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1958/59

# STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

SIXTEENTH ANNUAL STATEMENT  
of the  
BOARD OF TRUSTEES

June 30, 1959



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

(Printed by authority of the State of Illinois.)

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RETIREMENT SYSTEM  
OF ILLINOIS**

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**of the  
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RETIREMENT SYSTEM OF ILLINOIS**  
**216 State Office Building, Springfield, Illinois**

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

# STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

## BOARD OF TRUSTEES

(as constituted June 30, 1959)

**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)

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

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

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

**HON. GRENVILLE BEARDSLEY**  
Attorney General  
Counsel

**HON. JOSEPH D. LOHMAN**  
State Treasurer  
Treasurer

**A. A. WEINBERG**  
Consulting Actuary



(13492—3-60)



1958/59

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LETTER OF TRANSMITTAL

October 31, 1959

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

Sir:

As required by the Act governing the operation of the State Employees' Retirement System of Illinois, the Board of Trustees submits herewith its SIXTEENTH ANNUAL STATEMENT covering operations of the System for the fiscal year ended June 30, 1959.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Roy Luebke".

Chairman

## FINANCIAL AND STATISTICAL FACTS

Financial	Fiscal Year Ended June 30,	
	1959	1958
Net Assets at End of Year.....	\$66,089,993.21	\$58,082,357.84
Increase in Net Assets.....	8,007,635.37	7,545,460.15
Investments (at Book Value).....	65,135,393.55	56,089,453.81
Average Yield on Investments.....	3.03%	2.88%
Total Income for Year.....	\$13,971,453.22	\$12,775,150.50
Employee Contributions .....	8,938,581.57	8,036,908.76
State Contributions .....	2,872,213.00	2,872,213.00
Contributions from Federal Funds.....	316,724.88	314,011.76
Interest Income .....	1,788,389.80	1,517,830.89
Total Expenditures .....	\$ 5,963,817.92	\$ 5,229,663.98
Annuity and Benefit Payments.....	4,824,909.47	4,274,398.85
Refunds .....	1,138,908.45	955,265.13
Unfunded Accrued Liability—		
Deferred Obligation of the State of		
Illinois .....	\$125,267,969.00	\$114,294,200.00
Statistical		
Membership at End of Year.....	37,260	35,049
Service Retirement Annuitants.....	3,130	2,898
Widow Beneficiaries .....	292	221
Changes in Retirement Roll:		
Retirements During Year.....	411	395
Re-entry into Service.....	26	15
Deaths Among Retirants.....	153	140
Number of Disability Claims:		
Nonoccupational .....	193	153
Occupational .....	58	46
Number of Death Benefit Claims:		
Nonoccupational .....	245	219
Occupational .....	4	4
Withdrawal Benefits (Refunds).....	2,519	2,059



# STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

## SIXTEENTH ANNUAL STATEMENT

### of the BOARD OF TRUSTEES

This Sixteenth Annual Statement of the Board of Trustees of the State Employees' Retirement System of Illinois includes, among other things, financial and statistical exhibits and schedules reflecting operating experience of the System for the fiscal year ended June 30, 1959 and its financial condition at the end of such year.

#### Membership Statistics

##### Active Members:

Number, July 1, 1958..... 35,049

##### Additions:

Employees qualifying for membership..... 5,432

40,481

##### Deductions:

Deaths, occupational ..... 4

Deaths, nonoccupational ..... 245

Deaths in service resulting in widows' annuities..... 42

Separations with refunds ..... 2,519

Service retirements ..... 411 3,221

Number, June 30, 1959..... 37,260

##### Retired Members:

Number, July 1, 1958..... 2,898

Retirements during year 1958-1959..... 411

Total ..... 3,309

Deaths ..... 153

Re-entrants into service..... 26 179

Number, June 30, 1959..... 3,130

##### Widow Beneficiaries:

Number, July 1, 1958..... 221

New Annuitants during year, 1958-1959..... 77

Total ..... 298

Deaths ..... 6

Number, June 30, 1959..... 292

## FINANCIAL REVIEW

The accumulated reserves available to meet the prescribed statutory obligations amounted to \$66,089,993.21. Of the total reserves at the close of the year 82.0% represented member contributions and 18.0% consisted of reserves accruing from State appropriations. Appropriations during recent years have been geared to the cash requirements for annuities and benefits after applying member contributions, resulting in a constantly decreasing contingent reserve in comparison with the total accumulated reserves of the System.

Total reserve requirements for the various obligations of the System, as determined by the actuary, amounted to \$191,357,962.00. The deferred obligation of the State of Illinois, therefore, was \$125,267,969.00. This compares with the amount at the end of the preceding year of \$114,294,200.00.

Total revenues for the year amounted to \$13,971,453.22. Expenditures for annuity, benefit and refund payments totaled \$5,963,817.85. The excess of income over expenditures was \$8,007,635.37, constituting the increase in net assets for the year. This increase was due for the most part to larger contribution credits of the members.

Financial statements, illustrating in detail the results of operations for the year and the financial condition of the System at the end of the year, are presented in the accompanying pages of this annual statement.

## INVESTMENTS

The law authorizes investment of reserves in municipal bonds, both in the State of Illinois and outside of the State under specified conditions, in addition to United States Government Bonds. However, to date the Board has confined its investments exclusively to United States Government securities. The investment account, at June 30, 1959, consisting entirely of federal government bonds, amounted to \$65,270,000.00 at par value. A full description of these bonds is given in the accompanying accountants' report.

The average yield on investments for the year was 3.03% compared with 2.88% in the preceding year.

New investments during the year amounted to \$9,525,000.00 at par value and consisted of the following government bonds:



Description	Interest Rate	Par Value
U. S. Treasury 2/15/1990 .....	3.50%	\$1,000,000.00
U. S. Treasury 2/15/1980 .....	4.00%	3,050,000.00
U. S. Treasury 6/15/1969/64 .....	2.50%	1,400,000.00
U. S. Treasury 6/15/1983/78 .....	3.25%	2,750,000.00
U. S. Treasury 2/15/1965 .....	2.625%	1,325,000.00
Total Purchases .....		<u>\$9,525,000.00</u>

U. S. Treasury Series "F" bonds in the amount of \$135,000.00, maturity value, were redeemed. There were no other dispositions of securities during the year.

### COMMITTEE ACTIVITIES

The usual three standing committees maintained by the Board were active during the year. The work of these committees accounts in large measure for the prompt disposition of policy questions and the expeditious payment of claims for annuities and benefits.

The Committee on Investments is composed of Roy Tuchbreiter, Chairman of the Board, Wm. M. Jorgensen, Chief Revenue Clerk, Office of the State Treasurer, and Morton H. Hollingsworth, Director of Finance.

The Policy Committee is charged with the duty of advising on important administrative questions. This committee consists of Trustee Charles H. Peeler, Chairman, Trustee Robert H. Tittle, and L. C. Cortright, Secretary, members. A. A. Weinberg, Actuary, serves as technical adviser.

The Claims Committee reviews claims received by the System for retirement and other benefits, directs the administration and processing of these claims and makes recommendations for payment. The committee consists of Trustee Robert H. Tittle, Chairman, J. Thor Wanless, Attorney, and L. C. Cortright, Secretary, members.

### LEGISLATION

The 71st General Assembly, whose regular session ended on June 30, 1959, enacted several amendments to the State Employees' Retirement Act. These amendments conferred additional rights and benefits to the members and are briefly described.

**1. Extension of time for making contributions for the first 12 months of service prior to becoming a member.**

Any State employee who became a member of the System after January 1, 1944, and failed to exercise the privilege of making contributions for the first 12 months of State service prior to membership (commonly referred to as the "qualifying period"), is granted the privilege, prior to July 1, 1960, of making contributions for such period of service and thereby obtaining pension credit for the qualifying year.

**2. Privilege granted elected State officials for making past service contributions and receiving past service credit.**

Elected State officials who previously became members of the State Employees' Retirement System under an option prescribed by the Retirement Act were granted another opportunity, prior to November 1, 1959, to make contributions to the System for periods of State service prior to becoming a member and obtaining pension credit for such previous service.

**3. Option to members who retired before age 60, while disabled, who re-enter State service.**

Members of the System who retired prior to age 60, while disabled, and re-enter the service as a State employee, may repay the retirement annuity payments previously received from the System and thereby re-establish a membership status in the System as though they had never retired.

Upon later retirement, such members would receive a revised retirement allowance based upon their entire period of creditable service according to the provisions of the law in effect at the date of such retirement.

**4. Privilege granted code officers for making contributions for previous State service.**

Code officers of the State who are members of the State Employees' Retirement System were granted the privilege of receiving pension credit for service in such capacity prior to the date of becoming a member of the System by making appropriate contributions prior to October 1, 1959.

**5. Allocation of contributions by the State of Illinois on a departmental basis.**

Effective with the 1961-1963 biennial budget, each department and division of the State government, having employees participating in the State Employees' Retirement System, shall include in their biennial budget request the item of pension cost representing the

employer's proportionate obligation to the System for the biennial period on account of their employees.

This amount would be computed by the application of a specified percentage to the estimated requirements for personal services, which percentage figure would be supplied by the State Employees' Retirement System.

Since a companion measure, namely, House Bill 1186, amending the State Finance Act to provide authority for the foregoing method, was vetoed on July 24, 1959, this amendment is inoperative.

### SOCIAL SECURITY UNIT

The Social Security Unit of the State Employees' Retirement System has continued to expand its scope of operations in keeping with the larger number of governmental units subscribing to social security and the increase in employee coverage.

At the close of the year, 3,666 governmental units having a total of 45,974 employees were under social security coverage and subject to the jurisdiction of this unit on behalf of the State of Illinois. The following statement illustrates the trend in coverage:

Date	Coverage	
	Governmental Units	Number of Employees
September 15, 1953 <sup>1</sup> .....	-----	-----
June 30—		
1954 .....	244	3,913
1955 .....	496	6,645
1956 .....	882	8,865
1957 .....	1,035	10,088
1958 .....	2,313	45,044
1959 .....	3,666	45,974

<sup>1</sup> Social security coverage for public employees in Illinois became operative on this date.

### REPORT OF THE ACTUARY

The usual actuarial valuation of the assets and liabilities of the System was completed by the actuary as of June 30, 1959. The results of this valuation are presented in the report of the actuary forming a part of this annual statement. Such report presents the financial condition of the System and discusses fully from a technical standpoint the several factors that are pertinent to the change in its status during the year.



## ANNUAL AUDIT

The annual audit and examination of the books and accounts of the System was made by Alexander Grant & Company who were designated by the Auditor General of the State. The report of the accountants disclosed that the internal operating and accounting procedures of the System were satisfactory stating that

“Accounting procedures of the State Employees’ Retirement System of Illinois provide generally effective controls over assets and operations” and that

“The books and records of the State Employees’ Retirement System of Illinois are well maintained and are adequate for the transactions of the agency.”

## CONCLUDING COMMENT

The results of the year’s activities, reported herein, evidence a satisfactory state of affairs.

The efforts of the Board have been directed, as in past years, toward the continued operation of the System in accordance with the stated provisions of the governing Act and the legislative intent to the end that the objectives of the System may be attained in full measure.

An expression of appreciation is hereby recorded for the generous cooperation and assistance given by the Attorney General and the

Treasurer during the year. Acknowledgment is also made of the faithful and efficient services of L. C. Cortright, Secretary, and the members of his staff.

Respectfully submitted,

BOARD OF TRUSTEES  
State Employees' Retirement System  
of Illinois

*Roy Lubliner*  
Chairman

*Elbert S. Smith*

*M. W. Helmyer*

*Robert W. Sells*

*Charles Keeler*

*L. C. Cortright*

Secretary

## ACTUARY'S CERTIFICATION

Board of Trustees  
State Employees' Retirement  
System of Illinois  
Springfield, Illinois

We have completed an actuarial valuation of the assets and liabilities of the State Employees' Retirement System of Illinois as of June 30, 1959.

Appended hereto is a Valuation Balance Sheet exhibiting the total asset, liabilities and reserves of the System at the aforesaid date. Present assets and current liabilities embodied in this statement were taken from the report of Alexander Grant & Company, Certified Public Accountants, on an audit of the operation of the System dated October 15, 1959.

In our opinion, the accompanying Valuation Balance Sheet correctly presents the condition of the State Employees' Retirement System of Illinois at June 30, 1959, giving effect to all accrued liabilities and reserve requirements under the applicable law.

A. A. Weinberg  
Consulting Actuary

October 31, 1959

### VALUATION BALANCE SHEET — JUNE 30, 1959 STATEMENT OF ASSETS, LIABILITIES AND RESERVES

<b>ASSETS</b>		
<b>Present Assets:</b>		
Cash .....	\$	208,810.19
<b>Accounts Receivable—</b>		
Members' Contributions .....	\$	547,562.16
Trust and federal funds .....		4,795.95
Illinois State Highway Commission .....		15,501.70
		567,859.81
<b>Investments—</b>		
United States Government securities—at amortized cost .....		65,135,393.55
<b>Accrued Interest—</b>		
On investments .....		353,918.08
<b>Other—</b>		
Refundable by members for benefits cancelled .....		2,005.15
<b>Deferred Assets:</b>		
<b>Unfunded Accrued Liability—</b>		
Deferred obligation of the State of Illinois for unfunded accrued pension credits .....		125,267,969.00
<b>Total Assets</b> .....		<b>\$191,535,955.78</b>

Original from  
UNIVERSITY OF ILLINOIS AT  
URBANA-CHAMPAIGN

**VALUATION BALANCE SHEET — JUNE 30, 1959**  
**STATEMENT OF ASSETS, LIABILITIES AND RESERVES**

**LIABILITIES AND RESERVES**

**Current Liabilities:**

**Benefits payable—**

Accidental disability .....	\$ 4,965.54	
Ordinary death .....	33,427.46	
Ordinary disability .....	49,041.09	
Service retirement .....	2,706.38	
Widows' annuity .....	21.87	\$ 90,162.34

**Refunds payable—**

Terminations from service .....	87,419.01	
Erroneous contributions .....	412.22	87,831.23

**Reserve Requirements:**

**Reserve for Members' Contributions—**

For prospective retirement and widows' annuities on account of active members..	29,808,052.31	
For future refunds and death benefits—actuarial value of future payments.....	18,853,409.00	48,661,461.31

**Reserve For State Contributions—**

For prospective retirement and widows' annuities on account of active members—present value of total liability for accrued requirements .....	131,482,944.21	
Less, members' contribution credits.....	29,808,052.31	101,674,891.90

**Retirement and Benefits Reserve—**

Actuarial value of retirement and widows' annuities in force, and other prospective annuities and benefits—		
Retirement annuities and reversionary annuities to wives of retired members	36,129,010.00	
Widows' annuities in force .....	3,121,978.00	
Reversionary annuities in force .....	104,152.00	
Deferred annuities and benefits .....	1,666,469.00	41,021,609.00

<b>Total Liabilities and Reserves .....</b>		<b>\$191,535,955.78</b>



## REPORT OF THE ACTUARY

This report presents the results of the Sixteenth Annual Valuation of the State Employees' Retirement System of Illinois, as of June 30, 1959. This valuation was made pursuant to the authority prescribed in the Act governing the System which requires that the actuary

“shall make an annual valuation of the liabilities and reserves of the system, an annual determination of the amount of contributions required from the State under the Act, and certify the results to the Board.”

The benefit and contribution provisions, as amended and in force June 30, 1959, formed the basis for this valuation. These provisions are summarized in the appendix.

### Results of Valuation

The accompanying Valuation Balance Sheet illustrates the financial condition of the System at June 30, 1959. Total liabilities and reserve requirements are shown at \$191,535,955.78. To meet these liabilities and reserves the System had total assets amounting to \$66,267,986.78. This difference of \$125,267,969.00 is the unfunded accrued liability and represents a deferred obligation of the State of Illinois to be discharged by future appropriations.

The increase for the year in the unfunded accrued liability was \$10,973,769.00. This increase was due primarily to two factors: (1) appropriation to the System by the State of Illinois on practically a cash basis, thus deferring the major part of the accruing liabilities; and (2) substantive amendments to the Act in 1957 effecting an increase in obligations, consisting of the removal of the salary ceiling and a liberalization of the provisions for vesting.

Because of the deferred aspects of the method of financing the State's obligation to the System, the appropriation requirements from the State of Illinois for future years will be in steadily increasing amounts. These requirements will rise sharply with the maturity of liabilities as more members qualify for retirement.

## STATISTICS

The statistics required for the preparation of this report were compiled and tabulated in the office of the Retirement System under the supervision of L. C. Cortright, Secretary, and submitted to us in a satisfactory form.

### Membership

	Male	Female	Combined
Number of members .....	21,047	16,213	37,260
Proportion of total .....	56.5%	43.5%	100.0%
Aggregate annual salaries.....	\$101,561,611.00	\$59,460,031.00	\$161,021,642.00
Average salary .....	\$4,825.00	\$3,667.00	\$4,322.00
Average age (years) .....	48.0	46.8	47.5
Average membership service..	6.0	5.2	5.7

### Service Retirements

	Male	Female	Combined
Number .....	1,679	1,451	3,130
Proportion of total .....	53.6%	46.4%	100.0%
Aggregate annual payments....	\$1,983,005.04	\$1,402,303.08	\$3,385,308.12
Average annual payment .....	\$1,181.00	\$966.00	\$1,082.00
Average age at June 30, 1959..	71.1	70.6	70.9
Average age at retirement.....	65.9	65.4	65.7

### Other Benefits

	Number	Annual Payments	Average Annuity	Average age at June 30, 1959
(a) Widows' annuities .....	292	\$224,923.00	\$770.00	64.2
(b) Deferred widows' annuities— deferred to age 55 .....	15	11,969.88	798.00	51.0
(c) Reversionary annuities in force	14	11,329.32	809.00	74.9
(d) Prospective reversionary annuities .....	10	6,590.88	659.00	70.8
(e) Accidental death benefits .....	58	95,118.54	1,640.00	59.4

Detailed tables reflecting some of the foregoing data are presented as a part of this report.

### Prior Service

Pension credits accruing on account of service rendered prior to the date of establishment of the System, namely, January 1, 1944, represent the liability for prior service. Full prior service was granted after three years of contributing membership service. Proportionate credit was granted with less than three years of contributing membership service. Statistics pertinent to this liability are as follows:

	Male	Female
Number of members with prior service credit....	5,122	4,314
Proportion of total .....	54.3%	45.7%
Combined years of prior service .....	36,472	30,471
Average period of prior service—years .....	6.4	6.6
Total liability .....	\$16,537,266.00	\$11,363,263.00

### Membership Service Liability

The pension credits earned by the members during the period from January 1, 1944 to June 30, 1959, referred to as membership service, amounted to \$80,882,377.00. Members meet a part of the cost of these accrued pension credits by means of contributions to the System at the established rate of 6% of salary. Male members contribute an additional 1% for widow's annuity. The State of Illinois is obligated by law to meet the remainder of the liability.

The pension credits to be earned by the members during service to be rendered after June 30, 1959, including the liability for widow's annuity, amounted to \$104,610,665.00. These credits reflect future service to the assumed ages of retirement according to a projected salary scale.

### Widow's Annuity

This annuity became operative on July 7, 1953. It affects male members in service on or after that date. The annuity is payable to a widow upon death of a member occurring while in service, provided 8 years of service has been completed, or upon death after retirement.

The accrued liability on account of this annuity at June 30, 1959 amounted to \$22,700,038.00.

### Ordinary Death Benefit

This benefit consists of (1) the member's accumulated contributions, including interest, and (2) an amount equal to one-twelfth of the yearly earnable compensation of the member for the 12 months preceding his date of death, for each completed year of creditable service not to exceed six-twelfths of such compensation. The total amount of insurance represented by this benefit is as follows:

Male members .....	\$44,663,048.00
Female members .....	26,622,768.00
<b>Total .....</b>	<b>\$71,285,816.00</b>

The number of claims for ordinary death benefits processed during each of the last five fiscal years were as follows:

Year Ended June 30th	Number of Claims
1955 .....	216
1956 .....	160
1957 .....	216
1958 .....	219
1959 .....	245

The sharp increase in claims during the 1959 fiscal year was not due to any specific cause. It may be explained as a temporary condition. The number of deaths among the State employees has been fairly constant during recent years notwithstanding a steady upward trend in membership and reflects the expectancy according to the adopted mortality tables. An increase in one year, therefore, cannot be accepted reliably as indicative of the underlying trend.

### **\*Occupational Death**

The number of beneficiaries of death benefits on account of deaths due to occupational causes was 58, involving a liability of \$1,438,930.00. The total number of claims incurred during the year was 4, being the same number that was incurred in the preceding year. The number of deaths on account of this hazard is considerably below the expectancy.

### **Occupational Disability**

Claims for occupational disability benefits increased from 46 to 58. The rate of incidence of these claims, as in the case of death, must be evaluated over the long term rather than on a year-to-year basis. The rate of benefit payable by the System is equal to 60% of salary less Workmen's Compensation.

### **Non-occupational Disability**

New claims approved during the year showed a marked increase. Statistics illustrating the number of such claims during each of the last five years are as follows:

Year Ended June 30th	Number of New Claims
1955 .....	189
1956 .....	209
1957 .....	213
1958 .....	153
1959 .....	193

Only members having at least five years of credited service who are under age 65, are eligible for this benefit. The number of such claims has fluctuated from year to year due to several factors, one of which



concerns the internal administrative policies of the several departments of the State government.

### Withdrawal Benefits

Refund payments to members withdrawing from the System continued to fluctuate within the narrow limits established during recent years. Notwithstanding the persistent upward trend in the membership of the System, such payments maintained a condition of relative stability. The trend in the number and amount of these payments is illustrated in the following statistical summary:

Year Ended June 30th	Number of Withdrawal Benefits	Total Payments	Average Payment
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
1959	2,519	1,133,110.56	449.82

### Conclusion

The System is continuing to broaden its operations. Membership is increasing steadily. Annuity and benefit payments are continuing their upward trend. Claims for the several types of disability benefits seem to have reached a normal level.

The System is making progress and is fulfilling its objectives in a satisfactory manner. The administrative procedures in force reflect constructive policies. A high standard of operating efficiency is being maintained.

Respectfully submitted,

A. A. Weinberg  
Actuary

**AUDITOR'S REPORT  
AND  
FINANCIAL STATEMENTS**

## AUDITOR'S 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 STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS for the year ended June 30, 1959. These statements are presented as Exhibits A through F. Except as set forth in the succeeding paragraph, 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. We made a similar examination of the financial statements for the preceding year.

An actuarial evaluation of the State Employees' Retirement System of Illinois as of June 30, 1959 had not been made prior to the completion of our audit. Consequently, actuarial data could not be confirmed and were omitted from the accompanying financial statements.

Subject to foregoing comments, in our opinion the accompanying financial statements present fairly the assets and liabilities of the State Employees' Retirement System of Illinois at June 30, 1959, the revenue and expenditures and changes in reserves for the year then ended, and the expenditures against the System's appropriations by the 70th General Assembly for the period July 1, 1958 through September 30, 1959, 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 15, 1959

**SYSTEM FUND ACCOUNT  
BALANCE SHEET**

June 30, 1959

**ASSETS**

**Current Assets**

Cash .....		\$ 208,810.19
Accounts receivable		
Members' contributions .....	\$ 547,562.16	
Cancellation of benefits after payment .....	2,005.15	
Trust and Federal funds .....	15,501.70	
Employers Funded Benefit Reserve .....	4,795.95	569,864.96
Interest receivable on investments .....		353,918.08
Total current assets .....		\$ 1,132,593.23

**Investments**

United States Government bonds (at amortized cost) .....		65,135,393.55
		\$66,267,986.78

**LIABILITIES**

**Current Liabilities**

Benefits payable		
Accidental disability .....	\$ 4,965.54	
Ordinary death .....	33,427.46	
Ordinary disability .....	49,041.09	
Service retirement allowance .....	2,706.38	
Widows' annuity .....	21.87	\$ 90,162.34
Refunds payable		
Resigned members .....	87,419.01	
Erroneous deductions .....	412.22	87,831.23
Total current liabilities .....		\$ 177,993.57

**Members' Equity (Reserves)**

Members' contributions .....	\$48,661,461.31	
Interest accumulations .....	4,172,419.52	
Annuitants' death benefits .....	1,249,668.19	
Funded benefits reserve .....	89,526.65	
Contingent general reserve .....	11,916,917.54	\$66,089,993.21
		\$66,267,986.78

**Note:**

This statement reflects all benefit claims for which formal application had been received at June 30, 1959.

Original from  
UNIVERSITY OF ILLINOIS AT  
URBANA-CHAMPAIGN



## SYSTEM FUND ACCOUNT

## STATEMENT OF INCOME AND EXPENDITURES

Year ended June 30, 1959

**Income**

Contributions—by members .....	\$8,842,337.23		
Less refunds of erroneous deductions .....	15,420.93	\$8,826,916.30	
Credits to members' accounts which are based on disability benefits			
Accidental disability .....	\$ 9,768.43		
Ordinary disability .....	59,028.45	68,796.88	
Repayment of refunds			
Contributions .....	42,868.39	\$8,938,581.57	
Contributions—State, Trust and			
Federal Funds			
State of Illinois .....	\$2,872,213.00		
Federal funds .....	316,724.88		
Employer's funded benefits .....	55,435.77		
Reciprocating systems .....	64.00	3,244,437.65	
Interest			
Investments (less amortization of bond premium) .....	1,780,324.01		
Paid by members .....	8,065.79		
Reciprocating systems .....	44.20	1,788,434.00	
Total income .....		\$13,971,453.22	

## Exhibit B (Cont'd)

**Expenditures****Benefits****Annuity benefits**

Service retirement allow- ances .....	\$3,240,704.60		
Reversionary .....	11,048.90		
Widows .....	237,561.28		

**Death benefits**

Active membership to time of death			
Return of contributions and interest .....	372,303.79		
State allowance .....	384,735.12		
After retirement .....	6,733.22	4,253,086.91	

Disability benefits .....		571,822.49	
---------------------------	--	------------	--

Total benefits .....			\$4,824,909.40
----------------------	--	--	----------------

**Refunds of contributions**

Members leaving service ..	\$1,133,110.56		
Widows' annuity contribu- tions .....	5,797.89	1,138,908.45	5,963,817.85

<b>EXCESS OF INCOME OVER EXPENDITURES</b> .....			<b>\$8,007,635.37</b>
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**Note:**

This statement reflects all benefit claims for which formal application had been received at June 30, 1959.

**SYSTEM FUND ACCOUNT**  
**STATEMENT OF REVENUE, EXPENDITURES, AND RESERVES**  
 Year ended June 30, 1959

ALLOCATED TO

	Total	Members' contributions	Interest accumulations	Annuity Death Benefits	Contingent General Reserve	Funded Benefits— Illinois State Toll Highway Commission
<b>Revenue</b>						
Contributions						
By members	\$ 8,826,916.30	\$ 8,826,916.30				
Based on disability benefits	68,796.88	68,796.88				
Repayment of refunds	42,868.39	42,868.39				
By State of Illinois	2,872,213.00				2,872,213.00	
From Federal funds	316,724.88				316,724.88	
Employers funded benefits	55,435.77					55,435.77
From reciprocating systems	64.00	64.00				
Interest						
On bonds	1,780,324.01		705,225.93		1,075,098.08	
Paid by members	8,065.79				8,065.79	
From reciprocating systems	44.20				44.20	
Total income	\$ 13,971,453.22	\$ 8,938,645.57	\$ 705,225.93	\$	\$ 4,272,145.95	\$ 55,435.77

Exhibit C (Cont'd)

ALLOCATED TO

	Total	Members' contributions	Interest accumulations	Annuityants' Death Benefits	Contingent General Reserve	Funded Benefits— Illinois State Toll Highway Commission
<b>Expenditures</b>						
Benefit payments .....	\$ 4,824,909.40	\$ 342,549.50	\$ .....	\$ .....	\$ 4,482,359.90	\$ .....
Refunds of contributions						
Members leaving service .....	1,133,110.56	1,133,110.56	.....	.....	.....	.....
Widows' annuity contributions .....	5,797.89	5,797.89	.....	.....	.....	.....
<b>Total expenditures</b> .....	<b>\$ 5,963,817.85</b>	<b>\$ 1,481,457.95</b>	.....	.....	<b>\$ 4,482,359.90</b>	.....
<b>Excess of revenues over expenditures</b> .....	<b>\$ 8,007,635.37</b>	<b>\$ 7,457,187.62</b>	<b>\$ .....</b>	<b>\$ .....</b>	<b>(\$ 212,213.95)</b>	<b>\$ 55,435.77</b>
Opening balance—July 1, 1958 ..	58,082,357.84	42,206,725.64	3,467,193.59	1,058,163.99	11,316,183.74	34,090.88
	<u>\$66,089,993.21</u>	<u>\$49,663,913.26</u>	<u>\$4,172,419.52</u>	<u>\$1,058,163.99</u>	<u>\$11,103,969.72</u>	<u>\$ 89,526.65</u>

Transfers

Accumulated contributions of retired members transferred to Contingent General Reserve .....

(1,002,451.95)

1,002,451.95

Accumulated contributions of members whose death occurred during re-employment after retirement .....

191,504.20

(191,504.20)

RESERVES—JUNE 30, 1959 ..

\$4,172,419.52

\$1,249,668.19

\$11,916,917.54

\$ 89,526.65

Original from

UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN

STATEMENT OF APPROPRIATIONS BY 70TH GENERAL ASSEMBLY

	Expenditures		Expenditures		Lapsed appropriations September 30, 1959 (A)
	July 1, 1957 through June 30, 1958 (per prior audit report)	July 1, 1958 through June 30, 1959	July 1, 1959 through September 30, 1959	Unexpended appropriations June 30, 1959	
70th Biennium appropriations	\$ 351,027.00	\$ 154,815.39	\$ 6,734.83	\$ 59,424.93	\$ 52,690.10
Personal service	78,900.00	40,325.86	1,727.65	6,948.96	5,221.31
Contractual service	6,000.00	3,290.84	39.16	39.16	39.16
Postage	8,700.00	3,638.45	1,114.38	1,114.38	1,114.38
Travel	2,000.00	551.89	219.20	796.22	577.02
Commodities	6,000.00	1,130.50	2,816.20	3,983.38	1,167.18
Equipment	19,000.00	8,170.27	1,286.56	2,196.64	910.08
Stationery, printing and office supplies	2,500.00	8,633.09	2,500.00	2,500.00	2,500.00
Contingencies					
Administrative expenses of Widows' Annuity Benefits	24,000.00	1,366.53	922.03	21,690.18	20,768.15
General administrative expense—totals	498,127.00	185,939.50	13,706.47	98,693.85	84,987.38
Administrative expenses of Social Security Enabling Act	130,000.00	27,489.92	1,427.60	69,686.60	68,259.00
Payment to Social Security Contribution Fund	15,000.00	15,000.00			
State's Contribution to the State Employees' Retirement Fund	5,744,426.00	2,872,213.00			
	\$6,387,553.00	\$3,100,642.42	\$15,134.07	\$168,380.45	\$153,246.38

(A) Lapsed appropriations confirmed with Auditor of Public Accounts.



## SYSTEM TRUST FUND

## UNITED STATES GOVERNMENT SECURITIES

June 30, 1959

	Maturity date	Principal amount	Book value
Savings bonds—Series F .....	1- 1-60	\$ 135,000.00	\$ 133,383.14
Savings bonds—Series G			
2½% .....	7- 1-60	900,000.00	900,000.00
2½% .....	4- 1-61	100,000.00	100,000.00
2½% .....	1- 1-62	100,000.00	100,000.00
2½% .....	2- 1-63	100,000.00	100,000.00
		<hr/>	<hr/>
		1,200,000.00	1,200,000.00
Savings bonds—Series K			
2.76% .....	5- 1-64	100,000.00	100,000.00
2.76% .....	7- 1-64	100,000.00	100,000.00
2.76% .....	2- 1-66	200,000.00	200,000.00
		<hr/>	<hr/>
		400,000.00	400,000.00
Investment series bonds			
2½%—Series A .....	10- 1-65	250,000.00	250,000.00
2¾%—Series B .....	4- 1-80	10,167,000.00	10,283,809.43
		<hr/>	<hr/>
		10,417,000.00	10,533,809.43
Treasury bonds			
2¼% .....	12-15-62	300,000.00	300,003.94
2¼% .....	6-15-62	2,550,000.00	2,550,000.00
2½% .....	6-15-69	1,400,000.00	1,208,734.79
2½% .....	12-15-72	11,150,000.00	10,991,087.43
2½% .....	6-15-67	1,600,000.00	1,614,104.37
2½% .....	9-15-72	928,000.00	811,810.90
2⅝% .....	2-15-65	1,325,000.00	1,205,441.36
3% .....	2-15-95	10,095,000.00	9,952,616.96
3¼% .....	6-15-83	13,270,000.00	13,539,961.42
3½% .....	2-15-90	2,000,000.00	1,996,042.44
3⅞% .....	11-15-74	5,450,000.00	5,689,789.37
4% .....	2-15-80	3,050,000.00	3,008,608.00
		<hr/>	<hr/>
		53,118,000.00	52,868,200.98
		<hr/>	<hr/>
		\$65,270,000.00	\$65,135,393.55
		<hr/> <hr/>	<hr/> <hr/>

**STATEMENT OF RECEIPTS AND DISBURSEMENTS—  
SOCIAL SECURITY UNIT  
Year ended June 30,1959**

Social Security Contribution Fund—July 1, 1958 .....		\$ 59,130.98
 Receipts		
Participating political subdivisions		
Contributions for members .....	\$7,887,670.75	
Interest .....	58.71	7,887,729.46
		\$7,946,860.44
 Appropriated for reserve account .....		
		\$7,946,860.44
 Disbursements		
Treasurer of United States .....		7,879,753.93
		7,879,753.93
 Social Security Contribution Fund—June 30, 1959.....		\$ 67,106.51

**STATISTICAL  
and  
CLAIMS DATA**

**TABLE A**  
**MEMBERSHIP BY DEPARTMENTS**  
**JUNE 30, 1959**

Code No.	Department	Number		Total	Percent Of Total Member- ship
		Male	Female		
1	Governor .....	8	13	21	.05
2	Lieutenant Governor .....	0	1	1	.01
3	Secretary of State .....	884	869	1,753	4.72
4	Auditor of Public Accounts .....	55	93	148	.39
5	Treasurer .....	20	13	33	.09
6	Attorney General .....	101	68	169	.45
7	Public Instruction .....	20	57	77	.21
8	Courts .....	42	31	73	.19
9	State Officers .....	147	67	214	.57
10	Aeronautics .....	16	11	27	.07
11	Agriculture .....	314	133	447	1.20
12	Conservation .....	435	61	496	1.33
13	Finance .....	116	158	274	.74
14	Insurance .....	70	54	124	.33
15	Labor .....	991	1,460	2,451	6.59
17	Mines and Minerals .....	61	11	72	.19
18	Audits .....	2	1	3	.01
19	Financial Institutions .....	155	53	208	.56
20	Public Health .....	281	609	890	2.39
21	Public Safety .....	2,550	255	2,805	7.53
22	Public Welfare .....	4,086	6,694	10,780	28.93
23	Public Works and Buildings .....	4,831	460	5,291	14.20
24	Registration and Education .....	53	87	140	.38
25	Revenue .....	593	442	1,035	2.77
28	Personnel .....	45	69	114	.31
29	Youth Commission .....	476	242	718	1.93
30	Civil Service Commission .....	2	6	8	.02
31	Illinois Commerce Commission .....	136	80	216	.58
32	Illinois Liquor Commission .....	30	19	49	.13
33	Illinois Public Aid Commission .....	260	1,035	1,295	3.47
34	Illinois Veterans' Commission .....	70	106	176	.47
35	Illinois State Militia .....	190	47	237	.64
50	Miscellaneous Agencies .....	338	301	639	1.71
	Inactives .....	3,669	2,607	6,276	16.84
	<b>Totals .....</b>	<b>21,047</b>	<b>16,213</b>	<b>37,260</b>	<b>100.00</b>

**TABLE B**  
**NUMBER OF MEMBERS AND TOTAL SALARIES AT**  
**JUNE 30, 1959 — CLASSIFIED BY AGE AND SEX**

**Male Employees**

Age At June 30, 1959	Number of Members	Aggregate Annual Salary Rate	Age At June 30, 1959	Number of Members	Aggregate Annual Salary Rate
18	4	\$ 14,484.00	55	592	\$ 2,877,480.00
19	71	265,404.00	56	555	2,669,916.00
20	185	695,964.00	57	536	2,627,556.00
21	108	380,448.00	58	516	2,598,516.00
22	115	407,148.00	59	548	2,622,852.00
23	180	691,608.00	60	515	2,547,216.00
24	210	863,112.00	61	566	2,709,612.00
25	204	861,348.00	62	455	2,162,304.00
26	231	1,018,032.00	63	429	2,036,304.00
27	233	1,064,544.00	64	429	2,013,108.00
28	270	1,242,588.00	65	358	1,702,632.00
29	276	1,278,576.00	66	270	1,334,652.00
30	285	1,328,520.00	67	247	1,157,676.00
31	303	1,468,068.00	68	195	870,720.00
32	346	1,735,944.00	69	150	706,812.00
33	352	1,807,956.00	70	133	628,776.00
34	369	1,943,100.00	71	111	544,008.00
35	365	1,949,976.00	72	83	407,244.00
36	361	1,876,956.00	73	76	328,452.00
37	322	1,718,736.00	74	59	253,584.00
38	346	1,745,460.00	75	38	158,808.00
39	332	1,634,748.00	76	14	62,808.00
40	284	1,394,352.00	77	21	76,536.00
41	348	1,711,980.00	78	12	38,112.00
42	338	1,604,340.00	79	5	21,360.00
43	377	1,808,760.00	80	7	28,392.00
44	361	1,751,388.00	81	5	15,264.00
45	426	2,171,928.00	82	3	10,992.00
46	417	2,003,520.00	83	7	20,004.00
47	444	2,151,672.00	84	1	3,072.00
48	494	2,445,324.00	85	1	2,640.00
49	505	2,476,980.00	87	1	3,960.00
50	528	2,643,924.00	88	1	2,028.00
51	597	3,018,060.00	90	1	3,480.00
52	538	2,590,044.00	93	1	1,344.00
53	600	2,972,292.00			
54	569	2,832,360.00			
				19,235	\$ 92,817,864.00
				Members having uncompleted Membership Records -----	1,812 8,742,900.00
				<b>Totals</b> -----	<b>21,047 \$101,560,764.00</b>



TABLE C

**NUMBER OF MEMBERS AND TOTAL SALARIES AT  
JUNE 30, 1959 — CLASSIFIED BY AGE AND SEX**

**Female Employees**

Age At June 30, 1959	Number of Members	Aggregate Annual Salary Rate	Age At June 30, 1959	Number of Members	Aggregate Annual Salary Rate
18	5	\$ 15,324.00	52	474	\$ 1,764,792.00
19	49	152,460.00	53	444	1,683,648.00
20	197	613,260.00	54	434	1,695,024.00
21	237	768,924.00	55	444	1,696,428.00
22	248	801,972.00	56	458	1,703,712.00
23	206	705,768.00	57	427	1,629,336.00
24	223	756,984.00	58	402	1,531,476.00
25	181	622,236.00	59	489	1,852,008.00
26	198	681,348.00	60	333	1,228,596.00
27	163	568,224.00	61	376	1,368,876.00
28	163	557,064.00	62	297	1,112,712.00
29	180	632,064.00	63	316	1,172,556.00
30	196	700,944.00	64	271	1,013,844.00
31	162	556,308.00	65	194	721,584.00
32	208	740,424.00	66	195	738,300.00
33	203	727,488.00	67	155	598,476.00
34	226	792,864.00	68	113	430,032.00
35	210	718,800.00	69	126	463,788.00
36	251	863,580.00	70	78	295,068.00
37	240	889,704.00	71	88	335,076.00
38	287	1,057,320.00	72	43	162,708.00
39	285	1,018,956.00	73	47	173,112.00
40	291	1,038,816.00	74	17	56,784.00
41	301	1,096,416.00	75	15	49,392.00
42	283	1,027,692.00	76	8	26,508.00
43	314	1,157,136.00	77	7	20,352.00
44	381	1,411,800.00	78	2	5,280.00
45	383	1,441,380.00	79	5	13,452.00
46	424	1,600,068.00	81	1	3,360.00
47	399	1,498,680.00	82	1	4,248.00
48	439	1,665,048.00	86	1	3,288.00
49	466	1,755,612.00	88	1	3,420.00
50	436	1,627,644.00			
51	449	1,727,340.00			
				15,146	\$55,546,884.00
			Members having uncompleted Membership Records .....	1,067	3,912,689.00
			Totals .....	16,213	\$59,459,573.00

TABLE D

**NUMBER OF MEMBERS AT JUNE 30, 1959  
CLASSIFIED BY LENGTH OF SERVICE**

Length of Service at June 30, 1959 (Years)	Number		Total
	Male	Female	
Less Than One Year .....	2,501	1,592	4,093
1 .....	3,057	2,072	5,129
2 .....	1,789	1,607	3,396
3 .....	1,548	1,372	2,920
4 .....	1,242	984	2,226
5 .....	2,350	984	3,334
6 .....	1,006	692	1,698
7 .....	646	601	1,247
8 .....	651	473	1,124
9 .....	656	466	1,122
10 .....	443	417	860
11 .....	435	443	878
12 .....	502	416	918
13 .....	403	328	731
14 .....	404	292	696
15 .....	271	277	548
16 .....	256	299	555
17 .....	327	410	737
18 .....	483	449	932
19 .....	231	252	483
20 .....	266	224	490
21 .....	205	205	410
22 .....	190	186	376
23 .....	151	152	303
24 .....	140	136	276
25 .....	141	120	261
26 .....	132	161	293
27 .....	69	80	149
28 .....	60	69	129
29 .....	78	67	145
30 .....	43	57	100
31 .....	44	52	96
32 .....	41	32	73
33 .....	39	41	80
34 .....	38	30	68
35 .....	22	22	44
36 .....	43	33	76
37 .....	41	22	63
38 .....	33	14	47
39 .....	20	13	33
40 .....	17	26	43

TABLE D—continued

Length of Service at June 30, 1959 (Years)	Number		Total
	Male	Female	
41	10	15	25
42	5	9	14
43	6	7	13
44	2	6	8
45	2	3	5
46	1	2	3
47	2	0	2
48	1	1	2
49	0	1	1
50	1	1	2
51	3	0	3
Totals	<u>21,047</u>	<u>16,213</u>	<u>37,260</u>

**TABLE E**  
**SERVICE RETIREMENT ANNUITANTS CLASSIFIED BY**  
**AGE AT JUNE 30, 1959**

Age at June 30, 1959	MALE	Number	Annual Payments
50	-----	1	\$ 2,126.64
57	-----	2	2,449.92
58	-----	3	3,481.32
59	-----	2	2,274.60
60	-----	16	16,719.24
61	-----	39	49,103.40
62	-----	45	52,872.96
63	-----	82	135,901.32
64	-----	87	110,904.60
65	-----	79	109,583.16
66	-----	98	119,469.48
67	-----	114	138,900.60
68	-----	101	131,409.48
69	-----	105	125,772.60
70	-----	103	116,021.04
71	-----	96	117,793.80
72	-----	89	95,232.24
73	-----	78	84,606.12
74	-----	92	106,585.32
75	-----	79	91,534.44
76	-----	75	96,156.72
77	-----	55	50,973.96
78	-----	43	39,437.16
79	-----	44	42,958.20
80	-----	23	22,542.12
81	-----	25	23,871.60
82	-----	27	21,200.28
83	-----	22	19,510.92
84	-----	11	6,984.36
85	-----	7	8,314.92
86	-----	8	9,892.08
87	-----	8	6,047.40
88	-----	10	10,709.40
89	-----	3	4,551.12
90	-----	3	1,864.68
93	-----	1	697.08
94	-----	2	3,152.88
96	-----	1	1,397.88
Totals	-----	1,679	\$1,983,005.04

Average Age—70.81 years.

Average Allowance—\$1,181.06 per year.

**TABLE F**  
**SERVICE RETIREMENT ANNUITANTS CLASSIFIED BY**  
**AGE AT JUNE 30, 1959**

**FEMALE**

Age at June 30, 1959	Number	Annual Payments
51	1	\$ 1,258.92
52	1	926.64
55	1	755.28
56	3	3,213.72
57	2	2,317.80
58	1	1,059.48
59	1	748.80
60	17	15,616.32
61	40	44,451.24
62	55	61,016.64
63	60	52,137.60
64	65	65,820.36
65	81	86,384.52
66	79	85,064.16
67	86	82,233.36
68	93	93,844.32
69	100	96,481.44
70	92	87,315.72
71	79	73,687.68
72	78	72,939.48
73	68	64,224.84
74	80	80,879.76
75	73	75,554.04
76	49	45,380.40
77	38	41,194.68
78	44	39,537.12
79	39	32,075.52
80	31	25,103.76
81	28	20,856.48
82	14	9,297.72
83	18	13,048.56
84	18	15,295.92
86	3	2,000.28
87	4	2,972.76
88	3	3,034.56
89	4	3,356.52
90	2	1,216.68
Totals	1,451	\$1,402,303.08

Average Age—70.52 years.  
Average Allowance—\$966.44 per year.

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

Age at Retirement	Number	
	Male	Female
50	1	2
53	---	1
54	1	2
55	6	6
56	2	1
57	---	2
58	2	11
59	5	7
60	275	224
61	102	95
62	87	78
63	75	80
64	82	67
65	186	172
66	114	103
67	102	83
68	94	93
69	96	87
70	202	156
71	52	50
72	42	31
73	34	31
74	28	28
75	16	11
76	17	13
77	13	9
78	16	4
79	12	2
80	5	1
81	2	---
82	4	---
83	2	1
84	3	---
85	1	---
Totals	1,679	1,451

Average Age at Retirement:  
Males—66.11 Years  
Females—65.64 Years

**TABLE H**  
**WIDOW ANNUITANTS CLASSIFIED BY AGE AT**  
**JUNE 30, 1959**

Age at June 30, 1959	Number	Annual Payments
39	2	\$ 3,540.36
42	2	1,785.60
43	1	419.04
44	3	1,947.84
46	3	3,743.76
47	2	2,623.32
48	3	2,053.20
49	1	694.92
50	3	3,346.56
51	1	749.76
52	4	5,620.92
54	3	1,729.68
55	4	2,437.20
56	11	11,549.28
57	14	12,843.36
58	8	5,162.64
59	11	9,638.64
60	12	8,378.04
61	9	7,607.28
62	8	7,222.68
63	22	18,619.20
64	11	9,675.60
65	21	15,939.00
66	16	12,282.60
67	13	8,863.32
68	18	10,726.56
69	12	8,119.20
70	9	7,069.44
71	9	7,264.32
72	13	7,059.24
73	7	4,533.00
74	6	4,461.24
75	9	4,458.60
76	6	3,915.72
77	3	3,468.24
78	7	3,439.56
79	2	680.64
80	1	411.60
81	2	842.28
Totals	292	\$224,923.44

Average Age—64.202 years  
Average Annuity—\$770.29

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

Age at Death	Number of Claims					
	Year Ended June 30, 1959			Year Ended June 30, 1958		
	Male	Female	Total	Male	Female	Total
<b>Nonoccupational</b>						
18 to 21 incl. ....	1	0	1	0	1	1
22 to 28 incl. ....	2	0	2	2	0	2
29 to 34 incl. ....	3	0	3	0	4	4
35 to 39 incl. ....	1	2	3	1	1	2
40 to 44 incl. ....	12	5	17	6	5	11
45 to 49 incl. ....	10	7	17	16	4	20
50 to 54 incl. ....	32	8	40	27	12	39
55 to 59 incl. ....	41	8	49	38	10	48
60 to 64 incl. ....	54	16	70	33	11	44
65 to 69 incl. ....	19	8	27	25	5	30
70 or over .....	12	4	16	13	5	18
<b>Totals</b> .....	<u>187</u>	<u>58</u>	<u>245</u>	<u>161</u>	<u>58</u>	<u>219</u>
<b>Number of Occupational Deaths</b> .....	<u>4</u>	<u>0</u>	<u>4</u>	<u>4</u>	<u>0</u>	<u>4</u>
<b>Totals</b> .....	<u><u>191</u></u>	<u><u>58</u></u>	<u><u>249</u></u>	<u><u>165</u></u>	<u><u>58</u></u>	<u><u>223</u></u>
<b>Nonoccupational Deaths:</b>						
Less than 6 years of service....		51%			51%	
6 Years of service or over.....		49%			49%	

TABLE J

**DEATH CLAIMS CLASSIFIED BY CAUSES OF DEATH  
FISCAL PERIOD JULY 1, 1958 TO JUNE 30, 1959**

**Claims for Preceding Year Given for Comparison**

Cause of Death	Number of Claims	
	Year Ended June 30, 1959	Year Ended June 30, 1958
Diseases of the Heart, Blood Vessels and Kidneys:		
Heart Disease .....	120	118
Apoplexy .....	19	15
Nephritis .....	10	6
Cancer and Tumor .....	54	44
Pneumonia and Influenza .....	5	9
Diabetes .....	0	2
Liver Disease .....	4	4
Pulmonary Tuberculosis .....	3	2
Diseases of the Digestive Tract, Including Ulcers of the Stomach and Duodenum and Appendicitis .....	9	3
Automobile Accidents .....	17	5
Other Violent Deaths—Including War Deaths .....	6	7
All Other Causes .....	2	6
Causes Unknown .....	0	2
Totals .....	249	223
Above statistics classified as follows:		
Nonoccupational .....	245	219
Occupational .....	4	4
Totals .....	249	223

**TABLE K**  
**STATISTICS ON WITHDRAWALS WITH REFUNDS**

**Classified By Age At Withdrawal**

Age At Withdrawal	Number of Refunds	
	Year Ended June 30, 1959	Year Ended June 30, 1958
17-19 incl. ....	10	6
20-24 incl. ....	431	334
25-29 incl. ....	360	325
30-34 incl. ....	327	272
35-39 incl. ....	276	235
40-44 incl. ....	228	198
45-49 incl. ....	213	176
50-54 incl. ....	224	163
55-59 incl. ....	193	144
60-64 incl. ....	149	103
65-69 incl. ....	63	64
70 and over .....	32	25
No age data .....	13	14
Totals .....	2,519	2,059

**Classified By Length of Service**

Less Than	1 Year .....	506	421
	1 Year .....	760	594
	2 Years .....	404	292
	3 Years .....	233	264
	4 Years .....	196	164
	5 Years and Over .....	420	324
	Totals (as above) .....	2,519	2,059



## SCHEDULE 1

**SUMMARY BY DEPARTMENTS OF BENEFIT CLAIMS  
COVERING THE PERIOD FROM  
JULY 1, 1958 TO JUNE 30, 1959**

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
01	Governor	1	---	---	---	---	---	---	---
02	Lieutenant Governor	---	---	---	---	---	---	---	---
03	Secretary of State	18	19	---	4	---	---	1	5
04	Auditor of Public Accounts	4	6	---	---	---	---	---	1
05	Treasurer	11	---	---	2	---	---	---	1
06	Attorney General	1	2	---	---	---	---	---	---
07	Public Instruction	10	1	---	---	---	---	---	---
08	Courts	---	---	---	---	---	---	---	---
09	State Officers	5	4	---	---	---	---	---	5
10	Aeronautics	1	---	---	---	---	---	---	---
11	Agriculture	7	4	---	1	1	---	---	2
12	Conservation	2	6	1	1	---	---	---	---
13	Finance	2	1	---	2	1	---	---	---
14	Insurance	---	---	---	---	---	---	---	---
15	Labor	18	20	---	10	1	1	1	8
17	Mines and Minerals	1	1	---	---	---	---	---	1
18	Board of Vocational Education	---	---	---	---	---	---	---	---
19	Financial Institutions	2	2	---	---	---	---	---	---
20	Public Health	10	2	---	6	1	---	---	---
21	Public Safety	37	23	---	19	---	---	---	11
22	Public Welfare	181	75	1	107	18	---	3	20

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(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
23	Public Works and Buildings	44	30	1	21	33	--	1	13
24	Registration and Education	3	3	--	1	--	--	--	--
25	Revenue	10	12	--	3	2	1	--	5
28	Personnel	1	--	--	--	--	--	--	--
29	Illinois Youth Commission	9	8	--	5	1	--	--	--
30	Civil Service Commission	--	--	--	--	--	--	--	--
31	Illinois Commerce Commission	1	4	--	--	--	--	1	--
32	Illinois Liquor Control Commission	--	--	--	2	--	--	--	--
33	Illinois Public Aid Commission	23	12	--	8	--	--	1	1
34	Illinois Veterans' Commission	5	3	--	--	--	--	--	1
35	Illinois State Militia	1	3	--	1	--	--	--	1
50	Miscellaneous Agencies	3	4	1	--	--	--	--	2
Totals		411	245	4	193	58	2	8	77
Pending and Uncompleted		0	0	1	0	2	0	0	0
Totals		411	245	5	193	60	2	8	77

## SCHEDULE 2

**SERVICE RETIREMENT ALLOWANCE EFFECTIVE  
DURING THE PERIOD FROM  
JULY 1, 1958 TO JUNE 30, 1959**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1959	1958
01	Governor .....	1	0
03	Secretary of State .....	18	15
04	Auditor of Public Accounts .....	4	5
05	Treasurer .....	11	1
06	Attorney General .....	1	0
07	Public Instruction .....	10	0
09	State Officers .....	5	7
10	Aeronautics .....	1	0
11	Agriculture .....	7	8
12	Conservation .....	2	0
13	Finance .....	2	5
14	Insurance .....	0	5
15	Labor .....	18	21
17	Mines and Minerals .....	1	0
19	Financial Institutions .....	2	0
20	Public Health .....	10	7
21	Public Safety .....	37	39
22	Public Welfare .....	181	182
23	Public Works and Buildings .....	44	45
24	Registration and Education .....	3	2
25	Revenue .....	10	14
28	Personnel .....	1	0
29	Illinois Youth Commission .....	9	6
31	Illinois Commerce Commission .....	1	1
33	Illinois Public Aid Commission .....	23	19
34	Illinois Veterans' Commission .....	5	2
35	Illinois State Militia .....	1	7
50	Miscellaneous Agencies .....	3	4
	<b>Total</b> .....	<b>411</b>	<b>395</b>
	<b>Pending and Uncompleted</b> .....	<b>0</b>	<b>0</b>
	<b>Totals</b> .....	<b>411</b>	<b>395</b>

## SCHEDULE 3

**WIDOW'S ANNUITIES EFFECTIVE DURING  
THE PERIOD FROM  
JULY 1, 1958 TO JUNE 30, 1959**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1959	1958
03	Secretary of State .....	5	4
04	Auditor of Public Accounts .....	1	0
05	Treasurer .....	1	0
09	State Officers .....	5	0
11	Agriculture .....	2	0
14	Insurance .....	0	1
15	Labor .....	8	4
17	Mines and Minerals .....	1	0
20	Public Health .....	0	1
21	Public Safety .....	11	7
22	Public Welfare .....	20	22
23	Public Works and Buildings .....	13	17
25	Revenue .....	5	5
31	Illinois Commerce Commission .....	0	1
33	Illinois Public Aid Commission .....	1	4
34	Illinois Veterans' Commission .....	1	0
35	Illinois State Militia .....	1	2
50	Miscellaneous Agencies .....	2	0
	Totals .....	77	68
	Pending and Uncompleted .....	0	0
	Totals .....	77	68

## SCHEDULE 4

**NON-OCCUPATIONAL DEATH CLAIMS  
COVERING THE PERIOD FROM  
JULY 1, 1958 TO JUNE 30, 1959**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1959	1958
01	Governor .....	0	1
03	Secretary of State .....	19	22
04	Auditor of Public Accounts .....	6	6
05	Treasurer .....	0	3
06	Attorney General .....	2	1
07	Public Instruction .....	1	0
09	State Officers .....	4	3
11	Agriculture .....	4	7
12	Conservation .....	6	8
13	Finance .....	1	2
15	Labor .....	20	15
17	Mines and Minerals .....	1	0
19	Financial Institutions .....	2	0
20	Public Health .....	2	6
21	Public Safety .....	23	20
22	Public Welfare .....	75	60
23	Public Works and Buildings .....	30	37
24	Registration and Education .....	3	3
25	Revenue .....	12	6
29	Youth Commission .....	8	5
31	Illinois Commerce Commission .....	4	1
32	Illinois Liquor Control Commission .....	0	2
33	Illinois Public Aid Commission .....	12	8
34	Illinois Veterans' Commission .....	3	0
35	Illinois State Militia .....	3	6
50	Miscellaneous Agencies .....	4	0
	Totals .....	245	219
	Pending and Uncompleted .....	0	0
	Totals .....	245	219



## SCHEDULE 5

### OCCUPATIONAL DEATH CLAIMS COVERING THE PERIOD FROM JULY 1, 1958 TO JUNE 30, 1959

#### Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1959	1958
03	Secretary of State .....	0	1
12	Conservation .....	1	0
21	Public Safety .....	0	1
22	Public Welfare .....	1	1
23	Public Works and Buildings .....	1	1
50	Miscellaneous Agencies .....	1	0
	Totals .....	4	4
	Pending and Uncompleted .....	1	2
	Totals .....	5	6

## SCHEDULE 6

### NON-OCCUPATIONAL DISABILITY CLAIMS COVERING THE PERIOD FROM JULY 1, 1958 TO JUNE 30, 1959

#### Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1959	1958
03	Secretary of State .....	4	8
05	Treasurer .....	2	1
07	Public Instruction .....	0	1
09	State Officers .....	0	1
11	Agriculture .....	1	2
12	Conservation .....	1	2
13	Finance .....	2	5
15	Labor .....	10	8
20	Public Health .....	6	1
21	Public Safety .....	19	25
22	Public Welfare .....	107	74
23	Public Works and Buildings .....	21	9
24	Registration and Education .....	1	0
25	Revenue .....	3	3
29	Illinois Youth Commission .....	5	4
32	Illinois Liquor Control Commission .....	2	0
33	Illinois Public Aid Commission .....	8	6
34	Illinois Veterans' Commission .....	0	2
35	Illinois State Militia .....	1	0
50	Miscellaneous Agencies .....	0	1
	Totals .....	193	153
	Pending and Uncompleted .....	0	0
	Totals .....	193	153

## SCHEDULE 7

**OCCUPATIONAL DISABILITY CLAIMS  
COVERING THE PERIOD FROM  
JULY 1, 1958 TO JUNE 30, 1959**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1959	1958
11	Agriculture .....	1	0
13	Finance .....	1	0
15	Labor .....	1	2
20	Public Health .....	1	1
22	Public Welfare .....	18	14
23	Public Works and Buildings .....	33	27
25	Revenue .....	2	0
29	Youth Commission .....	1	2
	<b>Totals .....</b>	<b>58</b>	<b>46</b>
	<b>Pending and Uncompleted .....</b>	<b>2</b>	<b>4</b>
	<b>Totals .....</b>	<b>60</b>	<b>50</b>

## SCHEDULE 8

**DEATH BENEFITS AFTER RETIREMENT  
COVERING THE PERIOD FROM  
JULY 1, 1958 TO JUNE 30, 1959**

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

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1959	1958
03	Secretary of State .....	1	0
05	Treasurer .....	0	1
15	Labor .....	1	0
21	Public Safety .....	0	1
22	Public Welfare .....	3	9
23	Public Works and Buildings .....	1	1
31	Illinois Commerce Commission .....	1	0
33	Illinois Public Aid Commission .....	1	2
	Totals .....	8	14
	Pending and Uncompleted .....	0	0
	Totals .....	8	14

**SCHEDULE 9**

**REVERSIONARY ANNUITIES**  
**EFFECTIVE DURING THE PERIOD FROM**  
**JULY 1, 1958 TO JUNE 30, 1959**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1959	1958
03	Secretary of State .....	0	1
15	Labor .....	1	0
25	Revenue .....	1	0
	Totals .....	<u>2</u>	<u>1</u>
	Pending and Uncompleted .....	0	0
	Totals .....	<u>2</u>	<u>1</u>





# APPENDIX

## Summary of Benefit and Contribution Provisions



## 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  $1\frac{2}{3}\%$  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

\* This summary sets forth in brief the principal provisions of the plan of operation underlying the System. It is not to be construed as providing for all conditions nor accepted as a substitute for the applicable law. The law must be considered as controlling under all circumstances.

of service prior to retirement when such average was highest, subject to a maximum of \$4,800.00 per year prior to July 1, 1951; and \$7,500.00 per year for service rendered between July 1, 1951 and July 1, 1957. Such maximum measure was removed as of the last mentioned date.

**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 $\frac{2}{3}$ % 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.

\* Earnable compensation was defined to mean the full rate of the member's compensation, subject to a maximum of \$4,800.00 per year prior to July 1, 1951 and \$7,500.00 per year between July 1, 1951 and July 1, 1957. For service from and after the latter date the actual salary applies.

## 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.

## 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.