



January 3, 2023

The Honorable J B Pritzker
Governor of the State of Illinois
207 State House
Springfield, Illinois 62706

Re: Certification of Required State Contribution to the State Universities Retirement System for State Fiscal Year 2024

Dear Governor Pritzker:

As required by 40 ILCS 5/15-165, the Board of Trustees of the State Universities Retirement System has certified that \$2,133,335,000 is the total net required State contribution for State Fiscal Year 2024. An official certification and a copy of the actuarial recommendation upon which the certification is based are enclosed.

The State Actuary has reviewed the actuarial assumptions used in the State Universities Retirement System's 2022 actuarial valuation. The State Actuary has concluded that the assumptions are reasonable for the June 30, 2022 valuation. Additionally, the State Actuary has verified the arithmetic used in the calculations made by the State Universities Retirement System's actuary to develop the required State contribution.

Please note that the actuarial valuation results recommend an actuarially determined funding policy that funds the normal cost of the plan, as well as an amortization payment that would seek to pay the total unfunded accrued liability over a closed period to attain 100% funding by 2045 (22 years remaining in the actuarial valuation as of June 30, 2022) or earlier. The current statutory contribution does not comply with this recommendation. Underfunding the System creates a risk that, ultimately, benefit obligations cannot be met from the trust. While State statute governs funding policy, it is important to highlight the differences between the current statutory appropriation and the recommended actuarially determined funding policy so that potential risks and additional ramifications of underfunding are fully understood.

The Board of Trustees has received and agrees with all the proposed recommendations of the State Actuary.

Sincerely,

Suzanne M. Mayer
Executive Director

Encl: Certification
Actuarial Valuation Report

cc: The Honorable Don Harmon, President of the Senate
The Honorable Emanuel Chris Welch, Speaker of the House of Representatives
The Honorable Dan McConchie, Senate Republican Leader
The Honorable Jim Durkin, House Republican Leader
The Honorable Susana Mendoza, Comptroller, State of Illinois
Mr. Joe Butcher, Illinois Office of the Auditor General
Ms. Ginger Ostro, Executive Director, Illinois Board of Higher Education
Dr. Brian Durham , Executive Director, Illinois Community College Board
Mr. Clayton Klenke, Executive Director, Commission on Government Forecasting &
Accountability