

1163a

1957/58

# STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

FIFTEENTH ANNUAL STATEMENT  
OF THE  
BOARD OF TRUSTEES

June 30, 1958



Issued by Authority of the  
BOARD OF TRUSTEES OF THE STATE EMPLOYEES'  
RETIREMENT SYSTEM OF ILLINOIS

216 State Office Building, Springfield, Illinois

State of Illinois  
WILLIAM G. STRATTON UNIVERSITY OF ILLINOIS  
Governor

(Printed by authority of the State of Illinois.)

THE LIBRARY OF THE

APR 21 1958

Original from  
UNIVERSITY OF ILLINOIS AT  
URBANA-CHAMPAIGN



# STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

## FIFTEENTH ANNUAL STATEMENT OF THE BOARD OF TRUSTEES

June 30, 1958



Issued by Authority of the  
**BOARD OF TRUSTEES OF THE STATE EMPLOYEES'  
RETIREMENT SYSTEM OF ILLINOIS**  
**216 State Office Building, Springfield, Illinois**

---

State of Illinois  
**WILLIAM G. STRATTON**  
Governor

# STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

## BOARD OF TRUSTEES

(as constituted June 30, 1958)

**ROY TUCHBREITER, Chairman**  
Chairman of the Board  
Continental Assurance Company

**HON. ELBERT S. SMITH**  
Auditor of Public Accounts  
(Member Ex Officio)

**HON. MORTON H. HOLLINGSWORTH**  
Director of Finance  
(Member Ex Officio)

**ROBERT H. TITTLE**  
Assistant Chief Highway Engineer

**CHARLES H. PEELER**  
Assistant Superintendent  
Elgin State Hospital

---

**L. C. CORTRIGHT, Secretary**  
Springfield, Illinois

**HON. LATHAM CASTLE**  
Attorney General  
Counsel

**HON. ELMER J. HOFFMAN**  
State Treasurer  
Treasurer

**A. A. WEINBERG**  
Consulting Actuary

  
(93117—2-59)



Il63a  
1957/58

## CONTENTS

	Page
LETTER OF TRANSMITTAL.....	i
FINANCIAL AND STATISTICAL FACTS.....	ii
REPORT OF BOARD OF TRUSTEES.....	1
AUDITORS' REPORT AND FINANCIAL STATEMENTS.....	8
REPORT OF THE ACTUARY ON THE FIFTEENTH ANNUAL VALUA- TION.....	20
Valuation Balance Sheet, June 30, 1958.....	24
STATISTICAL DATA	
Table A—Membership by Departments, June 30, 1958.....	26
Table B—Number of Members and Total Salaries at June 30, 1958, Classi- fied by Age and Sex—Male.....	27
Table C—Number of Members and Total Salaries at June 30, 1958, Classi- fied by Age and Sex—Female.....	28
Table D—Number of Members at June 30, 1958, Classified by Length of Service.....	29
Table E—Service Retirement Annuitants Classified by Age at June 30, 1958—Male.....	31
Table F—Service Retirement Annuitants Classified by Age at June 30, 1958—Female.....	32
Table G—Service Retirement Annuitants Classified by Age at Retirement —Male and Female.....	33
Table H—Widow Annuitants Classified by Age at June 30, 1958.....	34
Table I—Deaths Among Members—Age and Service Data.....	35
Table J—Death Claims Classified by Causes of Death, Fiscal Period July 1, 1957 to June 30, 1958.....	36
Table K—Statistics on Withdrawals with Refunds, Classified by Age at Withdrawal.....	37
CLAIMS DATA—Summary by Departments	
Schedule 1—Summary by Departments of Benefit Claims covering the Period from July 1, 1957 to June 30, 1958.....	38
Schedule 2—Service Retirement Allowance Effective During the Period from July 1, 1957 to June 30, 1958.....	40
Schedule 3—Widows' Annuities Effective During the Period from July 1, 1957 Through June 30, 1958.....	41
Schedule 4—Nonoccupational Death Claims Covering the Period from July 1, 1957 to June 30, 1958.....	42
Schedule 5—Occupational Death Claims Covering the Period from July 1, 1957 to June 30, 1958.....	43
Schedule 6—Nonoccupational Disability Claims Covering the Period from July 1, 1957 to June 30, 1958.....	44

## CONTENTS—continued

	Page
Schedule 7—Occupational Disability Claims Covering the Period from July 1, 1957 to June 30, 1958.....	45
Schedule 8—Death Benefits After Retirement Covering the Period from July 1, 1957 to June 30, 1958.....	45
Schedule 9—Reversionary Annuities Effective During the Period from July 1, 1957 Through June 30, 1958.....	46
<b>APPENDIX</b>	
Summary of Benefit and Contribution Provisions of State Employees' Retirement Act .....	47

**LETTER OF TRANSMITTAL**

October 31, 1958

To his Excellency  
The Honorable William G. Stratton  
Governor of the State of Illinois  
Springfield

Sir:

On behalf of the Board of Trustees of the State Employees' Retirement System of Illinois, I take pleasure in submitting herewith the Fifteenth Annual Statement of the Board covering operations of the System for the fiscal year ended June 30, 1958.

Respectfully submitted,



Chairman

## FINANCIAL AND STATISTICAL FACTS

Financial	Fiscal Year Ended June 30.	
	1958	1957
Net Assets at End of Year.....	\$58,082,357.84	\$50,536,897.69
Increase in Net Assets.....	7,545,460.15	5,894,072.66
Investments (at Book Value).....	56,089,453.81	48,979,742.79
Total Income for Year.....	12,775,150.50	10,828,100.18
Employee Contributions .....	8,036,908.76	7,034,435.42
State Contributions .....	2,872,213.00	2,241,074.44
Contributions from Federal Funds.....	314,011.76	255,812.72
Interest Income .....	1,517,830.89	1,296,777.60
Average Yield on Investments.....	2.88%	2.78%
Total Expenditures .....	5,229,663.98	4,934,024.25
Annuity and Benefit Payments.....	4,274,398.85	3,837,758.85
Refunds .....	955,265.13	1,096,265.40

### Statistical

<b>Number of Members at End of Year:</b>		
Male.....	19,612	18,627
Female.....	15,437	14,495
<b>Number of Members on Retirement at End of Year:</b>		
Male.....	1,562	1,454
Female.....	1,336	1,204
Number of Retirements During Year.....	395	487
Retirants Returning to Service.....	15	22
Deaths Among Retirants During Year.....	140	129
Number of Widows Receiving Annuities at End of Year.....	221	156
Number of Widows' Annuity Claims During Year.....	68	55
Number of Nonoccupational Death Claims.....	219	216
Number of Nonoccupational Disability Claims.....	153	213
Number of Occupational Disability Claims.....	46	42
Number of Occupational Death Claims.....	4	4
Number of Withdrawal Benefits (refunds).....	2,059	2,460

# STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

## FIFTEENTH ANNUAL STATEMENT of the BOARD OF TRUSTEES

The Fifteenth Annual Statement of the Board of Trustees of the State Employees' Retirement System of Illinois is presented herewith. It sets forth the results of operations of the System for the fiscal year ended June 30, 1958. It also includes a report on the principal administrative developments that occurred during the year.

### Membership Statistics

Number of Members, July 1, 1957.....		33,122
<b>Additions:</b>		
Employees qualifying for membership during the year .....		4,632
		37,754
 <b>Deductions:</b>		
Deaths due to occupational causes.....	4	
Deaths due to nonoccupational causes.....	247	
Separations with refunds.....	2,059	
Service retirements.....	395	2,705
		35,049
Number of Members, June 30, 1958.....		35,049

There were 2,898 members on retirement receiving service retirement allowances, and 221 widows in receipt of payments at the close of the year. The changes in the retirement roll for the year were as follows:

	Service Retirements	Widows
Number of retirants, July 1, 1957.....	2,658	156
Retirements during the year 1957-1958.....	395	68
	3,053	224
Deaths .....	140	3
Reentrants into service .....	15	
	155	3
Number of retirants, June 30, 1958.....	2,898	221

The trend in membership and in the number of service retirements, during the last five fiscal years, is illustrated by the following statistics:

Date June 30th	Members	Service Retirements	Widows' Annuities*
1954 .....	28,684	1,731	27
1955 .....	30,818	2,070	61
1956 .....	31,479	2,322	102
1957 .....	33,122	2,658	156
1958 .....	35,049	2,898	221

## FINANCIAL REVIEW

The principal items comprising the income and expenditure accounts are summarized below, with the amounts for the preceding fiscal year given for comparison.

Income	Year Ended June 30	
	1958	1957
Member contributions .....	\$ 8,036,908.76	\$ 7,034,435.42
State contributions .....	2,872,213.00	2,241,074.44
Income from Trust and Federal funds .....	348,102.64	255,812.72
Interest on Investments .....	1,499,243.63	1,268,965.04
Other .....	18,682.47	27,812.56
Totals .....	<u>\$12,775,150.50</u>	<u>\$10,828,100.18</u>
<b>Expenditures</b>		
Annuities .....	\$ 3,127,570.21	\$ 2,736,747.66
Death Benefits .....	641,336.71	574,450.36
Disability Benefits .....	505,491.93	526,560.83
Refunds account separation from service .....	949,150.46	1,091,699.78
Other .....	6,141.04	4,568.89
Totals .....	<u>\$ 5,229,690.35</u>	<u>\$ 4,934,027.52</u>
Net Income, Excess of Total Income over Total Expenditures .....	<u>\$ 7,545,460.15</u>	<u>\$ 5,894,072.66</u>

The reserves of the System at the close of the year amounted to \$58,082,357.84. These reserves increased during the year in the sum of \$7,545,460.15. Of the total reserves at the close of the year, 80.5% represented member contributions and 19.5% consisted of reserves derived from State appropriations.

A comparison of results of financial operations for the last five fiscal years is as follows:

\* Became operative on July 1, 1953.



Year Ended June 30	Total Income	Total Expenditures	Net Income	Net Assets at End of Year
1954 .....	\$ 7,765,219.03	\$3,631,644.66	\$4,133,574.37	\$33,089,161.84
1955 .....	9,186,284.51	3,665,891.05	5,520,393.46	38,609,555.30
1956 .....	10,143,408.38	4,110,138.65	6,033,269.73	44,642,825.03
1957 .....	10,828,100.18	4,934,027.52	5,894,072.66	50,536,897.69
1958 .....	12,775,150.50	5,229,690.35	7,545,460.15	58,082,357.84

Financial statements exhibiting the results of operations and supporting the above figures as to income and expenditures are presented in the auditors' report as a part of this annual statement.

The regular annual audit and examination of the books and accounts of the System was completed by Alexander Grant & Company who were designated by the Auditor General. No exceptions were noted by the auditors in their report. In their comments on the System of internal control and operating procedures, the auditors stated that "In our opinion, the System of internal control as outlined, is in operation and provides an adequate control on the assets and operations of the System."

### Investments

Total investments of the Board at June 30, 1958 amounted to \$55,880,000.00 at par value. Investments increased during the year in the amount of \$7,163,000.00 par value.

New investments during the year amounted to \$7,298,000.00 at par value. The bonds acquired were as follows:

U. S. Treasury 2½%—due September 15, 1972/1967.....	\$ 928,000.00
U. S. Treasury 3.875%—due November 15, 1974.....	2,700,000.00
U. S. Treasury 3¼%—due June 15, 1983/1978.....	2,670,000.00
U. S. Treasury 3½%—due February 15, 1990.....	1,000,000.00
<b>Total .....</b>	<b>\$7,298,000.00</b>

A total of \$135,000.00 United States Savings Bonds, Series "F" yielding 2.53% matured during the year.

Investments of the System consisted entirely of United States government securities. The average yield on the investment account for the year was 2.88% compared with 2.78% for the preceding fiscal year.

### APPROPRIATION REQUIREMENTS FOR 1959-1961 BIENNIUM

The actuary has certified as the appropriation for the biennium beginning July 1, 1959, the sum of \$18,422,533.12. This amount consists of the current requirements of \$10,465,509.00 and an accumulated difference in the appropriation requests for the three preceding bienniums of \$7,957,024.12.

The report of the actuary states that in the determination of these requirements effect has been given to several basic factors, namely: (1) the steady upward trend in the number of members and members' salaries; (2) liberalizing amendments enacted during recent years which have resulted in increased payments; (3) normal increases in expenditures due to the expanding operations of the System; and (4) a reduced rate of mortality among pensioners.

Total payments by the System for annuities and benefits have been in a steady and persistent upward trend as will be noted in the following statement:

Year Ended June 30th	Annuity and Benefit Payments
1954 .....	\$2,315,145.73
1955 .....	2,769,124.08
1956 .....	3,124,350.50
1957 .....	3,837,758.85
1958 .....	4,274,398.85

The increase in these expenditures for the five-year period was equal to 84.6%. The upward trend in these payments will continue for a number of years in the future. Increasing State appropriations, therefore, will be required to meet the requirements for benefit payments by the System in future years under the method of financing prescribed by the Retirement Act.

### Standing Committees

Three standing committees are maintained by the Board to effectuate its policies in the operation of the System, namely, the Committee on Investments, the Policy Committee and Claims Committee. These committees are continuing to discharge their assigned duties in a satisfactory manner.

The Committee on Investments serves as adviser to the Board on all investment matters. It is composed of Roy Tuchbreiter, Chairman, Hon. Morton H. Hollingsworth, Director of Finance and Hon. Elmer J. Hoffman, State Treasurer.

The Policy Committee deals with administrative matters of a policy character arising in the operations of the System for recommendation to the Board of Trustees. The personnel of this committee consists of Trustees Charles H. Peeler as Chairman and Robert H. Tittle and L. C. Cortright, Secretary. A. A. Weinberg, actuary, serves as technical adviser.

The Claims Committee passes upon all claims for annuities and benefits, and formulates procedures relative to the processing of claims. It is composed of Trustees Robert H. Tittle, as Chairman, and Mr. J. Thor Wanless of Springfield, and L. C. Cortright, Secretary, as members.

## SOCIAL SECURITY UNIT

At the date of this report, 68 appendices to the original Federal-State agreement have been approved providing social security coverage for an estimated aggregate total of 45,044 employees representing 3,533 different governmental units.

The increase in the number of participating governmental units and employees was due principally to the extension of social security coverage to members of the Illinois Municipal Retirement Fund; the Illinois Municipal Public Utility Employees' Annuity and Benefit Fund; and the Chicago Housing Authority, effective retroactively to January 1, 1956, under legislation enacted at the 1957 session of the General Assembly.

The several types of governmental units covered by the agreement and the number of employees covered are as follows:

Governmental Unit	Units	Total Coverage Approved Estimated Employees
Cities .....	163	3,189
Towns .....	6	72
Villages .....	207	1,369
Airport Authorities .....	4	50
Cemeteries (Joint Townships) .....	4	22
Drainage & Levee Districts .....	15	118
Fair & Exposition Authorities .....	1	2
Fire Protection Districts .....	5	91
Forest Preserve Districts .....	2	10
Health Districts (Multi-Co.) .....	5	56
Hospital Districts .....	13	874
Housing Authorities .....	30	261
Land Clearance Commissions .....	1	63
Library Districts .....	3	15
Mosquito Abatement Districts .....	4	99
Park Districts .....	40	520
Port Districts .....	1	6
River Conservancy Districts .....	1	4
Road Districts .....	20	64
State of Illinois—National Guard Civilian Employees	1	835
Townships .....	400	2,149
Township Community Buildings .....	4	6
Township Highway Commissioners .....	283	783
Township Hospitals .....	3	410
Water Commissions .....	1	10
Water Districts .....	1	11
<b>Coordinated Plans:</b>		
Chicago Housing Authority .....	1	825
E. St. Louis Housing Authority .....	1	55
Ill. Municipal Retirement Fund .....	2,313	33,075
<b>Totals</b> .....	<b>3,533</b>	<b>45,044</b>

Future increases in coverage may be expected in the case of governmental units having no retirement protection for their employees, and possibly for members of other retirement systems for whom coordination may be proposed.

### AMENDATORY LEGISLATION

Two important amendments to the retirement law became effective during the year under review. One provided for the removal of the maximum salary measure for all purposes of the System; the second liberalized the provisions for vesting of pension credit. Both of these changes reflect sound and progressive pension policy for the State. The amendments were approved by the Illinois Public Employees Pension Laws Commission.

Several other changes extending certain privileges to the members, and making more effective the administrative procedures of the System were made.

### ACTUARIAL SURVEY AND INVESTIGATION

An actuarial survey and investigation of the operating experience of the System for the period from January 1, 1944 to June 30, 1957 was completed by the actuary during the year. The purpose of this survey was to verify the actuarial standards used in the annual actuarial valuation of the assets and liabilities of the System. Certain changes in actuarial tables and in the rate of interest were recommended by the actuary.

For the purpose of obtaining an independent opinion on the progress of the System from a technical standpoint, and a check on its general policies, the Board authorized a review of the actuarial survey by an outside independent consulting actuary. It was the consensus of the Board that such occasional independent studies are desirable as a matter of good business policy, even though the Board has implicit confidence in its own technical personnel. The results of this independent analysis will be reported in the next annual statement of the Board.

## CONCLUSION

Operations during the year were satisfactory. The policies of the Board will continue to be directed, as in the past, toward the administration of the System in accordance with the expressed and implied provisions of the governing Act to the end that its objectives may be achieved in full measure.

Acknowledgment is hereby made of the considerate and loyal cooperation of all officers and employees of the State government who have been of assistance during the year in the administration of the System, and of the faithful and conscientious service of all employees of the Board.

Respectfully submitted,

BOARD OF TRUSTEES  
State Employees' Retirement System  
of Illinois

  
Chairman











Secretary



## AUDITORS' REPORT

Honorable Frank H. Whitney  
 Auditor General  
 State of Illinois  
 and  
 The Board of Trustees  
 State Employees' Retirement  
 System of Illinois  
 Springfield, Illinois

We have examined the financial statements of the STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS as of June 30, 1958. These statements are presented as Exhibits A through H. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances, with the exception that we did not confirm accounts receivable by direct communication with the debtors. We did, however, satisfy ourselves by means of other auditing procedures that the accounts receivable are fairly stated.

The financial statements covered by this opinion do not embody actuarial valuations.

In our opinion, the accompanying Exhibits A through H present fairly the financial position of the State Employees' Retirement System of Illinois at June 30, 1958, and the results of its operation for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

(Signed) ALEXANDER GRANT & COMPANY

Bloomington, Illinois  
 October 2, 1958



**SYSTEM FUND ACCOUNT  
BALANCE SHEET  
June 30, 1958**

**ASSETS**

**Current Assets**

Cash .....		\$ 1,206,548.54
Accounts receivable		
Members' contributions .....	\$ 678,616.33	
Cancellation of benefits after payment .....	1,349.68	
Trust and Federal funds .....	2,593.47	
Employers Funded Benefit Reserve .....	6,127.59	688,687.07
Interest receivable on investments .....		267,737.82
Total current assets .....		\$2,162,973.43

**Investments**

United States Government bonds (at amortized cost) .....		56,089,453.81
		\$58,252,427.24

**LIABILITIES**

**Current Liabilities**

Benefits payable		
Accidental disability .....	\$ 3,536.54	
Ordinary death .....	12,335.15	
Ordinary disability .....	36,062.98	
Service retirement allowance .....	2,790.21	
Widows' annuity .....	632.38	
Reversionary annuities .....	3.38	\$ 55,360.64
Refunds payable		
Resigned members .....	110,380.23	
Erroneous deductions .....	3,779.64	
Widows' annuity contributions .....	548.89	114,708.76
Total current liabilities .....		170,069.40

**Members' Equity (Reserves)**

Members' contributions .....	42,206,725.64	
Interest accumulations .....	3,467,193.59	
Annuitants' death benefits .....	1,058,163.99	
Funded benefits reserve .....	34,090.88	
Contingent general reserve .....	11,316,183.74	58,082,357.84
		\$58,252,427.24

**Note**

This statement reflects all benefit claims for which formal application had been received at June 30, 1958.

**SYSTEM FUND ACCOUNT**  
**STATEMENT OF INCOME AND EXPENDITURES**  
**Year ended June 30, 1958**

**Income**

Contributions—by members .....	\$ 7,944,621.36		
Less refunds of erroneous deductions .....	48,606.03	\$ 7,896,015.33	
Credits to members' accounts which are based on disability benefits			
Accidental disability .....	10,633.69		
Ordinary disability .....	54,868.80	65,502.49	
Repayment of refunds			
Contributions .....		75,390.94	\$ 8,036,908.76
Contributions—State, Trust and Federal Funds			
State of Illinois .....	2,872,213.00		
Federal funds .....	314,011.76		
Employer's funded benefits .....	34,090.88		
Reciprocating systems .....	60.00	3,220,375.64	
Interest			
Investments (less amortization of bond premium) .....	1,499,243.63		
Paid by members .....	18,587.26		
Reciprocating systems .....	35.21	1,517,866.10	
			12,775,150.50

**Expenditures**

## Benefits

## Annuity benefits

Service retirement allow- ances .....	2,938,719.46	
Reversionary .....	9,639.74	
Widows .....	179,211.01	

## Death benefits

Active membership to time  
of death

Return of contributions	278,572.99	
Interest .....	24,239.92	
State allowance .....	320,385.25	
After retirement .....	18,138.55	3,768,906.92

Disability benefits .....		505,491.93
---------------------------	--	------------

Total benefits .....		4,274,398.85
----------------------	--	--------------

## Refunds of contributions

Members leaving service .....	949,150.46	
Widows' annuity contributions	6,114.67	955,265.13

Adjustments and overpayments .....	26.37	5,229,690.35
------------------------------------	-------	--------------

EXCESS OF INCOME OVER EXPENDITURES .....		<u>\$7,545,460.15</u>
--	--	-----------------------

**Note:**

This statement reflects all benefit claims for which formal application had been received at June 30, 1958.

**SYSTEM FUND ACCOUNT**  
**STATEMENT OF MEMBERS' EQUITY (RESERVES)**

Year ended June 30, 1958

	Total	ALLOCATED TO				Contingent General Reserve	Funded Benefits Reserve
		Members' contributions	Interest accumulations	Annuitants' Death Benefit			
<b>Income</b>							
Contributions							
By members	\$ 7,896,015.33	\$ 7,896,015.33	\$	\$	\$	\$	
Based on disability benefits	65,502.49	65,502.49					
Repayment of refunds	75,390.94	75,390.94					
By State of Illinois	2,872,213.00				2,872,213.00		
From Federal funds	314,011.76				314,011.76		
Employers funded benefits	34,090.88						34,090.88
From reciprocating systems	60.00	60.00					
Interest							
On bonds	1,499,243.63		615,472.93		883,770.70		
Paid by members	18,587.26				18,587.26		
From reciprocating systems	35.21				35.21		
<b>Total income</b>	<b>12,775,150.50</b>	<b>8,036,968.76</b>	<b>615,472.93</b>		<b>4,088,617.93</b>		<b>34,090.88</b>

	Total	Members' contributions	Interest accumulations	ALLOCATED TO Annuitants' Death Benefit	Contingent General Reserve	Funded Benefits Reserve
<b>Expenditures</b>						
Benefit payments	4,274,398.85	278,572.99			3,995,825.86	
Refunds of contributions						
Members leaving service	949,150.46	949,150.46				
Widows' annuity contributions	6,114.67	6,114.67				
Overpayments	26.37				26.37	
<b>Total expenditures</b>	<b>5,229,690.35</b>	<b>1,233,838.12</b>			<b>3,995,852.23</b>	
Excess of income over expenditures	7,545,460.15	6,803,130.64	615,472.93		92,765.70	34,090.88
Opening balance — July 1, 1957	50,536,897.69	36,285,572.79	2,851,720.66	972,130.17	10,427,474.07	
	58,082,357.84	43,088,703.43	3,467,193.59	972,130.17	10,520,239.77	34,090.88
<b>Transfers</b>						
Accumulated contributions of retired members transferred to Contingent General Reserve		(878,906.43)		86,033.82	792,872.61	
Accumulated contributions of members whose death occurred during re-employment after retirement		(3,071.36)			3,071.36	
<b>ENDING BALANCE—</b>						
JUNE 30, 1958	\$58,082,357.84	\$42,206,725.64	\$3,467,193.59	\$1,058,163.99	\$11,316,183.74	\$34,090.88

**Note**

This statement reflects all benefit claims for which formal application had been received at June 30, 1958.

STATEMENT OF APPROPRIATIONS  
 70TH GENERAL ASSEMBLY

Year ended June 30, 1958

	Appropriations	Expenditures	Unexpended balances June 30, 1958	ENCUMBRANCES Accounts payable	Other	Free balances June 30, 1958
Personal services	\$ 351,027.00	\$ 136,786.68	\$ 214,240.32	\$ 6,269.00	\$	\$ 207,971.32
Contractual services	78,900.00	31,625.18	47,274.82	1,598.53	2,300.07	43,376.22
Postage	6,000.00	2,670.00	3,330.00			3,330.00
Travel	8,700.00	3,638.45	5,061.55			5,061.55
Commodities	2,000.00	551.89	1,448.11	55.18	228.97	1,163.96
Equipment	6,000.00	1,130.50	4,869.50		104.21	4,765.29
Stationery, printing and office supplies	19,000.00	8,170.27	10,829.73	235.44	263.59	10,330.70
Contingencies	2,500.00		2,500.00			2,500.00
Administrative expenses of Widows' Annuity Benefits	24,000.00	1,366.53	22,633.47	372.00		22,261.47
Administrative expenses of Social Security Enabling Act	130,000.00	27,489.92	102,510.08	1,315.34	65.01	101,129.73
Payment to Social Security Contributions Fund	15,000.00	15,000.00				
State's contribution to meet increase in Ordinary Disability Benefits						
State's contribution to Retirement System	5,744,426.00	2,872,213.00	2,872,213.00			2,872,213.00
	\$6,387,553.00	\$3,100,642.42	\$3,286,910.58	\$9,845.49	\$2,961.85	\$3,274,103.24



**STATEMENT OF APPROPRIATIONS  
69TH GENERAL ASSEMBLY**

**Year ended June 30, 1958**

	Appropriations	Unexpended balances June 30, 1957	Expenditures July 1, 1957 to September 30, 1957	Lapsed Balances September 30, 1957
Personal services .....	\$ 244,500.00	\$13,744.31	\$ 5,297.50	\$ 8,446.81
Contractual services .....	81,000.00	13,432.53	801.60	12,630.93
Postage .....	6,000.00			
Travel .....	8,700.00	3,010.65	322.47	2,688.18
Commodities .....	2,000.00	551.42	166.55	384.87
Equipment .....	6,000.00	961.33	589.00	372.33
Stationery, printing and office supplies .....	19,000.00	1,029.86	233.56	796.30
Contingencies .....	2,500.00	2,500.00		2,500.00
Administrative expenses of Widows' Annuity Benefits .....	24,000.00	15,364.50	7,662.81	7,701.69
Administrative expenses of Social Security Enabling Act .....	95,000.00	43,532.10	1,720.66	41,811.44
Payment to Social Security Contribution Fund .....	15,000.00			
State's Contribution to meet increase in Ordinary Dis- ability Benefits .....	150,000.00			
State's contribution to Re- tirement System .....	4,332,148.88			
	<u>\$4,985,848.88</u>	<u>\$94,126.70</u>	<u>\$16,794.15</u>	<u>\$77,332.55</u>

## STATEMENT OF FUND AND ACCOUNT BALANCES

June 30, 1958

## ASSETS

## System Fund Account

Current Assets		
Cash .....		\$ 1,206,548.54
Accounts receivable		
Members' contributions .....	\$678,616.33	
Cancellation of benefits paid .....	1,349.68	
Trust and Federal funds .....	2,593.47	
Employers funded benefit reserve .....	6,127.59	688,687.07
		<hr/>
Interest receivable on investments .....		267,737.82
		<hr/>
Total current assets .....		2,162,973.43
Investments (at amortized cost)		
United States Government bonds .....		56,089,453.81
		<hr/>
		\$58,252,427.24
		<hr/>
<b>Appropriation Account</b>		
Unexpended appropriations .....		\$ 3,286,910.58
		<hr/>
		\$ 3,286,910.58
		<hr/>
<b>Inventory Account (At Cost)</b>		
Office equipment .....		\$ 53,795.43
Automobile .....		2,958.93
		<hr/>
		\$ 56,754.36
		<hr/>
<b>Social Security Contribution Fund</b>		
Cash on hand .....		\$ 11,909.25
Deposit—State Treasurer .....		47,221.73
		<hr/>
		\$ 59,130.98
		<hr/>
<b>Social Security General Revenue Fund</b>		
Cash on hand .....		\$ None
		<hr/>

**Note**

This statement reflects all benefit claims for which formal application had been received at June 30, 1958.

## LIABILITIES

## System Fund Account

## Current Liabilities

Benefits payable .....	\$	55,360.64
Refunds payable .....		114,708.76
		<hr/>
Total current liabilities .....		170,069.40

## Members' Equity

Members' contributions .....	\$42,206,725.64	
Interest accumulations .....	3,467,193.59	
Annuitants' death benefits .....	1,058,163.99	
Funded benefits reserve .....	34,090.88	
Contingent general reserve .....	11,316,183.74	58,082,357.84
		<hr/>
		\$58,252,427.24
		<hr/> <hr/>

## Appropriation Account

## Encumbrances

Accounts payable .....	\$	9,845.49	
Other .....		2,961.85	\$ 12,807.34
		<hr/>	

Free balance .....

3,274,103.24

---

\$ 3,286,910.58

---

---

## Inventory Account

Equipment inventory account .....

\$ 56,754.36

---

\$ 56,754.36

---

---

## Social Security Contribution Fund

Receipts from political subdivisions .....

\$ 14,130.98

Reserve for contingencies .....

45,000.00

---

\$ 59,130.98

---

---

## Social Security General Revenue Fund

Receipts from political subdivisions .....

\$ None

---

---

**STATEMENT OF RECEIPTS AND DISBURSEMENTS—  
SOCIAL SECURITY UNIT**

**Year ended June 30, 1958**

**Social Security Contribution Fund**

Balance—July 1, 1957 .....		\$ 35,190.74
Receipts		
Participating political subdivisions		
Contributions .....	\$9,869,715.65	
Interest .....	9.02	9,869,724.67
		9,904,915.41
Appropriated for reserve account .....		15,000.00
		9,919,915.41
Disbursements		
Treasurer of United States .....		9,860,784.43
		9,919,915.41
BALANCE—JUNE 30, 1958 .....		\$ 59,130.98

**General Revenue Fund**

Receipts		
Political subdivision prorata share of administrative expenses.....	\$	25,254.50
On hand at June 30, 1958 .....		None
		25,254.50
Deposits into State Treasury		
For Year ended June 30, 1958 .....	\$	25,422.50
Less—transfer to Contribution fund .....	\$	13.50
Cash on hand June 30, 1957 .....	154.50	168.00
		\$ 25,254.50
		\$ 25,254.50

**SYSTEM FUND ACCOUNT  
SUMMARY STATEMENT OF INVESTMENTS**

June 30, 1958

**SUMMARIZED BY BOND TYPES**

	Interest rate	Par value	Amortized cost value
Savings bonds, cumulative, series F		\$ 270,000.00	\$ 263,454.66
Savings bonds, series G	2.50	1,200,000.00	1,200,000.00
Savings bonds, series K	2.76	400,000.00	400,000.00
Treasury bonds	2.25	2,850,000.00	2,850,066.40
Treasury bonds	2.50	13,678,000.00	13,396,829.59
Treasury bonds, series A	2.50	250,000.00	250,000.00
Treasury bonds, series B	2.75	10,167,000.00	10,289,712.43
Treasury bonds	3.00	10,095,000.00	9,950,515.81
Treasury bonds	3.25	13,270,000.00	13,551,432.97
Treasury bonds	3.50	1,000,000.00	1,053,289.22
Treasury bonds	3.75	2,700,000.00	2,884,152.73
<b>Totals</b>		<b>\$55,880,000.00</b>	<b>\$56,089,453.81</b>

**SUMMARIZED BY MATURITY DATES**

	Date		Book value
	Issue	Maturity	
Treasury bonds, 2¼%	11/15/45	12/15/62-59	\$ 300,013.29
Treasury bonds, 2¼%	6/ 1/45	6/15/62-59	2,550,053.11
Treasury bonds, 2½%	11/15/45	12/15/72-67	10,974,625.17
Savings bonds, series F	1/ 1/47	1/ 1/59	133,383.14
Savings bonds, series F	1/ 1/48	1/ 1/60	130,071.52
Treasury bonds, 2½%, series A	10/ 1/47	10/ 1/65	250,000.00
Savings bonds, 2½%, series G	7/ 1/48	7/ 1/60	900,000.00
Savings bonds, 2½%, series G	4/ 1/49	4/ 1/61	100,000.00
Treasury bonds, 2½%	5/ 5/42	6/15/67-62	1,618,672.25
Savings bonds, 2½%, series G	1/ 1/50	1/ 1/62	100,000.00
Savings bonds, 2½%, series G	2/ 1/51	2/ 1/63	100,000.00
Treasury bonds, 2½%	11/ 4/57	9/15/72	803,532.17
Treasury bonds, 2¾%, series B	4/ 1/51	1980-75	10,289,712.43
Savings bonds, 2.76%, series K	5/ 1/52	5/ 1/64	100,000.00
Savings bonds, 2.76%, series K	7/ 1/52	7/ 1/64	100,000.00
Savings bonds, 2.76%, series K	2/ 1/54	2/ 1/66	200,000.00
Treasury bonds, 3.875%	2/12/57	11/15/74	2,884,152.73
Treasury bonds, 3¼%	5/ 1/53	6/15/83-78	13,551,432.97
Treasury bonds, 3½%	2/14/58	2/15/90	1,053,289.22
Treasury bonds, 3%	2/15/55	2/15/95	9,950,515.81
<b>Total</b>			<b>\$56,089,453.81</b>

Original from

UNIVERSITY OF ILLINOIS AT  
URBANA-CHAMPAIGN

**REPORT OF THE FIFTEENTH ANNUAL VALUATION OF  
THE ASSETS AND LIABILITIES OF THE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS**

The Fifteenth Annual Valuation of the Assets and Liabilities of the State Employees' Retirement System of Illinois has been completed as of June 30, 1958.

**Results of Valuation**

The appended Valuation Balance Sheet exhibits the results of this valuation and the financial condition of the System from a technical standpoint. Total accrued liabilities at June 30, 1958 amounted to \$157,397,666.00. The net present assets available to meet these liabilities were \$43,103,466.00, resulting in an accrued unfunded obligation at that date of \$114,294,200.00. This amount constitutes an actuarial reserve deficiency and is a deferred obligation of the State of Illinois, to be discharged by future appropriations to the System.

**Basis of Valuation**

The benefit and contribution provisions used as a basis for this valuation are summarized in the appendix. The actuarial table used in this valuation was the 1937 Standard Annuity Mortality Table, and the rate of interest assumed was 2½% per annum.

The statistical data required for this valuation was compiled by the office of the System, under the direction of L. C. Cortright, Secretary, and submitted to me in excellent form for the preparation of this report.

	<b>Membership</b>		
	Male	Female	Combined
Number of members.....	19,612	15,437	35,049
Proportion of total.....	56.0%	44.0%	100.0%
Aggregate rates of annual salary .....	\$90,373,404.00	\$54,044,982.00	\$144,418,386.00
Average rate of annual salary .....	\$4,608.00	\$3,501.00	\$4,120.00
Average age (years).....	49.0	46.9	48.1
Average length of service.....	7.2	8.1	7.6

	<b>Service Retirements</b>		
	Male	Female	Combined
Number of annuitants .....	1,562	1,336	2,898
Proportion of total.....	53.9%	46.1%	100.0%
Aggregate annual payments.....	\$1,795,209.00	\$1,264,515.00	\$3,059,724.00
Average annual payment.....	\$1,149.00	\$946.00	\$1,056.00
Average age (years).....	70.6	70.4	70.5
Average age at retirement.....	66.2	65.9	66.1

**Widows' Annuities in Force**

There were 221 widows on the pension roll at the close of the year receiving annual payments totaling \$169,440.00, or an average of



\$766.00. The average length of service of the members whose death resulted in the payment of these annuities was 20.2 years. The average age of the widows at June 30, 1958 was 63.8 years.

There were also 15 widows whose age was under 55 years who will not begin receiving payments on their annuities until they attain age 55.

### Prior Service Liability

This liability consists of credits for service rendered prior to the date of establishment of the System, namely, January 1, 1944, for service retirement annuity purposes.

### Membership Service Liability

The accrued liability for membership service consists of the credits earned by the members for the service retirement allowances covering the period from January 1, 1944 to June 30, 1958. This liability amounted to \$69,580,818.00. Towards this liability, the members have made appropriate contributions to the System at the established rates. The State of Illinois is obligated by law to meet the remainder of the liability after applying member contributions.

The liability for membership service to be rendered after June 30, 1958, during the remainder of the assumed working lifetime of the members, amounted to \$102,941,610.00. This is a future service liability to be discharged by future contributions by the members and the State of Illinois.

### Widows' Annuity Liability

An evaluation of the widows' annuity benefit affecting male members of the System disclosed that the liabilities for this benefit at June 30, 1958 amounted to \$21,936,639.00.

### Ordinary Death Benefit

This benefit consists of the payment of the members' accumulated contributions, and an amount equal to one-twelfth of the yearly earnable compensation of the member for the twelve months next preceding the death of the member, for each completed year of creditable service not exceeding six-twelfths of such earnable compensation.

The number of claim incidents during the year showed little variance from the preceding year, as will be observed by the following data:

Year Ended June 30th	Number of Claims
1954 .....	175
1955 .....	216
1956 .....	160
1957 .....	216
1958 .....	219

### Occupational Death

The number of beneficiaries in receipt of accidental death benefits at the close of the year was 53, involving a liability of \$1,288,763.00. The number of claims incurred during each of the last five fiscal periods was as follows:

Year Ended June 30th	Number of Claims
1954 .....	3
1955 .....	4
1956 .....	2
1957 .....	4
1958 .....	4

The limited experience of the System does not provide a reasonable basis for estimating with any degree of accuracy the probable number of such incidents to be incurred in the future.

In the calculation of the reserve liabilities, effect was given to the offset of Workmen's Compensation in the payment of this benefit prescribed by the System.

### Occupational Disability

Claims for occupational disability followed the trend in occupational deaths and showed a slight increase for the year from 42 to 46. The following illustrates the number of claims arising during each of the last five years:

Year Ended June 30th	Number of Claims
1954 .....	43
1955 .....	56
1956 .....	37
1957 .....	42
1958 .....	46

Because of personnel policies and conditions existing within the several departments of the State government, and certain imponderables, it is difficult to predict the number of these claims with any degree of accuracy. Short-term fluctuations, however, cannot be accepted as an indication of the expected number of such incidents. Averages over a reasonably long period of years provide a more reliable index as to the expectancy on account of this benefit.

### Non-occupational Disability

A large decrease occurred during the year in the number of these claims. The following statistics show the trend in these claims during the last five fiscal periods:

Year Ended June 30th	Number of Claims
1954 .....	209
1955 .....	189
1956 .....	209
1957 .....	213
1958 .....	153

The number of claim incidents during recent years has been influenced by economic and social conditions, and to some extent by the personnel policies of the State.

### Withdrawal Benefits

The number of members withdrawing from the System decreased during the year. Illustrative of the trend in number of these withdrawals, and the amounts thereof, are the following statistics:

Year Ended June 30th	Number of Withdrawals	Amount of Payments	Average Amount of Refund
1954 .....	3,338	\$1,314,835.92	\$393.88
1955 .....	2,405	892,690.76	371.18
1956 .....	2,597	983,784.54	378.82
1957 .....	2,460	1,091,699.78	443.78
1958 .....	2,059	949,150.46	460.98

It is interesting to note that in the face of an increase in membership during the last five years of more than 22%, the number of refund payments has declined materially. The average refund payment has increased, which is indicative of the longer period of employment in the case of members withdrawing from the System.

### CONCLUSION

A revision of the method of financing is again recommended for the purpose of strengthening the financial condition of the System, and to give effect to accruing character of the obligations of the System. The present partial funded method, which measures the State's obligation according to future pension payments, projected over a period of ten years (after applying employee contributions) is unrealistic and impracticable. The method in force is not in accord with the underlying principles. The deferment of obligations which occurs under the present plan fails to establish a proper perspective of the true cost of the System to the State.

The present method of financing will result eventually in a considerably larger cost to the State because: (1) it fails to take into account the current accruing obligation, and (2) the tendency to measure the cost of liberalizing changes in terms of the current cash outlay rather than upon the basis of the full ultimate obligation.

Pension cost constitutes an accruing obligation and should be provided for as services are rendered. This cost is basically a current operating expense. It should, therefore, be distributed among the departments represented in the System to form an integral part of their current budgets.

The System is being administered efficiently according to the same high standards and effective policies that have characterized its operations during past years.

Respectfully submitted,

A. A. WEINBERG

Actuary

Original from  
UNIVERSITY OF ILLINOIS AT  
URBANA-CHAMPAIGN

## VALUATION BALANCE SHEET—JUNE 30, 1958

### ASSETS

#### Net Present Assets

Amount at June 30, 1958.....	\$58,082,358.00	
Less, provision for future refunds.....	14,978,892.00	\$ 43,103,466.00

#### Deferred Assets

Obligations of the members and the State of Illinois for retirement annuities, widows' annuities and other benefits covering service after June 30, 1958—

##### Members:

Male .....	\$19,521,096.00	
Female .....	11,669,613.00	
State of Illinois .....	71,750,901.00	102,941,610.00

#### Unfunded Accrued Liability

Deferred Obligation of the State of Illinois.....	114,294,200.00	
Total Assets .....	\$260,339,276.00	

## VALUATION BALANCE SHEET—JUNE 30, 1958

## LIABILITIES

Present Value of annuities and benefits in force—		
Retirement Annuities .....	\$32,005,570.00	
Wives of Retired Members .....	2,997,976.00	
Widows' Annuities .....	2,318,019.00	
Reversionary Annuities .....	99,409.00	\$ 37,420,974.00
<hr/>		
Present Value of deferred annuities and benefits—		
Reversionary Annuities .....	\$ 43,892.00	
Widows' Annuities .....	181,678.00	
Accidental Death Benefits .....	1,288,763.00	1,514,333.00
<hr/>		
Present Value of retirement annuities to members in service—		
On account of service prior to January 1, 1944:		
Male .....	\$16,169,444.00	
Female .....	10,775,458.00	26,944,902.00
<hr/>		
On account of service rendered January 1, 1944 to June 30, 1958:		
Male .....	\$41,502,379.00	
Female .....	28,078,439.00	69,580,818.00
<hr/>		
Present Value of widows' annuities on account of male members .....		21,936,639.00
Liability for and benefits on account of service after June 30, 1958—		
Retirement Annuities:		
Male .....	\$51,347,188.00	
Female .....	30,973,196.00	
Widows' Annuities .....	9,274,613.00	
Ordinary Death Benefits .....	9,764,111.00	
Ordinary Disability Benefits .....	1,123,908.00	
Accidental Disability .....	50,610.00	
Accidental Death .....	407,984.00	102,941,610.00
<hr/>		
Total Liabilities .....		\$260,339,276.00
<hr/>		

**TABLE A**  
**STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS**  
**MEMBERSHIP BY DEPARTMENTS**  
**JUNE 30, 1958**

Code No.	Department	Number			Percent Of Total Member- ship
		Male	Female	Total	
1	Governor .....	7	9	16	.05
2	Lieutenant Governor .....	0	2	2	.01
3	Secretary of State .....	854	826	1,680	4.79
4	Auditor of Public Accounts .....	181	118	299	.85
5	Treasurer .....	80	36	116	.33
6	Attorney General .....	116	62	178	.51
7	Public Instruction .....	29	68	97	.28
8	Courts .....	40	32	72	.21
9	State Officers .....	128	54	182	.52
10	Aeronautics .....	17	13	30	.09
11	Agriculture .....	289	124	413	1.18
12	Conservation .....	469	67	536	1.53
13	Finance .....	96	146	242	.69
14	Insurance .....	68	54	122	.35
15	Labor .....	885	1,277	2,162	6.17
17	Mines and Minerals .....	63	9	72	.21
20	Public Health .....	269	582	851	2.43
21	Public Safety .....	2,043	233	2,276	6.49
22	Public Welfare .....	3,944	6,457	10,401	29.68
23	Public Works and Buildings .....	4,499	412	4,911	14.01
24	Registration and Education .....	53	87	140	.40
25	Revenue .....	579	442	1,021	2.91
28	Personnel .....	31	59	90	.26
29	Youth Commission .....	438	234	672	1.91
30	Civil Service Commission .....	1	4	5	.01
31	Illinois Commerce Commission .....	140	72	212	.60
32	Illinois Liquor Commission .....	32	20	52	.15
33	Illinois Public Aid Commission .....	270	1,023	1,293	3.69
34	Illinois Veterans' Commission .....	77	107	184	.52
35	Illinois State Militia .....	173	48	221	.63
50	Miscellaneous Agencies .....	232	288	520	1.48
	Inactive .....	3,509	2,472	5,981	17.06
	<b>Totals .....</b>	<b>19,612</b>	<b>15,437</b>	<b>35,049</b>	<b>100.00</b>







TABLE C

**STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
NUMBER OF MEMBERS AND TOTAL SALARIES AT  
JUNE 30, 1958—CLASSIFIED BY AGE AND SEX**

**Female Employees**

Age At June 30, 1958	Number of Members	Aggregate Annual Salary Rate	Age At June 30, 1958	Number of Members	Aggregate Annual Salary Rate
18	11	\$ 32,772.00	51	449	\$1,602,708.00
19	59	174,888.00	52	433	1,565,532.00
20	198	587,580.00	53	411	1,516,236.00
21	226	692,328.00	54	432	1,549,404.00
22	187	577,992.00	55	442	1,578,156.00
23	192	613,200.00	56	411	1,477,632.00
24	166	530,976.00	57	393	1,441,224.00
25	192	620,616.00	58	478	1,721,880.00
26	162	537,888.00	59	344	1,216,008.00
27	158	509,832.00	60	389	1,358,664.00
28	171	570,312.00	61	321	1,146,132.00
29	191	643,008.00	62	333	1,194,360.00
30	149	476,208.00	63	283	1,010,508.00
31	206	690,636.00	64	216	753,780.00
32	190	646,548.00	65	219	781,152.00
33	195	662,952.00	66	169	624,048.00
34	181	582,960.00	67	124	447,684.00
35	215	705,624.00	68	139	488,520.00
36	233	828,828.00	69	90	334,080.00
37	266	928,632.00	70	94	345,144.00
38	249	852,960.00	71	53	187,992.00
39	262	887,340.00	72	49	170,628.00
40	266	925,776.00	73	18	63,780.00
41	262	907,248.00	74	16	50,616.00
42	294	1,039,860.00	75	9	28,008.00
43	347	1,227,588.00	76	8	23,136.00
44	355	1,272,000.00	77	3	9,228.00
45	399	1,423,524.00	78	6	16,620.00
46	376	1,347,168.00	80	1	3,204.00
47	409	1,479,816.00	81	1	4,176.00
48	427	1,541,652.00	83	1	1,572.00
49	410	1,482,168.00	85	2	4,572.00
50	417	1,550,400.00	87	1	3,240.00
				14,359	\$50,270,904.00
				1,078	3,774,078.00
Members with uncompleted Membership Records -----					
Totals -----				15,437	\$54,044,982.00

TABLE D

**STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
NUMBER OF MEMBERS AT JUNE 30, 1958  
CLASSIFIED BY LENGTH OF SERVICE**

Length of Service at June 30, 1958 (Years)	Number		Total
	Male	Female	
Less Than One Year	2,418	1,739	4,157
1	2,335	2,009	4,344
2	1,748	1,611	3,359
3	1,495	1,079	2,574
4	2,607	1,057	3,664
5	1,025	716	1,741
6	667	627	1,294
7	654	489	1,143
8	725	487	1,212
9	462	428	890
10	460	460	920
11	509	444	953
12	450	338	788
13	434	310	744
14	264	259	523
15	257	314	571
16	363	443	806
17	508	455	963
18	254	271	525
19	265	242	507
20	228	212	440
21	204	197	401
22	172	158	330
23	148	150	298
24	148	131	279
25	137	164	301
26	77	89	166
27	62	68	130
28	90	73	163
29	43	56	99
30	50	60	110
31	44	36	80
32	42	42	84
33	39	36	75
34	23	23	46
35	45	35	80
36	45	22	67
37	36	17	53
38	24	17	41
39	19	26	45
40	12	17	29
41	6	8	14
42	6	7	13

TABLE D—continued

Length of Service at June 30, 1958 (Years)	Number		Total
	Male	Female	
43 .....	2	7	9
44 .....	2	3	5
45 .....	1	2	3
46 .....	2	0	2
47 .....	1	1	2
48 .....	0	2	2
49 .....	3	0	3
50 .....	1	0	1
Totals .....	19,612	15,437	35,049

**TABLE E**  
**SERVICE RETIREMENT ANNUITANTS CLASSIFIED BY**  
**AGE AT JUNE 30, 1958**

**MALE**

Age at June 30, 1958	Number	Annual Payments
56	2	\$ 2,449.92
57	2	2,120.64
58	2	2,274.60
59	2	1,609.92
60	22	22,258.44
61	36	42,610.32
62	69	114,771.84
63	82	103,828.80
64	65	87,316.68
65	71	85,148.76
66	105	120,889.08
67	90	117,805.32
68	94	112,314.72
69	99	110,677.56
70	92	106,013.04
71	87	90,259.44
72	79	84,702.72
73	90	107,590.20
74	78	91,796.64
75	75	93,771.84
76	60	53,618.04
77	44	41,085.84
78	48	45,232.08
79	25	24,179.76
80	29	<b>28,110.60</b>
81	29	22,653.36
82	23	20,394.60
83	11	6,839.04
84	7	8,314.92
85	11	11,882.16
86	10	7,151.16
87	11	11,231.40
88	3	4,551.12
89	3	1,864.68
92	1	697.08
93	2	3,152.88
94	1	718.80
95	2	3,321.84
Totals	1,562	\$1,795,209.84

Average Age—70.56 years.

Average Allowance—\$1,149.30 per year.

**TABLE F**  
**SERVICE RETIREMENT ANNUITANTS CLASSIFIED BY**  
**AGE AT JUNE 30, 1958**

**FEMALE**

Age at June 30, 1958	Number	Annual Payments
51 .....	1	\$ 926.64
55 .....	1	979.08
56 .....	1	1,148.40
57 .....	1	1,059.48
59 .....	2	1,315.92
60 .....	14	13,025.40
61 .....	44	44,035.56
62 .....	53	42,533.28
63 .....	61	62,018.16
64 .....	70	80,805.84
65 .....	61	64,376.28
66 .....	75	70,243.68
67 .....	84	86,116.32
68 .....	91	86,828.64
69 .....	85	79,636.56
70 .....	79	71,461.20
71 .....	73	67,856.16
72 .....	69	65,520.72
73 .....	80	81,024.24
74 .....	75	76,316.28
75 .....	51	47,883.00
76 .....	39	42,141.48
77 .....	46	40,506.96
78 .....	40	32,859.36
79 .....	33	26,206.92
80 .....	29	21,273.36
81 .....	19	12,435.96
82 .....	20	13,873.68
83 .....	20	15,822.48
84 .....	2	852.84
85 .....	3	2,000.28
86 .....	4	2,972.76
87 .....	3	3,034.56
88 .....	5	4,206.84
89 .....	2	1,216.68
<b>Totals</b> .....	<b>1,336</b>	<b>\$1,264,515.00</b>

Average Age—70.35 years.  
Average Allowance—\$946.49 per year.

**TABLE G**  
**SERVICE RETIREMENT ANNUITANTS CLASSIFIED BY**  
**AGE AT RETIREMENT**

Age at Retirement	Number	
	Male	Female
50	-----	1
53	-----	1
54	1	1
55	6	4
56	2	1
57	-----	2
58	1	9
59	6	6
60	255	188
61	92	84
62	77	77
63	72	73
64	71	66
65	162	151
66	100	96
67	91	78
68	87	79
69	97	77
70	204	158
71	56	51
72	39	36
73	31	30
74	28	27
75	15	11
76	14	12
77	10	10
78	14	5
79	13	1
80	6	1
81	3	-----
82	3	-----
83	1	-----
84	5	-----
<b>Totals</b>	<b>1,562</b>	<b>1,336</b>

**Average Age at Retirement:**

Male—66.23 years.

Female—65.87 years.

**TABLE H**  
**WIDOW ANNUITANTS CLASSIFIED BY AGE AT**  
**JUNE 30, 1958**

Age at June 30, 1958	Number	Annual Payments
38	1	\$ 1,568.40
41	1	874.80
42	1	419.04
43	1	629.88
45	1	914.64
46	1	812.76
47	3	2,053.20
49	3	3,346.56
50	1	749.76
51	3	4,485.72
53	3	1,729.68
54	3	4,253.76
55	3	4,100.64
56	11	9,689.16
57	6	4,513.20
58	7	6,291.24
59	10	7,537.56
60	8	6,012.00
61	8	7,222.68
62	17	13,520.88
63	9	6,494.52
64	13	11,066.76
65	13	10,038.48
66	13	9,844.68
67	14	9,202.80
68	9	4,721.28
69	7	5,305.68
70	6	4,354.80
71	9	5,350.92
72	5	3,997.20
73	5	3,756.12
74	9	4,529.04
75	5	3,494.64
76	2	2,609.88
77	6	2,716.08
78	2	680.64
80	1	204.72
83	1	346.32
<b>Totals</b>	<b>221</b>	<b>\$ 169,440.12</b>

Average Age—63.805 years.  
Average annuity—\$766.70 per year.



**TABLE I**  
**DEATHS AMONG MEMBERS—AGE AND SERVICE DATA**

Age at Death	Number of Claims					
	Year Ended June 30, 1958			Year Ended June 30, 1957		
Nonoccupational	Male	Female	Total	Male	Female	Total
18 to 21 incl.....	0	1	1	0	0	0
22 to 28 incl.....	2	0	2	0	1	1
29 to 34 incl.....	0	4	4	1	1	2
35 to 39 incl.....	1	1	2	7	1	8
40 to 44 incl.....	6	5	11	7	1	8
45 to 49 incl.....	16	4	20	16	5	21
50 to 54 incl.....	27	12	39	25	9	34
55 to 59 incl.....	38	10	48	42	7	49
60 to 64 incl.....	33	11	44	40	15	55
65 to 69 incl.....	25	5	30	17	9	26
70 or over .....	13	5	18	10	2	12
Totals .....	161	58	219	165	51	216
<b>Number of Occupational Deaths .....</b>	<b>4</b>	<b>0</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>4</b>
<b>Totals .....</b>	<b>165</b>	<b>58</b>	<b>223</b>	<b>169</b>	<b>51</b>	<b>220</b>
<b>Nonoccupational Deaths:</b>						
Less than 6 years of service..		51%			55%	
6 years of service or over....		49%			45%	

TABLE J

**DEATH CLAIMS CLASSIFIED BY CAUSES OF DEATH  
FISCAL PERIOD JULY 1, 1957 TO JUNE 30, 1958**

**Claims for Preceding Year Given for Comparison**

Causes of Death	Number of Claims	
	Year Ended June 30, 1958	Year Ended June 30, 1957
Diseases of the Heart, Blood Vessels and Kidneys:		
Heart Disease .....	118	114
Apoplexy .....	15	1
Nephritis .....	6	4
Cancer and Tumor .....	44	40
Pneumonia and Influenza .....	9	15
Diabetes .....	2	1
Liver Disease .....	4	9
Pulmonary Tuberculosis .....	2	0
Diseases of the Digestive Tract, Including Ulcers of the Stomach and Duodenum and Appendicitis.....	3	12
Automobile Accidents .....	5	13
Other Violent Death—Including War Deaths.....	7	9
All Other Causes .....	6	2
Causes Unknown .....	2	0
<b>Totals .....</b>	<b>223</b>	<b>220</b>
Above statistics classified as follows:		
Nonoccupational .....	219	216
Occupational .....	4	4
<b>Totals .....</b>	<b>223</b>	<b>220</b>

TABLE K

**STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
STATISTICS ON WITHDRAWALS WITH REFUNDS**

**Classified By Age At Withdrawal**

Age At Withdrawal	Number of Refunds	
	Year Ended June 30, 1958	Year Ended June 30, 1957
17-19 incl. ....	6	9
20-24 incl. ....	334	396
25-29 incl. ....	325	343
30-34 incl. ....	272	347
35-39 incl. ....	235	262
40-44 incl. ....	198	231
45-49 incl. ....	176	203
50-54 incl. ....	163	216
55-59 incl. ....	144	194
60-64 incl. ....	103	135
65-69 incl. ....	64	55
70-and over .....	25	30
No age data .....	14	39
<b>Totals</b> .....	<b>2,059</b>	<b>2,460</b>

**Classified By Length of Service**

Less Than 1 year .....	421	452
1 year .....	594	676
2 years .....	292	453
3 years .....	264	361
4 years .....	164	142
5 years and over .....	324	376
<b>Totals (as above)</b> .....	<b>2,059</b>	<b>2,460</b>

**SCHEDULE 1**  
**SUMMARY BY DEPARTMENTS OF BENEFIT CLAIMS**  
**COVERING THE PERIOD FROM**  
**JULY 1, 1957 TO JUNE 30, 1958**

Code No.	Name of Department	Service Retirement Allowance	Ordinary Death	Accidental Death	Ordinary Disability	Accidental Disability	Accidental Reversionary Annuity	Death Benefit After Retirement	Widow's Annuities
01	Governor	---	1	---	---	---	---	---	---
02	Lieutenant Governor	---	---	---	---	---	---	---	---
03	Secretary of State	15	22	1	8	---	1	---	4
04	Auditor of Public Accounts	5	6	---	---	---	---	---	---
05	Treasurer	1	3	---	1	---	---	1	---
06	Attorney General	---	1	---	---	---	---	---	---
07	Public Instruction	---	---	---	1	---	---	---	---
08	Courts	---	---	---	---	---	---	---	---
09	State Officers	7	3	---	1	---	---	---	---
10	Aeronautics	---	---	---	---	---	---	---	---
11	Agriculture	8	7	---	2	---	---	---	---
12	Conservation	---	8	---	2	---	---	---	---
13	Finance	5	2	---	5	---	---	---	---
14	Insurance	5	---	---	---	---	---	---	1
15	Labor	21	12	---	8	2	---	---	4
17	Mines and Minerals	---	---	---	---	---	---	---	---
18	Board of Vocational Education	---	---	---	---	---	---	---	---
20	Public Health	7	6	---	1	1	---	---	1
21	Public Safety	39	20	1	25	---	---	1	7
22	Public Welfare	182	60	1	74	14	---	9	22
23	Public Works and Buildings	45	37	1	9	27	---	1	17

(Continued)

Code No.	Name of Department	Service Retirement Allowance	Ordinary Death	Accidental Death	Ordinary Disability	Accidental Disability	Reversionary Annuity	Death Benefit After Retirement	Widow's Annuities
24	Registration and Education	2	3	---	---	---	---	---	5
25	Revenue	14	6	---	---	---	---	---	---
29	Illinois Youth Commission	6	5	---	2	---	---	---	---
30	Civil Service Commission	---	---	---	---	---	---	---	---
31	Illinois Commerce Commission	1	1	---	---	---	---	---	1
32	Illinois Liquor Control Commission	---	2	---	---	---	---	2	---
33	Illinois Public Aid Commission	19	8	---	6	---	---	---	4
34	Illinois Veterans' Commission	2	---	---	2	---	---	---	---
35	Illinois State Militia	7	6	---	---	---	---	---	2
50	Miscellaneous Agencies	4	---	---	1	---	---	---	---
	Totals	395	219	4	153	46	1	14	68
	Pending and Uncompleted	0	0	2	0	4	0	0	0
	Totals	395	219	6	153	50	1	14	68

## SCHEDULE 2

**SERVICE RETIREMENT ALLOWANCE EFFECTIVE  
DURING THE PERIOD FROM  
JULY 1, 1957 TO JUNE 30, 1958**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1958	1957
01	Governor .....	0	1
03	Secretary of State .....	15	21
04	Auditor of Public Accounts .....	5	11
05	Treasurer .....	1	6
06	Attorney General .....	0	1
07	Public Instruction .....	0	1
08	Courts .....	0	1
09	State Officers .....	7	4
11	Agriculture .....	8	9
12	Conservation .....	0	8
13	Finance .....	5	3
14	Insurance .....	5	4
15	Labor .....	21	25
17	Mines and Minerals .....	0	3
20	Public Health .....	7	6
21	Public Safety .....	39	38
22	Public Welfare .....	182	237
23	Public Works and Buildings .....	45	56
24	Registration and Education .....	2	0
25	Revenue .....	14	10
29	Youth Commission .....	6	7
30	Civil Service Commission .....	0	2
31	Illinois Commerce Commission .....	1	3
32	Illinois Liquor Control Commission .....	0	1
33	Illinois Public Aid Commission .....	19	18
34	Illinois Veterans' Commission .....	2	2
35	Illinois State Militia .....	7	6
50	Miscellaneous Agencies .....	4	3
	<b>Totals</b> .....	<b>395</b>	<b>487</b>
	Pending and Uncompleted .....	0	0
	<b>Totals</b> .....	<b>395</b>	<b>487</b>

### SCHEDULE 3

## WIDOW'S ANNUITIES EFFECTIVE DURING THE PERIOD FROM JULY 1, 1957 THROUGH JUNE 30, 1958

### Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1958	1957
03	Secretary of State.....	4	1
04	Auditor of Public Accounts .....	0	3
05	Treasurer .....	0	1
06	Attorney General .....	0	1
08	Courts .....	0	1
11	Agriculture .....	0	6
14	Insurance .....	1	0
15	Labor .....	4	3
20	Public Health .....	1	0
21	Public Safety .....	7	8
22	Public Welfare .....	22	19
23	Public Works and Buildings .....	17	7
24	Registration and Education .....	0	1
25	Revenue .....	5	0
29	Youth Commission .....	0	1
31	Illinois Commerce Commission .....	1	0
33	Illinois Public Aid Commission .....	4	1
35	Illinois State Militia .....	2	1
50	Miscellaneous Agencies .....	0	1
	Totals .....	68	55
	Pending and Uncompleted .....	0	0
	Totals .....	68	55



## SCHEDULE 4

NON-OCCUPATIONAL DEATH CLAIMS COVERING THE  
PERIOD FROM JULY 1, 1957 TO JUNE 30, 1958

## Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1958	1957
01	Governor .....	1	0
02	Lieutenant Governor .....	0	1
03	Secretary of State .....	22	15
04	Auditor of Public Accounts .....	6	1
05	Treasurer .....	3	1
06	Attorney General .....	1	3
08	Courts .....	0	1
09	State Officers .....	3	1
11	Agriculture .....	7	1
12	Conservation .....	8	5
13	Finance .....	2	2
14	Insurance .....	0	4
15	Labor .....	12	18
17	Mines and Minerals .....	0	1
18	Board of Vocational Education .....	0	1
20	Public Health .....	6	3
21	Public Safety .....	20	23
22	Public Welfare .....	60	67
23	Public Works and Buildings .....	37	32
24	Registration and Education .....	3	0
25	Revenue .....	6	16
29	Youth Commission .....	5	5
31	Illinois Commerce Commission .....	1	2
32	Illinois Liquor Control Commission .....	2	0
33	Illinois Public Aid Commission .....	8	9
34	Illinois Veterans' Commission .....	0	1
35	Illinois State Militia .....	6	2
50	Miscellaneous Agencies .....	0	1
	Totals .....	219	216
	Pending and Uncompleted .....	0	0
	Totals .....	219	216

## SCHEDULE 5

OCCUPATIONAL DEATH CLAIMS COVERING THE  
PERIOD FROM JULY 1, 1957 TO JUNE 30, 1958

## Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1958	1957
03	Secretary of State .....	1	0
12	Conservation .....	0	2
21	Public Safety .....	1	0
22	Public Welfare .....	1	0
23	Public Works and Buildings .....	1	2
	Totals .....	4	4
	Pending and Uncompleted .....	2	3
	Totals .....	6	7

## SCHEDULE 6

NONOCCUPATIONAL DISABILITY CLAIMS COVERING  
THE PERIOD FROM JULY 1, 1957 TO JUNE 30, 1958

## Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1958	1957
03	Secretary of State .....	8	2
04	Auditor of Public Accounts .....	0	1
05	Treasurer .....	1	0
07	Public Instruction .....	1	0
08	Courts .....	0	1
09	State Officers .....	1	0
11	Agriculture .....	2	1
12	Conservation .....	2	0
13	Finance .....	5	6
15	Labor .....	8	18
20	Public Health .....	1	7
21	Public Safety .....	25	20
22	Public Welfare .....	74	128
23	Public Works and Buildings .....	9	13
25	Revenue .....	3	4
29	Illinois Youth Commission .....	4	2
32	Illinois Liquor Control Commission .....	0	1
33	Illinois Public Aid Commission .....	6	6
34	Illinois Veterans' Commission .....	2	1
35	Illinois State Militia .....	0	1
50	Miscellaneous Agencies .....	1	1
	Totals .....	153	213
	Pending and Uncompleted .....	0	0
	Totals .....	153	213

## SCHEDULE 7

### OCCUPATIONAL DISABILITY CLAIMS COVERING THE PERIOD FROM JULY 1, 1957 TO JUNE 30, 1958

Summary by Departments		Year Ended June 30	
Code No.	Name of Department	1958	1957
11	Agriculture .....	0	1
15	Labor .....	2	1
20	Public Health .....	1	1
21	Public Safety .....	0	1
22	Public Welfare .....	14	22
23	Public Works and Buildings .....	27	15
29	Youth Commission .....	2	0
33	Illinois Public Aid Commission .....	0	1
	Totals .....	46	42
	Pending and Uncompleted .....	4	0
	Totals .....	50	42

## SCHEDULE 8

### DEATH BENEFITS AFTER RETIREMENT COVERING THE PERIOD FROM JULY 1, 1957 TO JUNE 30, 1958

#### EXCESS OF ACCUMULATED CONTRIBUTIONS OVER PENSION PAYMENTS RECEIVED

Summary by Departments		Year Ended June 30	
Code No.	Name of Department	1958	1957
05	Treasurer .....	1	0
08	Courts .....	0	1
14	Insurance .....	0	1
20	Public Health .....	0	1
21	Public Safety .....	1	0
22	Public Welfare .....	9	4
23	Public Works and Buildings .....	1	0
29	Youth Commission .....	0	2
33	Illinois Public Aid Commission .....	2	0
	Totals .....	14	9
	Pending and Uncompleted .....	0	0
	Totals .....	14	9

## SCHEDULE 9

### REVERSIONARY ANNUITIES EFFECTIVE DURING THE PERIOD FROM JULY 1, 1957 THROUGH JUNE 30, 1958

#### Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1958	1957
03	Secretary of State .....	1	0
23	Public Works and Buildings .....	0	1
	Totals .....	1	1
	Pending and Uncompleted .....	0	0
	Totals .....	1	1

# APPENDIX





## SUMMARY OF BENEFIT AND CONTRIBUTION PROVISIONS OF STATE EMPLOYEES' RETIREMENT ACT\*

### SERVICE RETIREMENT ALLOWANCE

Retirement is optional with a member upon attainment of the age of 60 years, provided at least 8 years of service has been completed.

Members of the State highway police may retire beginning at age 55, with at least 25 years of credited service (of which at least 20 years was rendered as a State highway policeman) on a service retirement allowance equal to 50% of average final compensation. In order to qualify for this allowance, the member must be in State service as a highway policeman when he attains age 50. These members contribute an additional 1% of salary.

**Vesting.** Any State employee becoming separated from service on or after July 1, 1957, prior to age 55, is entitled to a vested interest in his retirement allowance, or in the widow's annuity, if he has at least 10 years of creditable service.

In the case of a member who left State service prior to age 55, with less than 10 years' service and who re-enters State service after age 55, additional service of at least 12 months must be rendered after such age to establish a minimum of 8 years of creditable service or a period of time sufficient to complete 10 years' service, whichever is the lesser, to qualify for a service retirement allowance at age 60 or over.

The allowance consists of the following:

(a) An annuity which is equal to 1/120th of average final compensation for each year of membership service, i.e., contributing service after January 1, 1944.

(b) A State annuity equal to 1/120th of average final compensation of the member for each year of membership service.

(c) A prior service annuity equal to 1/60th of average final compensation for each credited year of prior service, i.e., service before January 1, 1944, not to exceed 35 years.

**Limitations and Guarantees.** A service retirement allowance to any member cannot exceed 60% of average final compensation, provided that the service retirement allowance to any member who was in service on July 1, 1951 cannot be less than the amount to which he was entitled under the provisions of the Act in effect prior to that date.

**Estimating Retirement Allowance.** The retirement allowance set out in the foregoing paragraphs labeled (a), (b) and (c) is equal to 1-2/3% of average final compensation multiplied by the total number of years of credited service subject to the aforesaid limitations.

**Optional Minimum Benefit.** An optional minimum annual retirement benefit is provided in the case of any member aged 65 years or over, having 15 or more years of creditable service. This minimum is equal to 1% of average final compensation per year of credited service, plus the sum of \$25.00 for each completed year of service, subject to a minimum payment of \$780.00 per year and a maximum payment of 60% of average final compensation.

**Average Final Compensation.** Average final compensation is the average annual rate of earnable compensation for the five consecutive years within the last ten years of service prior to retirement when such average was highest, subject to a maximum of \$7,500.00 per year prior to July 1, 1957. Such maximum measure was removed as of that date.

\* This summary sets forth in brief the principal provisions of the plan of operation underlying the System but is not to be accepted as a substitute for the applicable law. The law must be considered as controlling under all circumstances.

**Special Retirement Provision.** Any member who has received ordinary disability benefit for the maximum period of time specified under the plan, who has attained an age of at least 55 years and has completed at least 15 years of service, may retire and receive a retirement allowance as of his attained age, without reduction in the amount thereof because of retirement before age 60. Effective July 1, 1955, any such member may retire beginning at age 50 if he has at least 20 years of credited service.

### WIDOW'S ANNUITY

In order that a widow's annuity be payable, a member must have at least 8 years of creditable service.

This benefit consists of (a) a widow's annuity equal to one-half of the retirement allowance earned by the member at date of death or at date of retirement, whichever first occurs, and (b) a lump sum death benefit payment of \$500.00.

An eligible widow of a member has the option (if no other beneficiary has been named), of electing to receive the widow's annuity in lieu of the single payment ordinary death benefit. This option must be exercised by a widow within six months after death of the member occurring while in service; otherwise, the widow's annuity is payable. No such option is available upon death of a member after withdrawal from service or after retirement if an eligible widow survives. In such latter instance the widow's annuity is payable.

The widow's annuity begins when the widow attains age 55, if she is under 55 at date of the member's death, or on the date of death of the member if she is 55 years of age or over. If she has a minor child or children under age 18 in her care, the annuity begins at once, even though she is under age 55. In the latter case, the annuity is increased 5% of the member's annuity on account of each such child, subject to a maximum of 66-2/3% of the retirement benefit earned by the member. The lump sum death benefit of \$500.00 is payable immediately following death of the member.

### REVERSIONARY ANNUITY

A member may elect to receive a reduced retirement allowance for himself and provide an annuity for a dependent designated beneficiary on an actuarial equivalent basis to be paid upon his death.

### ORDINARY DISABILITY BENEFIT

This benefit is available to any member under the age of 65 years who has rendered at least five years of creditable service and who has been a contributor to the System for at least 12 months.

The amount of the benefit is 50% of earnable compensation\* plus a credit to the member's account of the applicable percentage of earnable compensation. The benefit begins on the 31st day of absence from service on account of disability, is payable during the time a member shall not receive nor have a right to receive compensation, and may extend for an aggregate period of time not to exceed one-fourth of the member's period of service at date of disability, but in no event beyond age 65. Rate of benefit was 40% of salary prior to July 13, 1955 and applicable to disability occurring prior to that date.

\* Prior to July 1, 1957, earnable compensation was defined to mean the full rate of the member's compensation, subject to a maximum of \$7,500.00 per year; from and after that date the actual salary is used.

**DEATH BENEFIT—DEATH BEFORE RETIREMENT**

The accumulated contributions of the member are payable in event of death.

The ordinary death benefit, provided by State contributions, is payable upon death of a member while in service if the member was a contributor to the System for at least one year and was in receipt of compensation within a period of 12 months prior to the date of death, with the following exception: In the case of a member in receipt of ordinary disability benefit, death benefit coverage is provided during the entire time disability benefits are payable.

The benefit payable from State contributions is an amount equal to one-twelfth of the annual earnable compensation for each completed year of creditable service, not to exceed 50% of such compensation.

**DEATH BENEFIT UPON DEATH AFTER RETIREMENT**

Upon death of a retired member who left no widow eligible for a widow's annuity, provided such member did not elect an annuity payable to his dependents after his death, a death benefit is payable to the person or persons nominated by the deceased member to receive such payment, or to his estate. This benefit is equal to the excess, if any, of the amount of his accumulated contributions at time of his retirement on service retirement allowance over the total amount of all service retirement allowance payments received by the retired member.

**ACCIDENTAL DISABILITY BENEFIT**

This benefit is provided to any member under the age of 65 years becoming disabled as the direct result of injury or disease arising out of and in the course of employment.

The benefit is equal to 60% of earnable compensation plus a credit to the member's account of the applicable percentage of earnable compensation. The benefit is reduced by amounts provided as Workmen's Compensation.

The benefit ceases upon termination of disability or upon attainment of age 65, whichever event first occurs. If termination of benefit is due to age, the member becomes entitled to a service retirement allowance and the minimum period of service prescribed for the receipt of a retirement benefit does not apply in such a case.

**ACCIDENTAL DEATH BENEFIT**

Upon death of a member as the direct result of injury sustained or a hazard undergone while in the course of employment, his accumulated contributions are payable in full to his beneficiary. If a widow survives she is entitled to a benefit equal to 50% of the member's earnable compensation for the 12 months preceding death, payable during widowhood. If there be no widow, or if the widow remarries or dies before any child of the deceased has attained the age of 18 years, each such child receives a monthly allowance of \$15.00, payable until attainment of age 18. The combined payments to children are not to exceed 50% of earnable compensation of the member.

If there be no widow nor minor children under age 18, a benefit of 50% of earnable compensation is payable to either surviving dependent parent for life. If none of the prescribed beneficiaries exist, no accidental death benefit is payable. In such a case the ordinary death benefit is applicable.

The accidental death benefit is reduced by amounts provided as Workmen's Compensation.

**REFUNDS**

Upon withdrawal from service before retirement a member is entitled to a refund of all his contributions, without interest, including retirement benefit and widow's annuity contributions.

A male member having no wife eligible for annuity at date of his retirement is entitled to a refund of widow's annuity contributions without interest.

Original from

UNIVERSITY OF ILLINOIS AT  
URBANA-CHAMPAIGN

## CONTRIBUTIONS

**By Members.** The members of the System contribute at the rate of 6% of their earnings by way of salary deductions. Male members are required to contribute an additional 1% of salary toward the widow's annuity. Members of the State highway police contribute an additional 1% because of special retirement provisions applicable to State police personnel.

**By the State.** The State of Illinois is obligated to meet the remainder of the cost of the benefits provided by the System and expense of administration through biennial appropriations.

The employer's obligation on account of members who are employees of the Illinois State Toll Highway Commission is to be contributed by the Commission from its own revenues, on an actuarial basis, according to rates fixed by the System.

## PRESERVATION OF RETIREMENT CREDITS

A member terminating his service as a State employee with less than the minimum of service required to qualify for a pension, who enters public employment in another capacity, leaving intact his retirement credit in the State Employees' Retirement System, may make use of his fractional retirement credit, under conditions prescribed by the statewide reciprocity law to which the State Employees' Retirement System has subscribed.

The combined service credits under two or more retirement systems in which credits have been established would be available for determining eligibility for retirement annuity or widow's annuity. Proportionate annuities may be granted by each system according to its own formula, provided: (a) employment in all retirement systems in which credit has been established has terminated; (b) the longest qualifying period prescribed by any of the retirement systems involved in the combined credits has been fulfilled; (c) at least two years of creditable service has been established in each of the systems concerned; and (d) the minimum qualifying condition with respect to age has been attained under one of the systems involved.

No transfer of funds between the several reciprocal retirement systems will be required. Each system assumes its own proportionate cost of the applicable fractional annuity.

## ADMINISTRATION

A Board of Trustees, consisting of five members, directs the affairs of the System with the aid of a secretary. The principal functions of the Board are to resolve questions of policy, invest the reserve funds, formulate rules and regulations to implement the provisions of the law and generally institute and supervise matters of administration. The secretary by law is the executive officer in charge of administration.