



October 30, 2019

Governor JB Pritzker
207 Statehouse
Springfield, IL 62706

Dear Governor Pritzker:

Pursuant to Public Act 88-593, as amended, at a meeting held on October 25, 2019, the Board of Trustees of the Judges' Retirement System (JRS) preliminarily certified an FY 2021 State contribution of \$148,618,000, or 94.246% of projected payroll. Of the \$148,618,000, \$34,075,000 is for the employer's portion of the expected FY 2021 normal cost. The additional \$114,543,000 is due to the unfunded liabilities.

Consistent with Governmental Accounting Standards Board (GASB) Statement No. 67, the JRS Board of Trustees adopted a funding policy, or Actuarially Determined Contribution (ADC) policy in 2015. The ADC provides for annual contributions that are equal to the annual normal cost of benefits earned plus amortization of the unfunded actuarial liability over a 25-year period, as a level percent of payroll. The remaining amortization period is 21 years. The FY 2021 ADC is \$173,205,430, or \$24.6 million higher than the amount calculated under the statutory funding plan.

The ADC is used in financial reporting but will not affect the certified employer contributions to JRS, which is calculated and certified by the Board pursuant to the statutory funding plan.

Attached is the draft FY 2019 actuarial valuation along with the FY 2021 certification letter prepared by the System's actuaries. The actuarial valuation, membership data used in the valuation, and all calculations will be forwarded to the State Actuary for review.

Very truly yours,

A handwritten signature in black ink that reads 'Timothy B. Blair'.

Timothy Blair
Executive Secretary

cc: Governor JB Pritzker, Chicago Office
Susana A. Mendoza, Comptroller
Alexis Sturm, Director, Governor's Office of Management & Budget
Marc Staley, Governor's Office of Management & Budget
Bob Steere, Governor's Office of Management & Budget
Thomas Reitz, Governor's Office of Management & Budget
John Hollman, House Clerk
Brad Bolin, Assistant House Clerk.
Tim Anderson, Senate Clerk

Clayton Klenke, Director, Commission on Government Forecasting & Accountability
Dan Hankiewicz, Commission on Government Forecasting & Accountability
Julie Bae, Commission on Government Forecasting & Accountability
Senate President John Cullerton
Senate Republican Leader Bill Brady
Speaker of the House Michael Madigan
Republican Leader Jim Durkin
Jessica Basham, Speaker's Office
Andrew Freiheit, House Republican Staff
Kristin Richards, Senate President's Office
Phil Draves, Senate Republican Staff
Becky Locker, Senate President's Office
Ozie Goodwin, Senate President's Office
Noe Chaimongkol, Senate President's Office
Mark Jarmer, House Democratic Staff
Mike Mahoney, House Republican Staff
Joe Sculley, House Republican Staff
Erik Dillman, Senate Republican Staff
Nick McNeely, Senate Republican Staff
Rich Rockwood, Senate Republican Staff
Mary Cahill, House Democratic Staff
Erion Malasi, House Democratic Staff