rate of earnings period to the highest 5 consecutive years of service within the last 10 years of employment. (Currently, the Tier II final rate of earnings period is the highest 8 consecutive years of service out of the last 10 years of employment.) Increases the Tier II pensionable earnings limit to the federal Social Security Wage Base. (Currently, the Tier II pensionable earnings limitation is less than the federal Social Security Wage Base.) Allows a Tier II member to retire at age 60 with at least 20 years of service credit or age 67 with at least 10 years of service credit. Contains a provision allowing certain Tier II members to retire prior to age 60 with a reduced benefit. Applies automatic annual increases beginning 1 year after retirement. (Currently, automatic annual increases begin on the later of age 67 or 1 year after retirement.) Allows a Tier II member to receive an automatic annual increase on annuities calculated at the greater of 3% or 1/2 of CPI-U, non-compounded. (Currently, Tier II members receive automatic annual increases equal to the lesser of 3% or 1/2 of CPI-U, non-compounded.) Makes other changes.	Similar to HB 3520 (Rep. Kifowit), SB 3627 (Sen. D. Turner), and SB 3628 (Sen. D. Turner)	House Re-Referred to Rules Committee on 4/19/24
HB 3520	Rep. Kifowit	Tier II Pension Benefits	Amends the General Provisions, IMRF, Chicago Municipal, Cook County, SERS, and SURS Articles of the Illinois Pension Code to modify benefits under Tier II. Establishes that changes made by the legislation are intended to be retroactive to January 1, 2011 and apply without regard to whether a member or participant is in active service on or after the effective date of the legislation. Allows a Tier II member to retire at age 60 with at least 20 years of service credit or age 67 with at least 10 years of service credit. Contains a provision allowing certain Tier II members to retire prior to age 60 with a reduced benefit if the System allows Tier I members to retire prior to age 60 with a reduced benefit. Applies automatic annual increases beginning 1 year after retirement. (Currently, automatic annual increases begin on the later of age 67 or 1 year after retirement.) Makes other changes.	Similar to HB 3519 (Rep. Kifowit), SB 3627 (Sen. D. Turner), and SB 3628 (Sen. D. Turner)	House Re-Referred to Rules Committee on 4/19/24

Contact: Office of Legislative Affairs		Last Updated 8/27/24
--	--	----------------------

103RD GENERAL ASSEMBLY - 2024

Legislation amending the Illinois Pension Code is highlighted in yellow

Bill Number	Sponsor(s)	Short Title	Short Summary	Notes	Status
HB 4873	Rep. Kifowit	Tier II Pensions Omnibus	Amends several articles of the Illinois Pension Code. Increases the Tier II pensionable earnings limitation to the Social Security Taxable Wage Base over a 4-year period (from FY 2026 to FY 2029). Modifies the Tier II automatic annual increases to be 3% non-compounded and applies them beginning the January 1st occurring on or after 1 year after retirement. (Currently, Tier II AAls are the lesser of 3% or 1/2 of CPI-U, non-compounded, and begin on the January 1st occurring on or after the later of age 67 or 1 year after retirement.) Creates a Deferred Retirement Option Plan ("DROP") for members of SERS, SURS, TRS, and the CTPF. Allows eligible members to elect to participate in the DROP until January 1, 2029. Provides that an eligible member is an active member who can retire with a full and unreduced pension, is not receiving a disability or retirement annuity, and is covered by a collective bargaining agreement. Establishes that the DROP account consists of an amount equal to the member's monthly retirement annuity, any automatic annual increases thereon, and the member's employee contributions into a notional account on behalf of the DROP member. Provides that the amounts in the DROP do not accrue interest and will be paid to the member in a lump-sum. Allows a Tier II member to retire at age 62 with 35 years of service credit, age 64 with 20 years of service credit, or age 67 with 10 years of service credit. (Currently, Tier II members can retire at age 67 with 10 years of service credit or age 62 with 10 years of service credit and a reduced benefit.) Allows SURS Tier II police to retire at age 55 with 20 years of service credit. (Currently, SURS II police can retire at age 60 with 20 years of service credit.) Repeals provisions related to Tier III pension reform. Amends the General Obligation Bond Act and the State Finance Act to authorize \$500 million to be used to reduce the unfunded liability of the State-funded retirement systems and CTPF, once the bond authorized by Public Act 93-2 are retired. Adopts the Retirement Systems Reciprocal Act under the Downstate Police Pension Fund and Downstate Firefighters Pension Fund articles of the Illinois Pension Code. Makes other changes.	Similar to HB 4098 (Rep. Kifowit) -- DROPs administered by Systems	House Re-Referred to Rules Committee on 4/19/24

Pension Funding Legislation

HB 5851	Rep. Kifowit	Governor Funding Proposal	Amends the Budget Stabilization Act to require the Comptroller to transfer the following amounts from the General Revenue Fund to the Pension Stabilization Fund: \$175 million in FY 2030; \$250 million annually in FY 2031 through FY 2033; and \$750 million annually in FY 2034 through FY 2040. Amends the GARS, SERS, SURS, TRS, and JRS articles of the Illinois Pension Code to change the funding target from 90% by the end of FY 2045 to 100% by the end of FY 2048. Excludes contributions scheduled to be received in a future state fiscal year under the Budget Stabilization Act from the calculation of the State contribution to the systems. Establishes the State contribution between FY 2026 and FY 2034 as the amount to bring the assets up to 100% of the liabilities by the end of FY 2048, calculated as a level percentage of payroll under the projected unit credit actuarial cost method. Establishes the State contribution between FY 2035 and FY 2048 as: (1) the contribution amount for the upcoming State fiscal year estimated in the previous year's actuarial valuation plus (2) an adjustment for differences in the unfunded liability reported in the current actuarial valuation and the unfunded liability reported in the previous year's actuarial valuation implemented in equal annual amounts over a 20-year period so that the total assets equal 100% of the total actuarial liabilities 20 years after the State fiscal year during which the contribution is made, calculated as a level percentage of payroll under the projected unit credit actuarial cost method. Establishes that the State contribution beginning in FY 2049 as: (1) the contribution amount for the upcoming State fiscal year estimated in the previous year's actuarial valuation plus (2) an adjustment for differences in the unfunded liability reported in the current actuarial valuation and the unfunded liability reported in the previous year's actuarial valuation implemented in equal annual amounts over a 20-year period so that the total assets of the system equal 100% of the total actuarial liabilities of the system 20 years after the State fiscal year during which the contribution is made, calculated under the entry age normal actuarial cost method. Ends the smoothing of the cost of changes in actuarial or investment assumptions beginning in FY 2035. Ends the smoothing of investment gains and losses beginning on and after July 1, 2034.	Identical to SB 3954 (Sen. Martwick)	House Referred to Rules Committee on 5/16/24
-------------------------	--------------	---------------------------	---	--------------------------------------	--

Contact: Office of Legislative Affairs		Last Updated 8/27/24
--	--	----------------------

103RD GENERAL ASSEMBLY - 2024

Legislation amending the Illinois Pension Code is highlighted in yellow

Bill Number	Sponsor(s)	Short Title	Short Summary	Notes	Status
SB 3954	Sen. Martwick	Governor Funding Proposal	Amends the Budget Stabilization Act to require the Comptroller to transfer the following amounts from the General Revenue Fund to the Pension Stabilization Fund: \$175 million in FY 2030; \$250 million annually in FY 2031 through FY 2033; and \$750 million annually in FY 2034 through FY 2040. Amends the GARS, SERS, SURS, TRS, and JRS articles of the Illinois Pension Code to change the funding target from 90% by the end of FY 2045 to 100% by the end of FY 2048. Excludes contributions scheduled to be received in a future state fiscal year under the Budget Stabilization Act from the calculation of the State contribution to the systems. Establishes the State contribution between FY 2026 and FY 2034 as the amount to bring the assets up to 100% of the liabilities by the end of FY 2048, calculated as a level percentage of payroll under the projected unit credit actuarial cost method. Establishes the State contribution between FY 2035 and FY 2048 as: (1) the contribution amount for the upcoming State fiscal year estimated in the previous year's actuarial valuation plus (2) an adjustment for differences in the unfunded liability reported in the current actuarial valuation and the unfunded liability reported in the previous year's actuarial valuation implemented in equal annual amounts over a 20-year period so that the total assets equal 100% of the total actuarial liabilities 20 years after the State fiscal year during which the contribution is made, calculated as a level percentage of payroll under the projected unit credit actuarial cost method. Establishes that the State contribution beginning in FY 2049 as: (1) the contribution amount for the upcoming State fiscal year estimated in the previous year's actuarial valuation plus (2) an adjustment for differences in the unfunded liability reported in the current actuarial valuation and the unfunded liability reported in the previous year's actuarial valuation implemented in equal annual amounts over a 20-year period so that the total assets of the system equal 100% of the total actuarial liabilities of the system 20 years after the State fiscal year during which the contribution is made, calculated under the entry age normal actuarial cost method. Ends the smoothing of the cost of changes in actuarial or investment assumptions beginning in FY 2035. Ends the smoothing of investment gains and losses beginning on and after July 1, 2034.	Identical to HB 5851 (Rep. Kifowit)	Senate Referred to Assignments Committee on 5/15/24



September 5, 2024

Board of Trustees
State Universities Retirement System of Illinois
1901 Fox Drive
Champaign, Illinois 61820

Re: Estimated Financial Impact of Changes Related to Funding Changes Proposed in Illinois House Bill 5851/Senate Bill 3954 Based on the Results of the Actuarial Valuation as of June 30, 2023, Assumption Changes Adopted for the June 30, 2024 Actuarial Valuation and Preliminary June 30, 2024 Financials

Dear Members of the Board:

At your request, we have performed an actuarial impact analysis of potential changes to the statutory funding policy of the State Universities Retirement System of Illinois ("SURS"). The financial impact is measured based on the results of the June 30, 2023 actuarial valuation, the assumptions adopted from the recent experience study that are first effective with the actuarial valuation as of June 30, 2024 and preliminary financials for the fiscal year ending June 30, 2024. The changes are first reflected in the projected results as of June 30, 2024, which calculate the fiscal year 2026 Statutory contribution. The analysis was requested by SURS.

In addition, we have illustrated the financial impact of a "modified" statutory funding policy that calculates annual contributions based on normal cost plus closed-period amortization of the unfunded liability as of each respective valuation date. GRS recommends a funding policy that calculates contributions based on the liabilities of the members in the System as of the valuation date.

We have illustrated the statutory contributions, funded ratio and other key actuarial metrics based on reflecting the potential changes. We have not assessed contribution risk, including the sponsor's ability to pay the contribution requirements, the risk of contributions not being made in accordance with the current funding policy or material changes in the anticipated number of employees, plan elections or covered payroll which affect future contributions. Failure to receive employer contributions on a timely basis could jeopardize the sustainability of the System.

Following is additional background on the current and proposed statutory funding policies and a summary of the results of the financial impact of the changes.

Board of Trustees
 State Universities Retirement System of Illinois
 September 5, 2024
 Page 2

Background

The current SURS statutory funding policy includes the following:

1. Level percent of payroll contributions to reach a funded ratio of 90% by June 30, 2045 based on an open group projection of the actuarial accrued liability, payroll, benefits and assets to 2045
2. Contributions sufficient to maintain a funded ratio of 90% after 2045
3. The actuarial accrued liability is calculated based on the Projected Unit Credit actuarial cost method
4. Gains or losses on the market value of assets (MVA) compared to the investment return assumption (currently 6.50%) are recognized in the actuarial value of assets (AVA) over a five-year period (with no asset corridor to constrain the AVA within a certain percentage of the MVA, such as a 20% asset corridor to constrain the AVA to between 80% and 120% of the MVA)
5. The actuarial value of assets is projected from the valuation date based on an expected return on the AVA of the investment return assumption (6.50%)
6. A contribution cap such that the contribution plus debt service on the Pension Obligation Bond (POB) proceeds cannot be higher than the hypothetical contribution if the POB had not been issued
7. The change in the contribution rate due to assumption changes is recognized over a five-year period

Following is a comparison of the provisions under the current funding policy and the proposed policy under HB 5851/SB 3954:

Provision	Current Policy	HB 5851/SB 3954 Policy
Funded Ratio Target	90% by 2045, 90% thereafter	100% by 2048 for rates until FY 2034 Beginning FY 2035, the rate from previous year plus amount to reach 100% funded 20 years from initial fiscal year
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit to calculate contributions through FY 2049 Entry Age Normal to calculate contributions beginning with FY 2049
Asset Smoothing	Actuarial value of assets – gains/losses are smoothed over 5-year period	Actuarial value of assets prior to July 1, 2034 Market value of assets beginning July 1, 2034
Contribution cap	Contribution plus debt service cannot be higher than hypothetical contribution	Same as current



Provision	Current Policy	HB 5851/SB 3954 Policy
Assumption Changes	Financial impact of assumption changes is smoothed over 5 years	Same as current for changes that first affect contributions in FY 2034 and earlier No smoothing for changes that first affect FY 2035 and after
Contributions from Pension Stabilization Fund (PSF)	None	PSF contributions: \$175 million in FY 2030 \$250 million in FY 2031 through FY 2033 \$750 million in FY 2034 through FY 2040

Modified Funding Proposal

We have illustrated two “modified” funding policies that result in similar contributions to the policy under HB 5851/SB 3954 and a “modified” funding policy that results in similar contributions through fiscal year 2034 to the current statutory funding policy (“modified baseline”). The policies calculate annual contributions based on normal cost plus closed-period amortization of the unfunded liability as of each respective valuation date. Therefore, a projection is not required to calculate the contribution requirement and the contributions are not affected by assumptions and benefit provisions for members who are not in the plan as of the valuation date. We believe the modified policies are more actuarially sound and easier to understand than the current statutory funding policy and the funding policy proposed under HB 5851/SB 3954.

Under the modified funding policies, the unfunded liability attributable to plan experience, assumption changes and benefit provision changes that arises prior to June 30, 2032 is amortized over a closed amortization period based on amortization payments that are scheduled to increase by 2.40% each year (the assumed inflation rate). There is a graded amortization schedule, such that the unfunded liability attributable to years prior to June 30, 2032 would be fully funded by FY 2048 (the same as under HB 5851/SB 3954), without significantly increasing near-term contributions.

New unfunded liability that arises after June 30, 2032 due to plan experience, assumption changes and benefit provision changes are amortized over separate 20-year closed periods that begin at each valuation date.

The Pension Stabilization Fund contributions under HB 5851/SB 3954 are assumed to be made under the modified funding policies.

Under the modified funding policy and the modified baseline funding policy, the actuarial accrued liability is based on the Projected Unit Credit Method until 2048 and the Entry Age Normal beginning in 2049 (the same as HB 5851/SB 3954). Under the second modified (EAN) funding policy, the actuarial accrued liability is based on the Entry Age Normal beginning in 2024.



Board of Trustees
 State Universities Retirement System of Illinois
 September 5, 2024
 Page 4

Amortization Period under Modified Funding Policies

Following is the amortization period each year to amortize the unfunded liability attributable to plan experience, assumption changes and benefit provision changes that arises prior to June 30, 2032. Typically, the amortization period would begin with 23 years for the fiscal year 2026 contribution and decrease by 1 each year to fully amortize the unfunded liability by 2048. However, this modified amortization schedule, along with normal cost contributions, produces contributions that are similar to those under the current and proposed funding policies under HB 5851/SB 3954.

Valuation Year	Fiscal Year	Modified and Modified (EAN) Funding Similar to HB 5851/SB 3954		Modified Baseline Policy Similar to Current Policy	
		Amortization Period	Change in Amortization Period	Amortization Period	Change in Amortization Period
2024	2026	31		29	
2025	2027	29	-2	27	-2
2026	2028	27	-2	25	-2
2027	2029	25	-2	23	-2
2028	2030	24	-1	22	-1
2029	2031	22	-2	21	-1
2030	2032	20	-2	19	-2
2031	2033	19	-1	18	-1
2032	2034	16	-3	16	-2
2033	2035	15	-1	14	-2
2034	2036	13	-2	13	-1
2035	2037	12	-1	12	-1
2036	2038	11	-1	11	-1
2037	2039	10	-1	10	-1
2038	2040	9	-1	9	-1
2039	2041	8	-1	8	-1
2040	2042	7	-1	7	-1
2041	2043	6	-1	6	-1
2042	2044	5	-1	5	-1
2043	2045	4	-1	4	-1
2044	2046	3	-1	3	-1
2045	2047	2	-1	2	-1
2046	2048	1	-1	1	-1

New unfunded liability that arises after June 30, 2032 due to plan experience, assumption changes and benefit provision changes are amortized over separate 20-year closed periods that begin at each valuation date and following a traditional amortization schedule that begins at 20 years and decreases by 1 each year.



Board of Trustees
 State Universities Retirement System of Illinois
 September 5, 2024
 Page 5

Although GRS recommends a funding policy that results in higher contributions than those under the current, HB 5851 and both modified funding policies, we strongly recommend that the funding policy be based on a policy that calculates contributions based on normal cost plus amortization of the funded liability as of the current valuation date. Once the remaining amortization period decreases to a period of 15 to 20 years, the policy could likely be considered a “model” practice based on the Conference of Consulting Actuaries funding white paper.

Cost Impact of Proposed Funding under HB 5851/SB 3954

Changing the funding target from 90% in 2045 to 100% in 2048 is projected to decrease the statutory contributions through 2033. The contribution rate is projected to decrease significantly in fiscal year 2049 due to the unfunded liability attributable to experience through June 30, 2032 being fully funded by 2048. Based on the change from the Projected Unit Credit to the Entry Age Normal actuarial cost method, the actuarial accrued liability increases in 2049, and therefore, the funded ratio decreases.

We do not recommend a funding policy that decreases contributions compared to the current 90% by 2045 funding policy.

Results

Graph I illustrates the statutory contributions for each year through 2050 under the current funding policy, the funding policy under HB 5851/SB 3954 and the two modified funding policies (PUC through 2048 and EAN beginning in 2024). Graph II illustrates the statutory contributions for each year through 2040 (to better illustrate the differences in the contributions between the policies) and Graph III illustrates the projected funded ratios through 2050 under each funding policy.

Exhibit I(a) includes a summary of the annual projected pensionable payroll, statutory contributions and the statutory contribution as a percent of pay for each year through 2050 under the current funding policy, the funding policy under HB 5851/SB 3954 and the two modified funding policies that produce similar contributions to those under the HB 5851/SB 3954 policy. In addition, the exhibit includes a summary of the contributions through 2050 (in total and on a present value basis).

Exhibit I(b) includes a summary of the annual projected pensionable payroll, statutory contributions and the statutory contribution as a percent of pay for each year through 2050 under the current funding policy and the modified funding policy that produces similar contributions to those under the current statutory funding policy. In addition, the exhibit includes a summary of the contributions through 2050 (in total and on a present value basis) and projected funded ratios.

Exhibit I(c) includes the projected funded ratios each of the five funding policies.

Exhibits II through VI include the full projection details under each of the five funding policies.

Following is a summary of the total statutory contributions under the different the funding policies, including RSP contributions \$5,023.055 million in total through 2050 (\$2,058.601 million on a present value



Board of Trustees
 State Universities Retirement System of Illinois
 September 5, 2024
 Page 6

basis) for all scenarios. RSP contributions are included in Exhibit I(a) and I(b) and excluded in Exhibits II through VI.

The Pension Stabilization Fund contributions shown in the exhibit are included in the contributions for each of the scenarios (except for the baseline scenario, under which the PSF contributions do not apply).

The total contributions and the present value of contributions through 2045 are lower under the HB 5851 funding policy and each of the modified funding policies compared to contributions under the current funding policy (baseline). Contributions from 2046 through 2050 are higher than under the current policy due to fully funding (to 100%) the unfunded actuarial accrued liability arising through June 30, 2032.

	Total Statutory Contributions (SURS DB/RSP Contribs)					
	\$ in Millions					
	Baseline	Pension Stabilization Fund Contributions	Modified Baseline	HB 5851/ SB 3954	Modified Funding Proposal	Modified Funding (EAN)
Total Cont. 2024 Through 2034	\$28,093.257	\$328.300	\$27,976.921	\$27,566.106	\$27,566.207	\$27,756.540
Present Value of Total Cont. (6.50%)	19,911.843	184.844	19,845.154	19,529.314	19,542.979	19,659.004
Change in Present Value			(66.689)	(382.529)	(368.864)	(252.840)
Total Cont. 2035 Through 2045	\$38,226.971	\$882.000	\$36,278.589	\$37,283.339	\$36,991.057	\$38,517.693
Present Value of Total Cont. (6.50%)	13,560.918	367.352	12,956.482	13,302.584	13,190.759	13,735.384
Change in Present Value			(604.437)	(258.334)	(370.159)	174.466
Total Cont. 2046 Through 2050	\$5,253.044	\$0.000	\$13,384.000	\$13,199.954	\$13,684.024	\$13,626.802
Present Value of Total Cont. (6.50%)	1,125.131	0.000	2,990.704	2,960.443	3,058.603	3,058.325
Change in Present Value			1,865.573	1,835.311	1,933.472	1,933.194
Total Cont. 2024 Through 2050	\$71,573.272	\$1,210.300	\$77,639.510	\$78,049.399	\$78,241.288	\$79,901.035
Present Value of Total Cont. (6.50%)	34,597.893	552.197	35,792.340	35,792.340	35,792.341	36,452.713
Change in Present Value			1,194.447	1,194.447	1,194.448	1,854.820

Risks Associated with Measuring the Accrued Liability and Statutory Contribution

The determination of the accrued liability and statutory contribution requires the use of assumptions regarding future economic and demographic experience. The actuarial assumptions used to determine the contribution requirements and accrued liability are summarized in the experience study covering the period June 30, 2020 through June 30, 2023.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.



Board of Trustees
State Universities Retirement System of Illinois
September 5, 2024
Page 7

Please refer to the June 30, 2023 actuarial valuation report dated November 7, 2023 for additional discussions regarding the risks associated with measuring the accrued liability and the statutory contribution.

The scope of this actuarial impact statement does not include an analysis of the potential range of future measurements or a quantitative measurement of the future risks of not achieving the actuarial assumptions. Additional risk assessments are generally outside the scope of an Actuarial Impact Statement. Additional assessments may include stress tests, scenario tests, sensitivity tests, stochastic modeling and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability.

Disclosures

The funding policy changes were assumed to first affect the projected SURS June 30, 2024 valuation results (fiscal year 2026 statutory contribution). The actual timing of the effect on the statutory contribution will depend on the timing of legislative action. If there is a material delay in legislative action, an updated cost impact analysis should be performed based on the most recent actuarial valuation results, data and actuarial assumptions.

This report was prepared at the request of SURS and is intended for use by SURS and those designated or approved by SURS. This report may be provided to parties other than SURS only in its entirety and only with the permission of SURS and the Board.

This report is intended to describe the financial effect of the proposed funding policy changes on the pension plan. Except as otherwise noted, potential effects on other benefit plans were not considered. No statement in this report is intended to be interpreted as a recommendation in favor of the changes, or in opposition to them. This report should not be relied on for any purpose other than the purpose described above. GRS is not responsible for unauthorized use of this report.

The financial data and participant census data utilized in this analysis are the same financial data and participant census data used in the Actuarial Valuation as of June 30, 2023 as presented in our report dated November 7, 2023. The projections reflect preliminary financials for the fiscal year ending June 30, 2024. The actuarial assumptions and methods are those recommended in the experience study covering the period June 30, 2020 through June 30, 2023 and first effective with the actuarial valuation as of June 30, 2024. Additional information regarding actuarial assumptions, methods, plan provisions and other disclosures are provided in the June 30, 2023 actuarial valuation report and experience study report.

To the best of our knowledge, this actuarial statement is complete and accurate, fairly presents the actuarial position of SURS as of June 30, 2023 under the impact scenarios, and has been prepared in accordance with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

The date of the most recent actuarial valuation was June 30, 2023. This means that the projected results of this impact analysis are based on the results and census data as of June 30, 2023.



Board of Trustees
 State Universities Retirement System of Illinois
 September 5, 2024
 Page 8

If you have reason to believe that the actuarial assumptions that were used are unreasonable, that the plan provisions are incorrectly described, that important plan provisions relevant to this proposal are not described or that conditions have changed since the calculations were made, you should contact the authors of the report prior to relying on information in the report.

Although prior year statutory contribution requirements were met, the statutory funding method generates a contribution requirement that is less than a reasonable actuarially determined contribution.

Meeting the statutory requirement does not mean that the undersigned agree that adequate actuarial funding has been achieved; we recommend the development of and adherence to a funding policy that funds the normal cost of the plan, as well as an amortization payment that would seek to pay off the current total unfunded accrued liability by 2045 or sooner, if possible. The HB 5851/SB 3954 proposal and both HB 5851/SB 3954 modified policies have the effect of reducing contributions initially. While we greatly prefer a method that funds to 100% of liabilities, which all of these do, we are concerned that the initial reduction in contributions may be harmful to the System.

This report was prepared using our proprietary valuation model and related software and spreadsheet models used to calculate the statutory contributions in each future year through 2045 under the SURS statutory funding policy. In our professional judgment, the models used have the capability to provide results that are consistent with the purposes of the valuation, and have no material limitations or known weaknesses. We performed tests to ensure that the models reasonably represent that which is intended to be modeled.

The signing actuaries are independent of the plan sponsor.

Amy Williams and Kevin Noelke are Members of the American Academy of Actuaries (“MAAA”) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,
 Gabriel, Roeder, Smith & Company

Amy Williams, ASA, EA, FCA, MAAA
 Senior Consultant

Kevin Noelke, ASA, FCA, MAAA
 Consultant

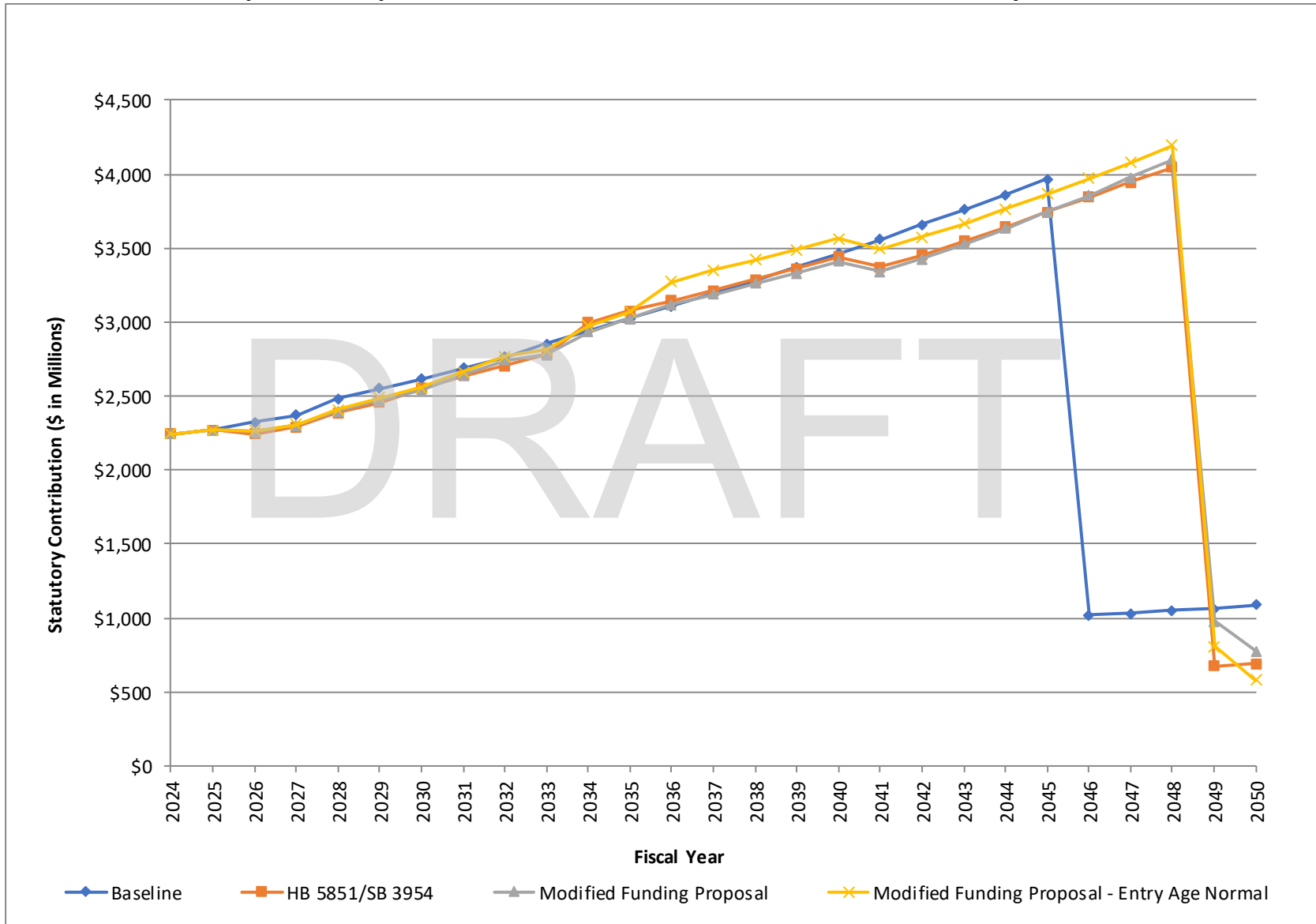
AW/MB/KN:rl

cc: Kristen Houch, SURS
 Suzanne Mayer, SURS
 Tara Myers, SURS

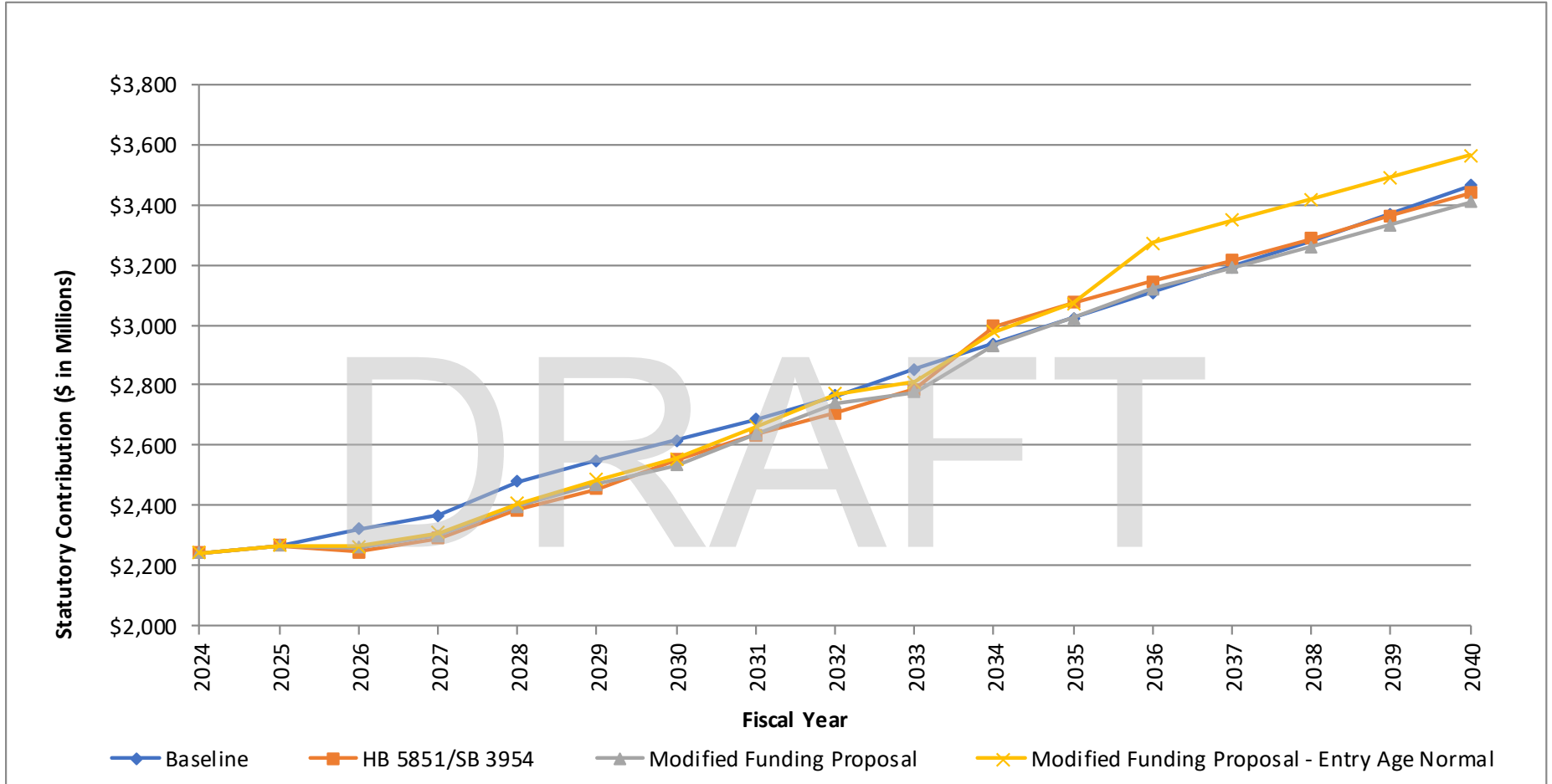
Kristen Brundirks, GRS
 Brian Murphy



Projected Statutory Contributions – Through 2050
Based on the Results of the Actuarial Valuation as of June 30, 2023
Based on Assumptions Adopted for the June 30, 2024 Valuation and Preliminary FY 2024 Financials



Projected Statutory Contributions – Through 2040
Based on the Results of the Actuarial Valuation as of June 30, 2023
Based on Assumptions Adopted for the June 30, 2024 Valuation and Preliminary FY 2024 Financials



Projected Funded Ratio
Based on the Results of the Actuarial Valuation as of June 30, 2023
Based on Assumptions Adopted for the June 30, 2024 Valuation and Preliminary FY 2024 Financials

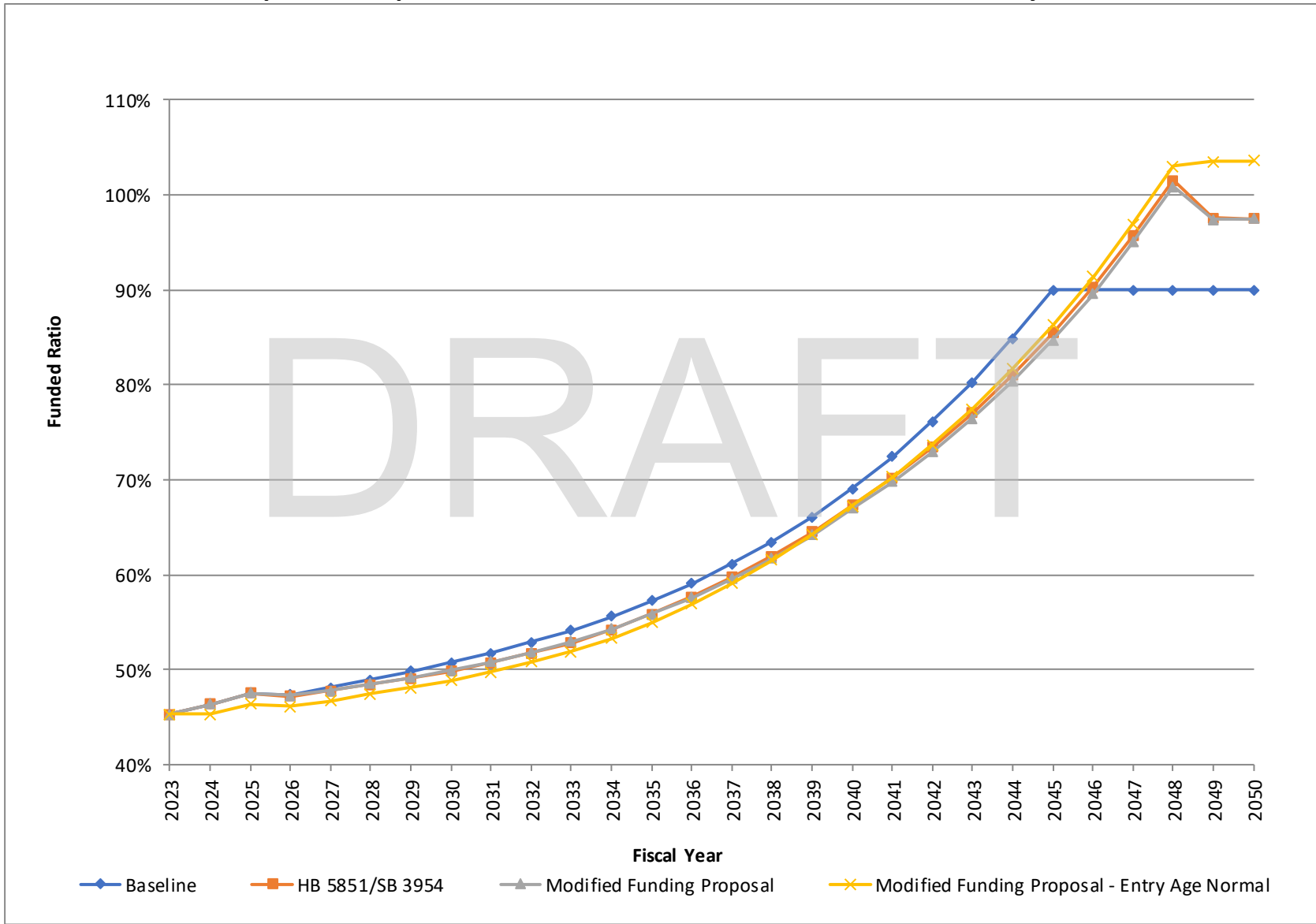


Exhibit I(a)

**Summary of Projected Pensionable Pay and Combined State/Employer Contributions (\$ and % of Pay)
Based on the Results of the Actuarial Valuation as of June 30, 2023
Based on Assumptions Adopted for the June 30, 2024 Valuation and Preliminary FY 2024 Financials
\$ in Millions**

Fiscal Year Ending	Baseline			Pension Stabilization Fund		HB 5851/SB 3954		Modified Funding Proposal		Modified Funding (EAN)		Change in Total Statutory Contribution from Baseline		
	Total Payroll	Total Statutory Contribution		\$	% of Payroll	\$	% of Payroll	\$	% of Payroll	\$	% of Payroll	HB 5851	Modified	EAN
		\$	% of Payroll											
2023	\$ 5,013.132													
2024	5,394.975	\$ 2,244.511	41.60 %	\$ -	0.00 %	\$ 2,244.511	41.60 %	\$ 2,244.511	41.60 %	\$ 2,244.511	41.60 %	\$ 0.000	\$ 0.000	\$ 0.000
2025	5,541.626	2,267.994	40.93	-	0.00	2,267.994	40.93	2,267.994	40.93	2,267.994	40.93	0.000	0.000	0.000
2026	5,698.801	2,323.191	40.77	-	0.00	2,245.086	39.40	2,260.549	39.67	2,264.427	39.74	(78.105)	(62.642)	(58.764)
2027	5,864.325	2,369.052	40.40	-	0.00	2,290.940	39.07	2,302.267	39.26	2,309.427	39.38	(78.112)	(66.785)	(59.625)
2028	6,035.984	2,479.961	41.09	-	0.00	2,387.261	39.55	2,396.753	39.71	2,407.903	39.89	(92.700)	(83.208)	(72.058)
2029	6,208.012	2,551.129	41.09	-	0.00	2,454.846	39.54	2,469.770	39.78	2,485.704	40.04	(96.283)	(81.359)	(65.425)
2030	6,381.129	2,615.676	40.99	34.300	0.54	2,551.565	39.99	2,535.444	39.73	2,554.423	40.03	(64.111)	(80.232)	(61.253)
2031	6,559.699	2,686.597	40.96	49.000	0.75	2,634.433	40.16	2,638.788	40.23	2,663.259	40.60	(52.164)	(47.809)	(23.338)
2032	6,742.136	2,765.233	41.01	49.000	0.73	2,707.242	40.15	2,739.821	40.64	2,770.632	41.09	(57.991)	(25.412)	5.399
2033	6,929.200	2,851.659	41.15	49.000	0.71	2,786.198	40.21	2,777.371	40.08	2,811.891	40.58	(65.461)	(74.288)	(39.768)
2034	7,119.555	2,938.254	41.27	147.000	2.06	2,996.030	42.08	2,932.939	41.20	2,976.369	41.81	57.776	(5.315)	38.115
2035	7,315.351	3,021.875	41.31	147.000	2.01	3,073.335	42.01	3,022.142	41.31	3,070.795	41.98	51.460	0.267	48.920
2036	7,512.937	3,106.324	41.35	147.000	1.96	3,143.613	41.84	3,118.628	41.51	3,273.096	43.57	37.289	12.304	166.772
2037	7,713.050	3,191.947	41.38	147.000	1.91	3,214.707	41.68	3,189.043	41.35	3,348.679	43.42	22.760	(2.904)	156.732
2038	7,917.593	3,279.531	41.42	147.000	1.86	3,287.381	41.52	3,259.469	41.17	3,417.548	43.16	7.850	(20.062)	138.017
2039	8,129.224	3,370.108	41.46	147.000	1.81	3,362.609	41.36	3,332.231	40.99	3,488.429	42.91	(7.499)	(37.877)	118.321
2040	8,345.936	3,462.898	41.49	147.000	1.76	3,439.628	41.21	3,408.223	40.84	3,562.139	42.68	(23.270)	(54.675)	99.241
2041	8,569.524	3,558.509	41.53	-	0.00	3,372.006	39.35	3,340.858	38.99	3,491.777	40.75	(186.503)	(217.651)	(66.732)
2042	8,798.709	3,656.462	41.56	-	0.00	3,453.276	39.25	3,424.827	38.92	3,571.485	40.59	(203.186)	(231.635)	(84.977)
2043	9,033.996	3,756.947	41.59	-	0.00	3,548.328	39.28	3,524.589	39.01	3,665.262	40.57	(208.619)	(232.358)	(91.685)
2044	9,273.340	3,859.179	41.62	-	0.00	3,645.033	39.31	3,630.250	39.15	3,763.380	40.58	(214.146)	(228.929)	(95.799)
2045	9,516.761	3,963.191	41.64	-	0.00	3,743.423	39.34	3,740.797	39.31	3,865.103	40.61	(219.768)	(222.394)	(98.088)
2046	9,763.059	1,019.195	10.44	-	0.00	3,842.991	39.36	3,855.760	39.49	3,970.262	40.67	2,823.796	2,836.565	2,951.067
2047	10,013.002	1,032.875	10.32	-	0.00	3,944.083	39.39	3,975.015	39.70	4,078.872	40.74	2,911.208	2,942.140	3,045.997
2048	10,265.717	1,050.388	10.23	-	0.00	4,046.363	39.42	4,098.417	39.92	4,190.941	40.82	2,995.975	3,048.029	3,140.553
2049	10,520.723	1,063.489	10.11	-	0.00	675.044	6.42	977.937	9.30	807.646	7.68	(388.445)	(85.552)	(255.843)
2050	10,778.790	1,087.097	10.09	-	0.00	691.473	6.42	776.895	7.21	579.081	5.37	(395.624)	(310.202)	(508.016)
Total 2024-2050	211,943.154	71,573.272		1,210.300		78,049.399		78,241.288		79,901.035		6,476.127	6,668.016	8,327.763
PV based on 6.50%	92,222.697	34,597.893	37.52	552.197	0.60	35,792.340	38.81	35,792.341	38.81	36,452.713	39.53	1,194.447	1,194.448	1,854.820

Includes RSP contributions of \$5,023.055 million in total (\$2,058.601 million on a present value basis) for all scenarios.

¹Includes contributions from Pension Stabilization Fund.



Exhibit I(b)

**Summary of Projected Pensionable Pay and Combined State/Employer Contributions (\$ and % of Pay)
Based on the Results of the Actuarial Valuation as of June 30, 2023
Based on Assumptions Adopted for the June 30, 2024 Valuation and Preliminary FY 2024 Financials
\$ in Millions**

Fiscal Year Ending	Baseline			Pension Stabilization Fund Contributions		Modified Baseline Funding		Change in Total Statutory Contribution from Baseline	Funded Ratio		
	Total Payroll	Total Statutory Contribution		\$	% of Payroll	Total Statutory Contribution ¹			Modified Baseline	Baseline	Modified
		\$	% of Payroll			\$	% of Payroll				
2023	\$ 5,013.132								45.34	45.34	0.00 %
2024	5,394.975	\$ 2,244.511	41.60 %	\$ -	0.00 %	\$ 2,244.511	41.60 %	\$ 0.000	46.38	46.38	0.00
2025	5,541.626	2,267.994	40.93	-	0.00	2,267.994	40.93	0.000	47.53	47.53	0.00
2026	5,698.801	2,323.191	40.77	-	0.00	2,319.029	40.69	(4.162)	47.38	47.38	(0.01)
2027	5,864.325	2,369.052	40.40	-	0.00	2,366.451	40.35	(2.601)	48.09	48.07	(0.01)
2028	6,035.984	2,479.961	41.09	-	0.00	2,469.522	40.91	(10.439)	48.97	48.94	(0.03)
2029	6,208.012	2,551.129	41.09	-	0.00	2,551.475	41.10	0.346	49.82	49.79	(0.03)
2030	6,381.129	2,615.676	40.99	34.300	0.54	2,618.382	41.03	2.706	50.74	50.71	(0.03)
2031	6,559.699	2,686.597	40.96	49.000	0.75	2,668.697	40.68	(17.900)	51.76	51.69	(0.07)
2032	6,742.136	2,765.233	41.01	49.000	0.73	2,775.665	41.17	10.432	52.89	52.84	(0.05)
2033	6,929.200	2,851.659	41.15	49.000	0.71	2,813.589	40.60	(38.070)	54.16	54.04	(0.12)
2034	7,119.555	2,938.254	41.27	147.000	2.06	2,881.606	40.47	(56.648)	55.61	55.37	(0.23)
2035	7,315.351	3,021.875	41.31	147.000	2.01	3,085.324	42.18	63.449	57.24	57.10	(0.13)
2036	7,512.937	3,106.324	41.35	147.000	1.96	3,059.739	40.73	(46.585)	59.06	58.84	(0.23)
2037	7,713.050	3,191.947	41.38	147.000	1.91	3,119.473	40.44	(72.474)	61.12	60.75	(0.37)
2038	7,917.593	3,279.531	41.42	147.000	1.86	3,187.073	40.25	(92.458)	63.43	62.87	(0.57)
2039	8,129.224	3,370.108	41.46	147.000	1.81	3,257.508	40.07	(112.600)	66.10	65.29	(0.81)
2040	8,345.936	3,462.898	41.49	147.000	1.76	3,331.149	39.91	(131.749)	69.08	67.98	(1.10)
2041	8,569.524	3,558.509	41.53	-	0.00	3,261.368	38.06	(297.141)	72.42	70.70	(1.72)
2042	8,798.709	3,656.462	41.56	-	0.00	3,342.854	37.99	(313.608)	76.15	73.74	(2.40)
2043	9,033.996	3,756.947	41.59	-	0.00	3,440.061	38.08	(316.886)	80.30	77.16	(3.15)
2044	9,273.340	3,859.179	41.62	-	0.00	3,543.097	38.21	(316.082)	84.91	80.97	(3.94)
2045	9,516.761	3,963.191	41.64	-	0.00	3,650.943	38.36	(312.248)	90.00	85.23	(4.77)
2046	9,763.059	1,019.195	10.44	-	0.00	3,763.128	38.54	2,743.933	90.00	89.96	(0.04)
2047	10,013.002	1,032.875	10.32	-	0.00	3,879.527	38.74	2,846.652	90.00	95.18	5.18
2048	10,265.717	1,050.388	10.23	-	0.00	3,999.991	38.96	2,949.603	90.00	100.93	10.93
2049	10,520.723	1,063.489	10.11	-	0.00	968.093	9.20	(95.396)	90.00	97.42	7.42
2050	10,778.790	1,087.097	10.09	-	0.00	773.261	7.17	(313.836)	90.00	97.48	7.47
Total 2024-2050	211,943.154	71,573.272		1,210.300		77,639.510		6,066.238			
PV based on 6.50%	92,222.697	34,597.893	37.52	552.197	0.60	35,792.340	38.81	1,194.447			

Includes RSP contributions of \$5,023.055 million in total (\$2,058.601 million on a present value basis) for all scenarios.

¹Includes contributions from Pension Stabilization Fund.



Exhibit I(c)

Summary of Projected Funded Ratio
Based on the Results of the Actuarial Valuation as of June 30, 2023
Based on Assumptions Adopted for the June 30, 2024 Valuation and Preliminary FY 2024 Financials

Fiscal Year Ending	Baseline	HB 5851/ SB 3954	Funded Ratio			HB 5851/ SB 3954	Difference in Funded Ratio		
			Modified	Modified (EAN)	Modified Baseline		Modified	Modified (EAN)	Modified Baseline
2023	45.34%	45.34%	45.34%	45.34%	45.34%	0.00%	0.00%	0.00%	0.00%
2024	46.38	46.38	46.38	45.32	46.38	0.00	0.00	(1.07)	0.00
2025	47.53	47.53	47.53	46.44	47.53	0.00	0.00	(1.09)	0.00
2026	47.38	47.23	47.26	46.19	47.38	(0.15)	(0.12)	(1.20)	(0.01)
2027	48.09	47.78	47.83	46.76	48.07	(0.31)	(0.25)	(1.33)	(0.01)
2028	48.97	48.48	48.55	47.47	48.94	(0.50)	(0.42)	(1.50)	(0.03)
2029	49.82	49.12	49.23	48.16	49.79	(0.70)	(0.60)	(1.67)	(0.03)
2030	50.74	49.88	49.96	48.91	50.71	(0.86)	(0.78)	(1.84)	(0.03)
2031	51.76	50.75	50.84	49.80	51.69	(1.01)	(0.91)	(1.96)	(0.07)
2032	52.89	51.71	51.87	50.85	52.84	(1.17)	(1.01)	(2.04)	(0.05)
2033	54.16	52.80	52.95	51.96	54.04	(1.36)	(1.21)	(2.21)	(0.12)
2034	55.61	54.26	54.31	53.35	55.37	(1.34)	(1.30)	(2.26)	(0.23)
2035	57.24	55.90	55.86	54.94	57.10	(1.34)	(1.38)	(2.30)	(0.13)
2036	59.06	57.71	57.62	56.92	58.84	(1.36)	(1.44)	(2.14)	(0.23)
2037	61.12	59.72	59.58	59.12	60.75	(1.40)	(1.54)	(2.01)	(0.37)
2038	63.43	61.95	61.75	61.53	62.87	(1.48)	(1.68)	(1.90)	(0.57)
2039	66.10	64.50	64.23	64.26	65.29	(1.59)	(1.86)	(1.84)	(0.81)
2040	69.08	67.34	66.99	67.26	67.98	(1.74)	(2.09)	(1.82)	(1.10)
2041	72.42	70.22	69.79	70.32	70.70	(2.20)	(2.62)	(2.10)	(1.72)
2042	76.15	73.43	72.93	73.71	73.74	(2.72)	(3.22)	(2.44)	(2.40)
2043	80.30	77.02	76.44	77.47	77.16	(3.28)	(3.86)	(2.83)	(3.15)
2044	84.91	81.02	80.37	81.65	80.97	(3.89)	(4.54)	(3.26)	(3.94)
2045	90.00	85.45	84.75	86.27	85.23	(4.55)	(5.25)	(3.73)	(4.77)
2046	90.00	90.33	89.61	91.35	89.96	0.33	(0.39)	1.35	(0.04)
2047	90.00	95.70	94.99	96.93	95.18	5.70	4.99	6.93	5.18
2048	90.00	101.56	100.90	103.04	100.93	11.56	10.90	13.04	10.93
2049	90.00	97.56	97.41	103.53	97.42	7.56	7.42	13.53	7.42
2050	90.00	97.48	97.48	103.62	97.48	7.47	7.47	13.62	7.47



Projected Baseline Results of Actuarial Valuation as of June 30, 2023
Based on Assumptions Adopted for the June 30, 2024 Valuation and Preliminary FY 2024 Financials
\$ in Millions

Fiscal Year Ending	Total Payroll ¹	RSP Payroll	DB Payroll ¹	SURS Contributions ²	Member Contributions	Benefits	Expenses	Assets EOY	AAL	Funding Ratio	UAAL	Normal Cost
2023	\$ 5,013.132	\$ 1,221.769	\$ 3,791.363	\$ 2,138.712	\$ 299.585	\$ 3,074.609	\$ 23.715	\$ 23,381.241	\$ 51,570.431	45.34 %	\$ 28,189.190	
2024	5,394.975	1,344.399	4,050.576	2,149.498	335.419	3,160.148	23.961	24,297.861	52,383.035	46.38	28,085.174	\$ 783.135
2025	5,541.626	1,425.409	4,116.217	2,167.369	329.709	3,341.329	30.429	25,256.623	53,142.354	47.53	27,885.731	777.782
2026	5,698.801	1,512.748	4,186.054	2,215.632	335.303	3,452.446	31.388	25,507.333	53,831.041	47.38	28,323.708	772.643
2027	5,864.325	1,599.711	4,264.615	2,255.341	341.596	3,551.381	32.376	26,187.728	54,458.149	48.09	28,270.421	768.540
2028	6,035.984	1,685.450	4,350.534	2,360.183	348.478	3,651.095	33.396	26,944.068	55,020.056	48.97	28,075.988	765.587
2029	6,208.012	1,771.532	4,436.480	2,425.259	355.362	3,750.269	34.448	27,659.216	55,513.674	49.82	27,854.458	763.210
2030	6,381.129	1,857.991	4,523.138	2,483.686	362.303	3,851.969	35.533	28,382.235	55,932.240	50.74	27,550.005	761.107
2031	6,559.699	1,947.639	4,612.060	2,548.261	369.426	3,944.822	36.653	29,129.264	56,280.604	51.76	27,151.340	759.581
2032	6,742.136	2,039.998	4,702.138	2,620.360	376.641	4,037.395	37.807	29,909.975	56,554.752	52.89	26,644.777	758.313
2033	6,929.200	2,135.088	4,794.112	2,700.055	384.008	4,121.839	38.998	30,742.906	56,759.143	54.16	26,016.237	757.906
2034	7,119.555	2,232.889	4,886.665	2,779.727	391.422	4,196.893	40.227	31,641.125	56,899.867	55.61	25,258.742	758.406
2035	7,315.351	2,334.253	4,981.099	2,856.173	398.986	4,265.064	41.494	32,612.767	56,980.315	57.24	24,367.548	759.319
2036	7,512.937	2,437.454	5,075.483	2,933.317	406.546	4,330.808	42.801	33,665.783	56,998.948	59.06	23,333.165	760.110
2037	7,713.050	2,543.280	5,169.771	3,011.448	414.099	4,388.852	44.149	34,814.378	56,959.540	61.12	22,145.162	760.749
2038	7,917.593	2,652.364	5,265.228	3,091.309	421.745	4,445.018	45.540	36,068.539	56,860.648	63.43	20,792.109	761.769
2039	8,129.224	2,764.652	5,364.572	3,173.937	429.702	4,393.602	46.974	37,549.285	56,810.742	66.10	19,261.457	764.061
2040	8,345.936	2,880.156	5,465.781	3,258.550	437.809	4,426.601	48.454	39,186.383	56,727.434	69.08	17,541.051	767.845
2041	8,569.524	2,997.603	5,571.921	3,345.846	446.311	4,446.704	49.980	41,006.434	56,624.255	72.42	15,617.821	773.948
2042	8,798.709	3,117.223	5,681.485	3,435.328	455.087	4,457.373	51.555	43,033.554	56,512.557	76.15	13,479.003	782.867
2043	9,033.996	3,238.966	5,795.030	3,527.192	464.182	4,458.401	53.179	45,293.889	56,404.326	80.30	11,110.437	794.296
2044	9,273.340	3,362.976	5,910.364	3,620.641	473.420	4,451.442	54.854	47,812.571	56,310.016	84.91	8,497.445	807.648
2045	9,516.761	3,489.663	6,027.098	3,715.681	482.771	4,437.020	56.582	50,615.797	56,239.775	90.00	5,623.978	822.490
2046	9,763.059	3,618.014	6,145.045	762.593	492.218	4,419.311	58.364	50,579.865	56,199.836	90.00	5,619.971	838.569
2047	10,013.002	3,748.961	6,264.041	766.996	501.750	4,396.710	60.202	50,577.406	56,198.284	90.00	5,620.878	855.679
2048	10,265.717	3,882.292	6,383.425	775.062	511.312	4,372.911	62.099	50,615.582	56,239.571	90.00	5,623.989	873.487
2049	10,520.723	4,018.191	6,502.532	778.534	520.853	4,349.920	64.055	50,691.377	56,326.051	90.00	5,634.674	891.683
2050	10,778.790	4,157.930	6,620.861	792.241	530.331	4,328.477	66.073	50,816.071	56,459.279	90.00	5,643.208	910.088
Total 2024-2050				66,550.219	11,316.789	111,427.800	1,221.571					21,350.818
Present Value at July 1, 2024 based on 6.50%				32,539.293	5,073.739	51,275.727	519.971					10,098.864

¹ Payroll shown is pensionable pay. It does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.

² Excludes RSP contributions of \$5,023.055 million in total (\$2,058.601 million on a present value basis). Includes employer contributions.



HB 5851/SB 3954 Projected Results Based on the Actuarial Valuation as of June 30, 2023
Based on Assumptions Adopted for the June 30, 2024 Valuation and Preliminary FY 2024 Financials
\$ in Millions

Fiscal Year Ending	Total Payroll ¹	RSP Payroll	DB Payroll ¹	SURS Contributions ²	Member Contributions	Benefits	Expenses	Assets EOY	AAL	Funding Ratio	UAAL	Normal Cost
2023	\$ 5,013.132	\$ 1,221.769	\$ 3,791.363	\$ 2,138.712	\$ 299.585	\$ 3,074.609	\$ 23.715	\$ 23,381.241	\$ 51,570.431	45.34 %	\$ 28,189.190	
2024	5,394.975	1,344.399	4,050.576	2,149.498	335.419	3,160.148	23.961	24,297.861	52,383.035	46.38	28,085.174	\$ 783.135
2025	5,541.626	1,425.409	4,116.217	2,167.369	329.709	3,341.329	30.429	25,256.623	53,142.354	47.53	27,885.731	777.782
2026	5,698.801	1,512.748	4,186.054	2,137.527	335.303	3,452.446	31.388	25,426.730	53,831.041	47.23	28,404.311	772.643
2027	5,864.325	1,599.711	4,264.615	2,177.229	341.596	3,551.381	32.376	26,021.275	54,458.149	47.78	28,436.874	768.540
2028	6,035.984	1,685.450	4,350.534	2,267.483	348.478	3,651.095	33.396	26,671.130	55,020.056	48.48	28,348.926	765.587
2029	6,208.012	1,771.532	4,436.480	2,328.976	355.362	3,750.269	34.448	27,269.174	55,513.674	49.12	28,244.500	763.210
2030	6,381.129	1,857.991	4,523.138	2,419.575	362.303	3,851.969	35.533	27,900.679	55,932.240	49.88	28,031.561	761.107
2031	6,559.699	1,947.639	4,612.060	2,496.097	369.426	3,944.822	36.653	28,562.574	56,280.604	50.75	27,718.030	759.581
2032	6,742.136	2,039.998	4,702.138	2,562.369	376.641	4,037.395	37.807	29,246.604	56,554.752	51.71	27,308.148	758.313
2033	6,929.200	2,135.088	4,794.112	2,634.594	384.008	4,121.839	38.998	29,968.861	56,759.143	52.80	26,790.282	757.906
2034	7,119.555	2,232.889	4,886.665	2,837.503	391.422	4,196.893	40.227	30,876.391	56,899.867	54.26	26,023.476	758.406
2035	7,315.351	2,334.253	4,981.099	2,907.633	398.986	4,265.064	41.494	31,851.432	56,980.315	55.90	25,128.883	759.319
2036	7,512.937	2,437.454	5,075.483	2,970.606	406.546	4,330.808	42.801	32,893.443	56,998.948	57.71	24,105.505	760.110
2037	7,713.050	2,543.280	5,169.771	3,034.208	414.099	4,388.852	44.149	34,015.323	56,959.540	59.72	22,944.217	760.749
2038	7,917.593	2,652.364	5,265.228	3,099.159	421.745	4,445.018	45.540	35,225.647	56,860.648	61.95	21,635.001	761.769
2039	8,129.224	2,764.652	5,364.572	3,166.438	429.702	4,393.602	46.974	36,643.866	56,810.742	64.50	20,166.876	764.061
2040	8,345.936	2,880.156	5,465.781	3,235.280	437.809	4,426.601	48.454	38,198.098	56,727.434	67.34	18,529.336	767.845
2041	8,569.524	2,997.603	5,571.921	3,159.343	446.311	4,446.704	49.980	39,761.441	56,624.255	70.22	16,862.814	773.948
2042	8,798.709	3,117.223	5,681.485	3,232.142	455.087	4,457.373	51.555	41,497.952	56,512.557	73.43	15,014.605	782.867
2043	9,033.996	3,238.966	5,795.030	3,318.573	464.182	4,458.401	53.179	43,443.180	56,404.326	77.02	12,961.146	794.296
2044	9,273.340	3,362.976	5,910.364	3,406.495	473.420	4,451.442	54.854	45,620.569	56,310.016	81.02	10,689.447	807.648
2045	9,516.761	3,489.663	6,027.098	3,495.913	482.771	4,437.020	56.582	48,054.517	56,239.775	85.45	8,185.258	822.490
2046	9,763.059	3,618.014	6,145.045	3,586.389	492.218	4,419.311	58.364	50,766.227	56,199.836	90.33	5,433.609	838.569
2047	10,013.002	3,748.961	6,264.041	3,678.204	501.750	4,396.710	60.202	53,780.213	56,198.284	95.70	2,418.071	855.679
2048	10,265.717	3,882.292	6,383.425	3,771.037	511.312	4,372.911	62.099	57,118.384	56,239.571	101.56	(878.813)	873.487
2049	10,520.723	4,018.191	6,502.532	390.089	520.853	4,349.920	64.055	57,215.990	58,649.862	97.56	1,433.872	891.683
2050	10,778.790	4,157.930	6,620.861	396.617	530.331	4,328.477	66.073	57,356.505	58,840.692	97.48	1,484.187	910.088
Total 2024-2050				73,026.346	11,316.789	111,427.800	1,221.571					21,350.818
Present Value at July 1, 2024 based on 6.50%				33,733.741	5,073.739	51,275.727	519.971					10,098.864

¹ Payroll shown is pensionable pay. It does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.

² Excludes RSP contributions of \$5,023.055 million in total (\$2,058.601 million on a present value basis). Includes employer contributions.



Modified Funding Plan Projected Results Based on the Actuarial Valuation as of June 30, 2023
Based on Assumptions Adopted for the June 30, 2024 Valuation and Preliminary FY 2024 Financials
\$ in Millions

Fiscal Year Ending	Total Payroll ¹	RSP Payroll	DB Payroll ¹	SURS Contributions ²	Member Contributions	Benefits	Expenses	Assets EOY	AAL	Funding Ratio	UAAL	Normal Cost
2023	\$ 5,013.132	\$ 1,221.769	\$ 3,791.363	\$ 2,138.712	\$ 299.585	\$ 3,074.609	\$ 23.715	\$ 23,381.241	\$ 51,570.431	45.34 %	\$ 28,189.190	
2024	5,394.975	1,344.399	4,050.576	2,149.498	335.419	3,160.148	23.961	24,297.861	52,383.035	46.38	28,085.174	\$ 783.135
2025	5,541.626	1,425.409	4,116.217	2,167.369	329.709	3,341.329	30.429	25,256.623	53,142.354	47.53	27,885.731	777.782
2026	5,698.801	1,512.748	4,186.054	2,152.990	335.303	3,452.446	31.388	25,442.687	53,831.041	47.26	28,388.354	772.643
2027	5,864.325	1,599.711	4,264.615	2,188.556	341.596	3,551.381	32.376	26,049.958	54,458.149	47.83	28,408.191	768.540
2028	6,035.984	1,685.450	4,350.534	2,276.975	348.478	3,651.095	33.396	26,711.473	55,020.056	48.55	28,308.583	765.587
2029	6,208.012	1,771.532	4,436.480	2,343.900	355.362	3,750.269	34.448	27,327.542	55,513.674	49.23	28,186.132	763.210
2030	6,381.129	1,857.991	4,523.138	2,403.454	362.303	3,851.969	35.533	27,946.203	55,932.240	49.96	27,986.037	761.107
2031	6,559.699	1,947.639	4,612.060	2,500.452	369.426	3,944.822	36.653	28,615.552	56,280.604	50.84	27,665.052	759.581
2032	6,742.136	2,039.998	4,702.138	2,594.948	376.641	4,037.395	37.807	29,336.647	56,554.752	51.87	27,218.105	758.313
2033	6,929.200	2,135.088	4,794.112	2,625.767	384.008	4,121.839	38.998	30,055.647	56,759.143	52.95	26,703.496	757.906
2034	7,119.555	2,232.889	4,886.665	2,774.412	391.422	4,196.893	40.227	30,903.709	56,899.867	54.31	25,996.158	758.406
2035	7,315.351	2,334.253	4,981.099	2,856.440	398.986	4,265.064	41.494	31,827.695	56,980.315	55.86	25,152.620	759.319
2036	7,512.937	2,437.454	5,075.483	2,945.621	406.546	4,330.808	42.801	32,842.379	56,998.948	57.62	24,156.569	760.110
2037	7,713.050	2,543.280	5,169.771	3,008.544	414.099	4,388.852	44.149	33,934.455	56,959.540	59.58	23,025.085	760.749
2038	7,917.593	2,652.364	5,265.228	3,071.247	421.745	4,445.018	45.540	35,110.718	56,860.648	61.75	21,749.930	761.769
2039	8,129.224	2,764.652	5,364.572	3,136.060	429.702	4,393.602	46.974	36,490.116	56,810.742	64.23	20,320.626	764.061
2040	8,345.936	2,880.156	5,465.781	3,203.875	437.809	4,426.601	48.454	38,001.944	56,727.434	66.99	18,725.490	767.845
2041	8,569.524	2,997.603	5,571.921	3,128.195	446.311	4,446.704	49.980	39,520.393	56,624.255	69.79	17,103.862	773.948
2042	8,798.709	3,117.223	5,681.485	3,203.693	455.087	4,457.373	51.555	41,211.876	56,512.557	72.93	15,300.681	782.867
2043	9,033.996	3,238.966	5,795.030	3,294.834	464.182	4,458.401	53.179	43,114.011	56,404.326	76.44	13,290.315	794.296
2044	9,273.340	3,362.976	5,910.364	3,391.712	473.420	4,451.442	54.854	45,254.749	56,310.016	80.37	11,055.267	807.648
2045	9,516.761	3,489.663	6,027.098	3,493.287	482.771	4,437.020	56.582	47,662.209	56,239.775	84.75	8,577.566	822.490
2046	9,763.059	3,618.014	6,145.045	3,599.158	492.218	4,419.311	58.364	50,361.596	56,199.836	89.61	5,838.240	838.569
2047	10,013.002	3,748.961	6,264.041	3,709.136	501.750	4,396.710	60.202	53,381.203	56,198.284	94.99	2,817.081	855.679
2048	10,265.717	3,882.292	6,383.425	3,823.091	511.312	4,372.911	62.099	56,747.157	56,239.571	100.90	(507.586)	873.487
2049	10,520.723	4,018.191	6,502.532	692.982	520.853	4,349.920	64.055	57,133.215	58,649.862	97.41	1,516.647	891.683
2050	10,778.790	4,157.930	6,620.861	482.039	530.331	4,328.477	66.073	57,356.505	58,840.692	97.48	1,484.187	817.660
Total 2024-2050				73,218.235	11,316.789	111,427.800	1,221.571					21,258.390
Present Value at July 1, 2024 based on 6.50%				33,733.741	5,073.739	51,275.727	519.971					10,081.445

¹ Payroll shown is pensionable pay. It does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.

² Excludes RSP contributions of \$5,023.055 million in total (\$2,058.601 million on a present value basis). Includes employer contributions.



Modified Funding Plan (Entry Age Normal) Projected Results Based on the Actuarial Valuation as of June 30, 2023
Based on Assumptions Adopted for the June 30, 2024 Valuation and Preliminary FY 2024 Financials
\$ in Millions

Fiscal Year Ending	Total Payroll ¹	RSP Payroll	DB Payroll ¹	SURS Contributions ²	Member Contributions	Benefits	Expenses	Assets EOY	AAL	Funding Ratio	UAAL	Normal Cost
2023	\$ 5,013.132	\$ 1,221.769	\$ 3,791.363	\$ 2,138.712	\$ 299.585	\$ 3,074.609	\$ 23.715	\$ 23,381.241	\$ 51,570.431	45.34 %	\$ 28,189.190	
2024	5,394.975	1,344.399	4,050.576	2,149.498	335.419	3,160.148	23.961	24,297.861	53,614.943	45.32	29,317.082	\$ 719.350
2025	5,541.626	1,425.409	4,116.217	2,167.369	329.709	3,341.329	30.429	25,256.623	54,389.059	46.44	29,132.436	713.248
2026	5,698.801	1,512.748	4,186.054	2,156.868	335.303	3,452.446	31.388	25,446.689	55,093.458	46.19	29,646.769	708.084
2027	5,864.325	1,599.711	4,264.615	2,195.716	341.596	3,551.381	32.376	26,061.610	55,737.675	46.76	29,676.065	704.305
2028	6,035.984	1,685.450	4,350.534	2,288.125	348.478	3,651.095	33.396	26,735.389	56,318.526	47.47	29,583.137	702.036
2029	6,208.012	1,771.532	4,436.480	2,359.834	355.362	3,750.269	34.448	27,369.456	56,833.096	48.16	29,463.640	700.381
2030	6,381.129	1,857.991	4,523.138	2,422.433	362.303	3,851.969	35.533	28,010.428	57,274.682	48.91	29,264.254	698.936
2031	6,559.699	1,947.639	4,612.060	2,524.923	369.426	3,944.822	36.653	28,709.205	57,648.451	49.80	28,939.246	698.229
2032	6,742.136	2,039.998	4,702.138	2,625.759	376.641	4,037.395	37.807	29,468.184	57,950.734	50.85	28,482.550	697.987
2033	6,929.200	2,135.088	4,794.112	2,660.287	384.008	4,121.839	38.998	30,231.358	58,185.934	51.96	27,954.576	698.388
2034	7,119.555	2,232.889	4,886.665	2,817.842	391.422	4,196.893	40.227	31,135.661	58,359.972	53.35	27,224.311	699.347
2035	7,315.351	2,334.253	4,981.099	2,905.093	398.986	4,265.064	41.494	32,124.933	58,476.642	54.94	26,351.709	700.947
2036	7,512.937	2,437.454	5,075.483	3,100.089	406.546	4,330.808	42.801	33,318.346	58,535.143	56.92	25,216.797	702.958
2037	7,713.050	2,543.280	5,169.771	3,168.180	414.099	4,388.852	44.149	34,606.102	58,540.032	59.12	23,933.930	705.338
2038	7,917.593	2,652.364	5,265.228	3,229.326	421.745	4,445.018	45.540	35,989.158	58,490.399	61.53	22,501.241	708.349
2039	8,129.224	2,764.652	5,364.572	3,292.258	429.702	4,393.602	46.974	37,586.849	58,494.746	64.26	20,907.897	712.355
2040	8,345.936	2,880.156	5,465.781	3,357.791	437.809	4,426.601	48.454	39,328.805	58,470.396	67.26	19,141.591	717.272
2041	8,569.524	2,997.603	5,571.921	3,279.114	446.311	4,446.704	49.980	41,089.247	58,430.050	70.32	17,340.803	723.402
2042	8,798.709	3,117.223	5,681.485	3,350.351	455.087	4,457.373	51.555	43,034.055	58,383.747	73.71	15,349.692	730.829
2043	9,033.996	3,238.966	5,795.030	3,435.507	464.182	4,458.401	53.179	45,199.805	58,342.283	77.47	13,142.478	739.451
2044	9,273.340	3,362.976	5,910.364	3,524.842	473.420	4,451.442	54.854	47,613.508	58,315.129	81.65	10,701.621	748.953
2045	9,516.761	3,489.663	6,027.098	3,617.593	482.771	4,437.020	56.582	50,302.569	58,311.674	86.27	8,009.105	759.187
2046	9,763.059	3,618.014	6,145.045	3,713.660	492.218	4,419.311	58.364	53,291.744	58,337.478	91.35	5,045.734	770.025
2047	10,013.002	3,748.961	6,264.041	3,812.993	501.750	4,396.710	60.202	56,608.990	58,400.062	96.93	1,791.072	781.408
2048	10,265.717	3,882.292	6,383.425	3,915.615	511.312	4,372.911	62.099	60,280.233	58,503.471	103.04	(1,776.762)	793.191
2049	10,520.723	4,018.191	6,502.532	522.691	520.853	4,349.920	64.055	60,720.203	58,649.862	103.53	(2,070.341)	805.297
2050	10,778.790	4,157.930	6,620.861	284.225	530.331	4,328.477	66.073	60,972.504	58,840.692	103.62	(2,131.812)	817.660
Total 2024-2050				74,877.982	11,316.789	111,427.800	1,221.571					19,656.913
Present Value at July 1, 2024 based on 6.50%				34,394.114	5,073.739	51,275.727	519.971					9,297.463

¹ Payroll shown is pensionable pay. It does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.

² Excludes RSP contributions of \$5,023.055 million in total (\$2,058.601 million on a present value basis). Includes employer contributions.



Modified Baseline Funding Plan (90% Current Policy) Projected Results Based on the Actuarial Valuation as of June 30, 2023
Based on Assumptions Adopted for the June 30, 2024 Valuation and Preliminary FY 2024 Financials
\$ in Millions

Fiscal Year Ending	Total Payroll ¹	RSP Payroll	DB Payroll ¹	SURS Contributions ²	Member Contributions	Benefits	Expenses	Assets EOY	AAL	Funding Ratio	UAAL	Normal Cost
2023	\$ 5,013.132	\$ 1,221.769	\$ 3,791.363	\$ 2,138.712	\$ 299.585	\$ 3,074.609	\$ 23.715	\$ 23,381.241	\$ 51,570.431	45.34 %	\$ 28,189.190	
2024	5,394.975	1,344.399	4,050.576	2,149.498	335.419	3,160.148	23.961	24,297.861	52,383.035	46.38	28,085.174	\$ 783.135
2025	5,541.626	1,425.409	4,116.217	2,167.369	329.709	3,341.329	30.429	25,256.623	53,142.354	47.53	27,885.731	777.782
2026	5,698.801	1,512.748	4,186.054	2,211.470	335.303	3,452.446	31.388	25,503.037	53,831.041	47.38	28,328.004	772.643
2027	5,864.325	1,599.711	4,264.615	2,252.740	341.596	3,551.381	32.376	26,180.469	54,458.149	48.07	28,277.680	768.540
2028	6,035.984	1,685.450	4,350.534	2,349.744	348.478	3,651.095	33.396	26,925.564	55,020.056	48.94	28,094.492	765.587
2029	6,208.012	1,771.532	4,436.480	2,425.605	355.362	3,750.269	34.448	27,639.868	55,513.674	49.79	27,873.806	763.210
2030	6,381.129	1,857.991	4,523.138	2,486.392	362.303	3,851.969	35.533	28,364.422	55,932.240	50.71	27,567.818	761.107
2031	6,559.699	1,947.639	4,612.060	2,530.361	369.426	3,944.822	36.653	29,091.820	56,280.604	51.69	27,188.784	759.581
2032	6,742.136	2,039.998	4,702.138	2,630.792	376.641	4,037.395	37.807	29,880.863	56,554.752	52.84	26,673.889	758.313
2033	6,929.200	2,135.088	4,794.112	2,661.985	384.008	4,121.839	38.998	30,672.614	56,759.143	54.04	26,086.529	757.906
2034	7,119.555	2,232.889	4,886.665	2,723.079	391.422	4,196.893	40.227	31,507.804	56,899.867	55.37	25,392.063	758.406
2035	7,315.351	2,334.253	4,981.099	2,919.622	398.986	4,265.064	41.494	32,536.258	56,980.315	57.10	24,444.057	759.319
2036	7,512.937	2,437.454	5,075.483	2,886.732	406.546	4,330.808	42.801	33,536.225	56,998.948	58.84	23,462.723	760.110
2037	7,713.050	2,543.280	5,169.771	2,938.974	414.099	4,388.852	44.149	34,601.607	56,959.540	60.75	22,357.933	760.749
2038	7,917.593	2,652.364	5,265.228	2,998.851	421.745	4,445.018	45.540	35,746.522	56,860.648	62.87	21,114.126	761.769
2039	8,129.224	2,764.652	5,364.572	3,061.337	429.702	4,393.602	46.974	37,090.135	56,810.742	65.29	19,720.607	764.061
2040	8,345.936	2,880.156	5,465.781	3,126.801	437.809	4,426.601	48.454	38,561.425	56,727.434	67.98	18,166.009	767.845
2041	8,569.524	2,997.603	5,571.921	3,048.705	446.311	4,446.704	49.980	40,034.207	56,624.255	70.70	16,590.048	773.948
2042	8,798.709	3,117.223	5,681.485	3,121.720	455.087	4,457.373	51.555	41,674.493	56,512.557	73.74	14,838.064	782.867
2043	9,033.996	3,238.966	5,795.030	3,210.306	464.182	4,458.401	53.179	43,519.466	56,404.326	77.16	12,884.860	794.296
2044	9,273.340	3,362.976	5,910.364	3,304.559	473.420	4,451.442	54.854	45,596.617	56,310.016	80.97	10,713.399	807.648
2045	9,516.761	3,489.663	6,027.098	3,403.433	482.771	4,437.020	56.582	47,933.570	56,239.775	85.23	8,306.205	822.490
2046	9,763.059	3,618.014	6,145.045	3,506.526	492.218	4,419.311	58.364	50,555.000	56,199.836	89.96	5,644.836	838.569
2047	10,013.002	3,748.961	6,264.041	3,613.648	501.750	4,396.710	60.202	53,488.636	56,198.284	95.18	2,709.648	855.679
2048	10,265.717	3,882.292	6,383.425	3,724.665	511.312	4,372.911	62.099	56,759.998	56,239.571	100.93	(520.427)	873.487
2049	10,520.723	4,018.191	6,502.532	683.138	520.853	4,349.920	64.055	57,136.732	58,649.862	97.42	1,513.130	891.683
2050	10,778.790	4,157.930	6,620.861	478.405	530.331	4,328.477	66.073	57,356.499	58,840.692	97.48	1,484.193	817.660
Total 2024-2050				72,616.457	11,316.789	111,427.800	1,221.571					21,258.390
Present Value at July 1, 2024 based on 6.50%				33,733.741	5,073.739	51,275.727	519.971					10,081.445

¹ Payroll shown is pensionable pay. It does not include amounts in excess of the pay caps applicable to members in Tier 2 participating in the Traditional and Portable plans.

² Excludes RSP contributions of \$5,023.055 million in total (\$2,058.601 million on a present value basis). Includes employer contributions.





To: SURS Legal & Legislative Committee
From: Albert J. Lee, SURS Associate General Counsel
Date: August 30, 2024
Re: Rulemaking Update

Pending Rulemaking Status – First Notice Published August 2, 2024

At the March 2024 quarterly meeting, the Board approved proposed rulemakings for First Notice publication regarding several administrative topics (*see* Rulemaking Update memorandum dated February 16, 2024), including benefit suspensions, service credit adjustments, the 6% Rule, evidence to establish age, parentage, or marital status, the 20% earnings limitation, *de minimis* amounts that are exempt from overpayment recovery efforts, benefit forfeitures for felony convictions, line-of-duty police officer disability benefits, disability retirement annuity claims procedure, and board candidate petitions.

To proactively address any potential issues raised by the Joint Committee on Administrative Rules (the legislative oversight body for agency rulemaking), SURS staff submitted the Board-approved language to JCAR staff for pre-draft review on March 11, 2024. JCAR responded with preliminary feedback on April 26, 2024. After reviewing JCAR's comments and holding further internal meetings, SURS staff made minor adjustments to the proposed rules in response to JCAR and filed the rulemaking for First Notice publication with the Secretary of State.

The First Notice version was published in Volume 48 of the Illinois Register on August 2, 2024 (48 Ill. Reg. 10992 (August 2, 2024)). SURS will be required to receive public comment on the proposed rules for at least 45 days (September 16, 2024) before proceeding to Second Notice and final adoption.

AUGUST COMPLIANCE REPORT (2024)

Report Owner: Compliance Officer		Complete/Next due > 30 days			Due < 30 days		Past Due/Missed	
		* indicates new requirement/change in requirement						
Department	Report	Filed With	Frequency	Statute/Rule	EOQ= End of Quarter	EOM=End of Month	Status	Notes
					Last Filed	Next Due		
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	7/2/2024	10/15/2024		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	Jun-23	Dec-24		
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								
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.	No actual report required for the board or to any third party.	40 ILCS 5/1-140	No longer reported	No longer reported		
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		

AUGUST COMPLIANCE REPORT (2024)

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)	8/25/2023	9/30/2024	
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	4/19/2024	5/1/2025	
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	FY23 - 5/29/2024	FY24	
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 9/23/2023 - Final due when final numbers are done - updated filed 10/20/2023	10/31/2024	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	FY22 sent Jan. 2023	FY23 - pending	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	12/4/2023	12/15/2024	
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	7/16/2024	10/31/2024	
Finance	IRS Form 945 Annual Return of Withheld Federal Tax (relates to the 1099R forms)	IRS only	Annual	IRS CODE	1/30/2024	1/31/2025	
Finance	Cash Receipts and Disbursement Reports	Comptroller	Quarterly	15 ILCS 405/16	7/30/2024	10/31/2024	
Finance	Agency Fixed Asset Report	Comptroller	Quarterly	15 ILCS 405/16	7/31/2024	10/31/2024	
Finance	Accounts Receivable Report	Comptroller	Quarterly	15 ILCS 405/16	7/22/2024	10/31/2024	
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 statute but the General Assembly expects to have this information from SURS; see the GA list of ISL forms	2/22/2024	Feb. 2025	
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)	10/23/2023	11/1/2024	
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)	12/19/2023	1/15/2025	
Finance	Report on SMP/RSP Participation Rate - Letter done by SURS actuary that SURS provides	COGFA	Annual	40 ILCS 5/15-158.3	10/24/2023	11/15/2024	
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)	1/3/2023	11/15/2024	
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.	12/15/2023	12/31/2024	
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	1/31/2024	1/31/2025	

AUGUST COMPLIANCE REPORT (2024)

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	1/30/2024	1/31/2025	Is this the same as 30 above?
Finance	IRS Form 1099R (FIRE) (report with details behind the 1099R forms)	IRS	Annual by 4/1 (unless extension given)	IRS CODE	4/2/2024	4/1/2025	
Finance	IRS Form 1099R Tax report (FIRE)	Forms sent to SURS members	Annual - Postmarked by 1/31	IRS CODE	1/31/2024	1/31/2025	
Finance	IRS 1042S Forms: Withholding US income of Foreign Persons - sent to members	IRS	Annual by 3/15	IRS CODE	3/5/2024	3/15/2025	
Finance	IRS 1042 Tax Return	IRS	Annual by 3/15	IRS CODE	3/5/2024	3/15/2025	
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 2023	Prelim to board in October of 2024	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 2023 Board Meeting	September 2024 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	1/31/2024	Jan-25	Finance and HR work together on these. They go out through ADP.
Finance	IRS W-3 Form	IRS	Annual	IRS Code	1/23/2024	1/31/2025	
Finance	Information to COGFA when requested	COGFA	Ad Hoc/At will/as requested	40 ILCS 5/22-803	As requested	As requested	
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 10/23/2023 and Final info sent 12/19/2023	Prelim to be sent by 11/1/2024 and final due by 1/15/2025	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.

AUGUST COMPLIANCE REPORT (2024)

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	<u>statutory reference?</u>	10/19/2023	10/31/2024	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	12/8/2023	12/31/2024		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. This is a new reporting requirement. Threshold for reporting is \$50,000.	
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			
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	1/10/2022* partial report filed for 2022 filing period. FY23 RUUPA reports for RMD and death were filed on 8/14/2023. These are the only reports we can provide until the PAS project is done.	Report for FY24 due on 11/1/2024			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.
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 Reciprocal	Sent to Reciprocal Systems	As requested	40 ILCS 5/20-126	Ongoing	ongoing			
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) Monthly (w/n 10 days of end of month)	820 ILCS 46/10	Ongoing	Ongoing			
Human Resources	Separation Report	State Universities Civil Service System	Monthly (EXCEPT 1/4/7/10)	Civil Service Rule 250.30 and/or 250.140c	8/2/2024	9/10/2024			
Human Resources	Monthly Wage Report	IDES taxnet Online	Quarterly (1/31, 4/30, 7/31, 10/31)	305 ILCS 5/11-5.2	8/3/2024	9/30/2024			
Human Resources	Form UI-3	IDES taxnet Online	Quarterly (1/31, 4/30, 7/31, 10/31)	305 ILCS 5/11-5.2	6/28/2024	10/31/2024			
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	7/1/2024	10/31/2024			

AUGUST COMPLIANCE REPORT (2024)

Human Resources	Exempt Employees Report	State Universities Civil Service System	Quarterly	110 ILCS 70/36(e)	7/1/2024	10/31/2024	SURS must file electronically due to number of employees. This info goes out by ADP with the W-2s. Same as above item.	
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	7/1/2024	10/10/2024		
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	12/22/2023	12/31/2024		
Human Resources	TA-2 - Headquarters Report	Legislative Audit Commission	Bi-Annually	St. Fin. Act 30 ILCS 105/12-3	6/13/2024	1/15/2025		
Human Resources	I-9 Eligibility	Internal Kept in Employee's Personnel File	Ad Hoc w/n 20 days of hire	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	Jan-24	1/31/2025		
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	1/31/2024	1/31/2025		
Human Resources	Civil Service Salary Report	State Universities Civil Service System	Bi-annually due 4/15 and 10/15	110 ILCS 70/36b	4/12/2024	10/15/2024		
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)	1/4/2024	3/1/2025		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		
INVESTMENTS COMPLIANCE ITEMS								
Investments	Investment Update Report	Online Surs.org	75 days after month end	Internal procedure - monthly	June posted 8/21/2024	July due 9/15/2024	These reports are often delayed - waiting for private equity information and quarter end delays.	
Investments	Investments Information Report - Monthly Report to Gov. on MWDB Firms / HR / Vendors	Online Surs.org Governor and General Assembly	Monthly (by the 15th) Annual by January 1	30 ILCS 237/10 40 ILCS 5/1-109.1(8)	8/15/2024 12/28/2023	9/15/2024 1/1/2025		
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		

AUGUST COMPLIANCE REPORT (2024)

Investments	Consultant Report on MWDB searches*	Consultant must disclose to the SURS Board of Trustees	Annual by January 1	40 ILCS 5/1-113.22	Both - 12/28/23	1/1/2025	*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*	Consultant must disclose to the SURS Board of Trustees	Annual by January 1	40 ILCS 5/1-113.23	Both - 12/28/23	1/1/2025	
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 Formerly to the Dept. of Financial and Professional Regulation - now filed with the Public Pension Division of the Department of Insurance	Annual by April 1	40 ILCS 5/1-110.16(g)	3/27/2024	4/1/2025	
Investments	Illinois Finance Entity/High Risk Home Loan Act Cert.		Annual	40 ILCS 5/1-110.10	8/23/2023	9/30/2024	
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)	8/31/2023	9/1/2024	
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)	5/7/2024	9/30/2024	Regina provides this info.
Investments	Investment Manager and Consultant Fee Disclosure - (DC Plan) Fees and Description of every investment contract	SURS.org website	Quarterly	40 ILCS 5/1-113.14(e) and (g) and 40 ILCS 5/1-113.16(d)	7/19/2024	10/31/2024	Brian provides this info.
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	6/4/2024	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)	As needed	As needed	
Investments	General Investment Policy - Initial Filing and Updates	Illinois Department of Insurance	Ad Hoc	40 ILCS 5/1-113.17	As needed	w/30 days of updates to policy	This statutory requirement is met by the public disclosure 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	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	
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	

AUGUST COMPLIANCE REPORT (2024)

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	New statute requires inv. policy to include sustainability factors
Investments	Managers' Annual Certification of Fiduciary Duty and Compliance with Insurance Requirements	Internal on file	Annual	contract provisions	9/1/2023	9/1/2024	
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	9/1/2023	9/1/2024	
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	
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	General Ethics Training Plan for Staff and Trustees	SURS Internal Auditor and OEIG	Annual (no specific date in statute)	5 ILCS 430/5-10	1/16/2024	1/15/2025	This is a line item on the year end training report.
Legal & Ethics	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	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	Annual Completed Ethics Training <u>Report</u> 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)	1/16/2024	1/15/2025	
Legal & Ethics	Annual Ethics Training Staff (OneNet)	OEIG	Annual by 12/31	5 ILCS 430/5-10	12/31/2024	12/31/2025	
Legal & Ethics	Annual Ethics Training <u>Report</u> of Completion - Staff (OneNet)	Report goes to the OEIG	Annual - report due by 1/15 of the following year	5 ILCS 430/5-10	1/16/2024	1/15/2025	
Legal & Ethics	Anti-Discrimination and Harassment Training for Trustees (OneNet)	OEIG	Annual (to be completed by 6/30 b- 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	Anti-Discrimination and Harassment Training for Trustees - <u>Report</u> 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)	1/16/2024	1/15/2025	
Legal & Ethics	Anti-Discrimination and Harassment Training for Staff (OneNet)	IL Executive Ethics Commission - OEIG	Annual	5 ILCS 430/5-10.5(a-5)	12/31/2023	12/31/2024	
Legal & Ethics	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)	1/16/2024	1/15/2025	
Legal & Ethics	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	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	Additional Diversity/Inclusion Training offered by the Governor's Office - staff	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*	*if SURS decides to voluntarily take this additional training 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	6/12/2024	1/1/2025	
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	

AUGUST COMPLIANCE REPORT (2024)

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	5/1/2025
Legal & Ethics	Ex Parte Communications Reports	Executive Ethics Commission	As Needed/Ad Hoc	5 ILCS 430/5-50	5/1/2024 - trustees 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	2/28/2024	4/1/2025
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 Manual - Public Facing	Posted to SURS.org	Ongoing requirement - to be updated annually	5 ILCS 140/4	6/10/2024	6/30/2025

These forms are mailed to SURS from the County Assessor.

This needs to be updated annually to reflect the new budget figure.