



October 26, 2022

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

Mr. Matthew Wells
Cheiron, Incorporated
200 West Monroe Street, Suite 1800
Chicago, IL 60606

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

Dear Governor Pritzker and Mr. Wells:

Pursuant to Section 15-165 (a-10) of the Illinois Pension Code, the Board of Trustees of the State Universities Retirement System (the "System") hereby submits the System's preliminary certification of the required State contribution for Fiscal Year 2024 for the purposes of the System.

The Board submits \$2,129,109,000 as the preliminary total net required contribution for Fiscal Year 2024. The System anticipates receiving finalized financial information which will require us to modify this contribution amount.

As required by Section 15-165 of the Illinois Pension Code, a copy of the preliminary actuarial recommendations, upon which the preliminary certification is based, is also enclosed.

Please note that the updated 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.

Sincerely,

Suzanne M. Mayer
Executive Director

Enclosures: Proposed Certification
Actuarial Valuation Report (draft)

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