

Members Encouraged to Apply this Fall

The voting period for the election will take place April 1 – May 3, 2027. The election will be conducted by the independent election firm, YesElections. SURS encourages all eligible members to consider running for a seat on the board.

The terms of elected trustees Andriy Bodnaruk (active member), Herbert Pitman (active member), and Fred Giertz (annuitant member) will expire in July 2027.

Candidate packets became available October 1. See details at surs.org/surs-2027-election. **Cont. on Page 2**



Are you a new SURS member who has not yet elected your core SURS retirement plan? SURS has three strong plan options for you to choose among—SURS Traditional, Portable, and Retirement Savings Plan. Your choice is a one-time selection and determines which plan you will contribute to throughout your career, so it's important to carefully review all of your options. Before electing your core SURS plan, log in to your member account at surs.org and utilize SURS Plan Choice Decision Tool to help you choose the plan that best fits your needs and goals. 🟩

SURS TRUSTEE ELECTION 2027 CONT.

State Law Limits Number of Trustees with Affiliations to U of I

According to state law, the SURS board can have a maximum of two active-member trustees and one annuitant trustee who are employed by or retired from the University of Illinois (all campuses). The current board has one active-member trustee, Trustee Colin Van Meter, from the University of Illinois Urbana-Champaign whose term does not expire until 2030. Therefore, a maximum of one active-member trustee from any of the University of Illinois campuses may be elected from the U of I campuses in this election.

Applications, nominating petitions and detailed information became available Oct. 1, 2026. Questions and requests can be directed to Kelly Carson at kcarson@surs.org.

Candidates may utilize electronic petitions for members to sign online via YesElections, they may circulate hard copy petitions, or they can use a combination of both.

All eligible SURS members will receive voting instructions and candidate information on or before April 1, 2027. Members will be able to vote online, by phone, or by returning a paper ballot in a postage-paid envelope.

The SURS board is made up of 11 trustees. Four trustees are elected by active SURS members, two are elected by retired SURS members and five are appointed by the governor of Illinois (one of whom is the chairperson of the Illinois Board of Higher Education). The governor designates the board chairperson from the 11 trustees.

The board meets quarterly, with additional committee meetings scheduled throughout the year. Trustees are also required to complete at least eight hours of annual training. ▀



To be included on the ballot, active SURS members will need to:

- *Be actively employed by a SURS-covered employer and be making employee contributions to SURS within the 31 days preceding March 1, 2027.*
- *Fill out an application and provide biographic information to SURS before Dec. 31, 2026.*
- *Collect at least 400 signatures from active SURS members and return completed hard copy or electronic petitions to SURS by Feb. 1, 2027, for validation.*

To be included on the ballot, annuitants will need to:

- *Be retired from a SURS-covered employer for at least one full year prior to the election held on May 3, 2027.*
- *Fill out an application and provide biographic information to SURS by Dec. 31, 2026.*
- *Collect at least 100 signatures from annuitant SURS members and return the completed hard copy or electronic petitions to SURS by Feb. 1, 2027, for validation.*

LEGISLATIVE UPDATE

2026 Spring Session Recap

This spring, the Illinois General Assembly passed three bills impacting SURS. Two bills were part of the Fiscal Year 2027 budget (House Bill 111/Public Act 104-0460 and House Bill 2949/Public Act 104-0462). The other bill was an extension of the optional buyout programs (i.e., House Bill 5196/Public Act 104-0463).

The Fiscal Year 2027 budget appropriates the full amount due to SURS under Illinois law so that SURS reaches a funded status of 90% by the end of fiscal year 2045. This amount is \$2,366,144,000.

New this year, as part of the budget, the Illinois General Assembly passed a law requiring any balance above \$150 million in the Income Tax Refund Fund on the last day of the fiscal year to be used to reduce the State's pension debt.

As part of its continuing efforts to reduce the State's pension debt, the Illinois General Assembly extended the optional buyout programs, the Vested, Inactive Buyout and the Tier I Automatic Annual Increase Buyout for an additional two years, from June 30, 2026, to June 30, 2028.

The optional buyout programs are financed through the issuance of a total of \$3.2 billion in bonds (approximately \$2.2 billion of which has been spent to-date), shared between the State Employees Retirement System, the Teachers Retirement System, and SURS. As of February 2026, the Governor's Office of Management and Budget estimated the optional buyout programs have reduced the State's pension debt by \$2.9 billion. SURS does not control the timing and availability of bond proceeds to pay

for the buyouts.

2026 Upcoming Veto Session

The veto session has been scheduled for November 17-19 and December 1-3.

During veto session, the Illinois General Assembly considers the Governor's veto(es) of legislation and acts on high-priority, time-sensitive matters. Of the 395 bills sent to the Governor by the General Assembly this year, only one was vetoed to correct drafting errors. At this time, the agenda for the veto session has not been determined.

SURS Fall Stakeholder Meeting and Townhall

SURS holds bi-annual stakeholder meetings and townhalls. These meetings are conducted using Microsoft Teams and feature presentations by the Executive Director, Chief Investment Officer, and Director of Legislative and Stakeholder Relations, followed by a brief question and answer period. Meetings are open to SURS members and the public. The next meeting will be held on December 9 at 10:30 a.m. Register at bit.ly/SURS-townhall-F26.

SURS Legislative Website

SURS provides a legislative website where members can view the legislative calendar, learn about how a bill becomes a law, read about pending legislation, contact their state legislators, and more. Visit this page at surs.org/business/legislation/. Although semi-annual legislative updates will continue to be provided through this newsletter, SURS members may opt-in to receive more frequent email notifications from SURS by contacting legaffairs@surs.org. ▴



INVESTMENT UPDATE

Here in the latter half of 2026, artificial intelligence has clearly evolved from a trend into a meaningful macroeconomic force. It is now a key driver of GDP as the market continues to pour money into the global AI infrastructure. We will continue to see the impacts of the dominating AI theme play out accompanied by growing skepticism around its long-term implications.

At the end of May, Kevin Warsh succeeded Jerome Powell as the new Federal Reserve Chair. Warsh supported the Federal Open Market Committee (FOMC)'s mid-September decision to raise rates by 0.25%, bringing the federal funds target range to 3.75%-4%. Several committee members have indicated that another rate increase may be warranted before year-end, with many citing persistent inflation and continued growth as drivers of this expectation.

Inflation remains a key challenge. In May of 2026, the U.S. CPI rose to 4.2%, its highest level in three years, before coming down in recent months to 3.4%. Despite elevated prices across several core industries, consumer spending has remained steady and

continues to show modest growth at the start of the fiscal year.

Throughout 2026, geopolitical risks have continued to weigh on markets. Ongoing tensions between the U.S. and Iran drove Brent Crude to a peak of \$120 per barrel while trading a bit over \$100 as of September. This significantly contributed to the volatility in equities as inflation and rate expectations rose. Despite these headwinds, market resilience remained notable as the S&P 500 year-over-year earnings growth reached nearly 29%.

SURS continues to mitigate risk to its portfolios as turbulent times may arise. We remain vigilant, adaptive, and responsive to navigating whatever market dynamics arise in the final quarter of 2026.

For the full fiscal year, SURS returned 12.24%, well in excess of our actuarial return assumption of 6.5%. We underperformed the passive index benchmark due to a slower than normal rate of distributions in our private equity portfolio, which we expect to improve in fiscal year 2027. ▴

Investment Performance* as of June 30, 2026

	1 Year	3 Years	5 Years	10 Years	20 Years	30 Years
SURS	12.24%	8.95%	6.08%	8.19%	7.05%	7.62%
Policy Benchmark	13.86%	9.58%	5.83%	8.05%	7.00%	7.47%
SURS Assumed Rate	6.50%	6.50%	6.60%	6.80%	7.40%	7.80%

**Net of investment management fees*

FISCAL YEAR 2027 APPROPRIATION		PREVIOUS YEARS
FY 2027 TOTAL	\$2,366,144,000.00	FY 2026 State Contribution \$2,319,446,000 Fully paid May 20, 2026
DUE TO DATE	\$984,393,333.40	
RECEIVED TO DATE	\$984,393,333.40	FY 2025 Appropriation \$2,212,810,000 Fully paid May 5, 2025
BALANCE OWED	\$1,381,750,666.60	

Join Our Team!

We're hiring. Go to surs.org/careers or scan our QR code and review our current job postings. Don't see anything in your field? Check back! We list new positions frequently.

SURS is an inclusive workplace, offering excellent benefits including medical, vision and dental insurance, paid vacation, paid sick leave, 12 paid holidays, paid parental leave, participation in SURS defined benefit or defined contribution plans, a flexible work environment, advancement and continuing educational opportunities, on-site parking, a beautiful campus and more.



KEEP YOUR SURS ACCOUNT SECURE!

The safety and security of our members and our members' personal financial information during these unprecedented times is a paramount concern for SURS. Multiple security companies are reporting an uptick in finance-related scams, and attempts by fraudsters to pose as trusted entities to gain access to personal and financial information.

It is important to remember that SURS will not contact members via email or text messaging to request personal or financial information. Should we require information in our normal course of business, we will always request that information is sent to SURS via our Secure Member Website, through the postal service directly to SURS office, or by visiting SURS in-person.

SURS members should be cautious of email, text, and phone solicitations and

skeptical of any attempts by outside firms to request personal or financial information. Please read emails and text messages carefully and always verify the requestor through another means.

Be especially cautious when clicking on a link in an email or text, even if the communication looks legitimate. If something appears to come from SURS, go to [SURS.org](https://surs.org) to access the information via SURS secure Member Website.

Practice cyber safety at all times. Work to protect your accounts and review the steps you and your family can take to better protect yourselves and mitigate risk.

At SURS, protecting member information is a top priority. For more information about fraud prevention, visit surs.org/fraud-prevention. ▴

Optional Buyout Program Extended

In 2018, the Illinois General Assembly passed a law that created two voluntary pension buyout options – the Vested Inactive Buyout (VIB) and the Tier I Automatic Annual Increase (AAI) Buyout – for SURS members who meet certain criteria. The buyouts were originally set to end June 30, 2026. However, Public Act 104-0467 was signed into law on June 16, 2026, extending both buyout options until June 30, 2028.

Learn more about buyout options and eligibility at surs.org/buyouts. For an estimated value of your buyout options, login to your SURS member portal and utilize the SURS Benefit Estimator. ▴

2027 Medicare Advantage Open Enrollment

The state of Illinois TRAIL Medicare Advantage Prescription Drug (MAPD) open enrollment period for participating annuitants and survivors is Oct. 15 through Nov. 16, 2026. The 2027 plan year will begin Jan. 1, 2027, and will run through Dec. 31, 2027.

The state of Illinois offers retirees, annuitants, and survivors of the State Employees Group Insurance Program (SEGIP), the Teachers' Retirement Insurance Program (TRIP), and the College Insurance Program (CIP) a healthcare program entitled Total Retiree Advantage Illinois (TRAIL). This program provides Medicare-eligible members and their covered dependents comprehensive medical and prescription drug coverage through TRAIL Medicare Advantage Prescription Drug (commonly referred to as MAPD) plans.

Members who are newly eligible for Medicare have two opportunities for enrollment:

Initial Enrollment: this is offered to all Medicare-eligible retirees and their Medicare-eligible dependents within 60 days of the 65th birthday (of the youngest enrollee). Initial enrollment is a one-time offering.

Open Enrollment: an annual enrollment period held in the fall of each year. This enrollment period is open for Medicare-eligible

retirees, survivors, and their dependents to change their elections, or for anyone who previously waived or canceled coverage to re-enroll.

To be eligible for coverage under a Total Retiree Advantage Illinois Medicare Advantage Prescription Drug (MAPD) plan, members and their eligible dependents must:

- *Live in the United States or the U.S. Territories, and*
- *Be retired and enrolled in Medicare Parts A and B, due to age or disability.*

Retirees and survivors eligible for the TRAIL MAPD Program will receive a Decision Guide in the mail, notifying them of their eligibility and the requirement to enroll or waive coverage, during the TRAIL MAPD Open Enrollment Period.

Members who are currently enrolled in TRAIL MAPD do not need to do anything during the Open Enrollment Period unless they want to add or drop a dependent or make a change to their current TRAIL MAPD coverage for the 2027 plan year.

Members may complete changes online at MyBenefits.illinois.gov or contact MyBenefits toll free at 844-251-1777 during the Open Enrollment Period. ▲



DEFINED CONTRIBUTION PLAN NEWS – FALL 2026

SURS Retirement Savings Plan (RSP)

The RSP is SURS core defined contribution plan. RSP plan assets were \$5.8 billion as of June 30, 2026. The average asset allocation was 59% Equities, 29% Balanced Funds, and 10% Fixed Income. The remaining 2% was attributable to Real Estate.

SURS Deferred Compensation Plan (DCP)

The SURS DCP is a supplemental retirement savings plan available to all active SURS members that allows members to save additional money toward retirement. Because SURS members don't contribute to Social Security, many members need a way to supplement their income. They can do so by contributing to the SURS DCP.

As of June 30, 2026, there were 23,777 members enrolled with a balance in the DCP, with plan assets of \$230 million. 83% of eligible members have been automatically enrolled and 98% of all eligible members have had their contributions auto-escalated, having not chosen to opt out of these automatic features.



National Retirement Security Month

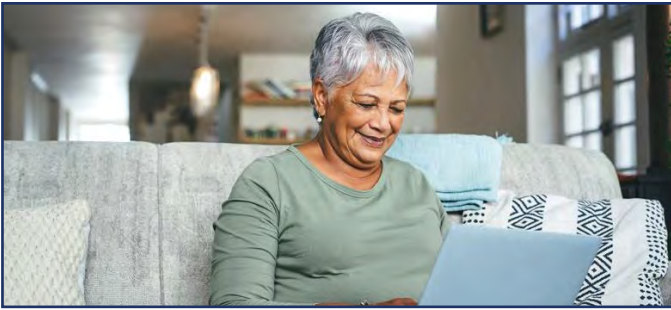
October is **National Retirement Security Month**, a nationwide effort to raise awareness about the importance of saving for retirement. It is also a reminder that's **it's never too early (or too late) to save**. This month is a great time to review your retirement savings strategy to make sure you're on track to meet your retirement goals. It's also the perfect opportunity to consider enrolling in the **SURS Deferred Compensation Plan (DCP)** to supercharge your retirement.

Saving for retirement through your primary SURS retirement plan, the SURS Traditional or Portable pension plan, or the SURS Retirement Savings Plan (RSP) is a great start, but you may need additional savings to achieve the kind of retirement you want, especially if you are a Tier II member or if your pension contributions are capped due to the maximum earnings limitation.

All active SURS members have access to the **SURS Deferred Compensation Plan (DCP)**. No matter how old you are or how far you might be from retirement, **it's never too early or too late to save through the DCP. Enroll today! Visit surs.org/news/nrsm for additional resources.**

Take the Next Step

- **Enroll in the DCP:** Visit surs.org/retirement-plans/dcp/enroll and follow the prompts
- **Learn more about the DCP:** Navigate to surs.org/dcp and register to attend an upcoming DCP informational webinar and review additional DCP resources
- **Talk to a Representative:** Schedule a 1-on-1 appointment with a SURS Defined Contribution Account Representative at sursrsp.timetap.com



Follow Us!



Visit surs.org/follow-us/ for more info.

2027 Annuity and Disability Payments

	Annuity	Disability
Jan	12/31/26	1/29/27
Feb	2/1/27	2/26/27
Mar	3/1/27	3/31/27
Apr	4/1/27	4/30/27
May	4/30/27	5/31/27
Jun	6/1/27	6/30/27
Jul	7/1/27	7/30/27
Aug	7/30/27	8/31/27
Sep	9/1/27	9/30/27
Oct	10/1/27	10/29/27
Nov	11/1/27	11/30/27
Dec	12/1/27	12/31/27

2026/2027 Board Meetings Schedule

Thu, Dec. 3 Fri, Dec. 4 <i>Chicago</i>	9 a.m. - 5 p.m. 9 a.m. - 3 p.m.	Committee Meetings Committee & Board Meetings
Wed, Mar. 3	2 p.m. - 4 p.m.	Executive Committee (May Include Claims Appeals)
Thu, Mar. 4 Fri, Mar. 5 <i>Champaign</i>	9 a.m. - 5 p.m. 9 a.m. - 3 p.m.	Committee Meetings Committee & Board Meetings
Thu, Apr. 15 <i>Chicago</i>	9 a.m. - 5 p.m.	Investment Committee Board Meeting (if needed)
Thu, June 3 Fri, June 4 <i>Chicago</i>	9 a.m. - 5 p.m. 9 a.m. - 3 p.m.	Committee Meetings Committee & Board Meetings
Wed, Sept. 8	2 p.m. - 4 p.m.	Executive Committee (May Include Claims Appeals)
Thu, Sept. 9 Fri, Sept. 10 <i>Champaign</i>	9 a.m. - 5 p.m. 9 a.m. - 3 p.m.	Committee Meetings Committee & Board Meetings
Thu, Oct. 21 <i>Champaign</i>	9 a.m. - 5 p.m.	Investment & Admin Committee Board Meeting
Thu, Dec. 2 Fri, Dec. 3 <i>Chicago</i>	9 a.m. - 5 p.m. 9 a.m. - 3 p.m.	Committee Meetings Committee & Board Meetings

Printed by the authority of the state of Illinois

State Universities Retirement System
1901 Fox Drive, Champaign, IL 61820
toll free 800-275-7877
direct 217-378-8800
www.surs.org

SURS BOARD OF TRUSTEES

Chairperson John Lyons, Vice Chairperson Collin Van Meter, Treasurer Scott Hendrie, Andriy Bodnaruk, Richard Figueroa, J. Fred Giertz, Jeanine Jiganti, Pranav Kothari, Herbert Pitman, Steven Rock, and Tony Vasquez
Executive Director: Suzanne Mayer

Please note that the State Universities Retirement System does not endorse any provider of financial advice.
Members seeking financial advice or planning assistance are encouraged to carefully select credentialed professionals.

Communications Manager: Lisa Storm Fink

Graphic Designer/Publications Editor: Daniel Moutray