

# STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

## EIGHTEENTH ANNUAL STATEMENT OF THE BOARD OF TRUSTEES

JUNE 30, 1961



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  
OTTO KERNER, Governor

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

BOARD OF TRUSTEES

(as constituted June 30, 1961)

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

HON. MICHAEL J. HOWLETT  
*Auditor of Public Accounts*  
(Member Ex Officio)

HON. JAMES A. RONAN  
*Director of Finance*  
(Member Ex Officio)

CHARLES H. PEELER  
*Assistant Superintendent*  
Elgin State Hospital

ROBERT H. TITTLE  
*Assistant Chief Highway Engineer*



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

HON. WILLIAM G. CLARK  
*Attorney General*  
*Counsel*

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

A. A. WEINBERG  
*Consulting Actuary*



(54896—5-62)

(Printed by Authority of the State of Illinois)

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LETTER OF TRANSMITTAL

October 31, 1961

To his Excellency,  
The Honorable Otto H. Kerner  
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 Eighteenth Annual Statement of the Board for the fiscal year ended June 30, 1961.

Respectfully submitted,



Chairman

## FINANCIAL AND STATISTICAL FACTS

<i>Financial</i>	Fiscal Year Ended June 30,	
	1961	1960
Net Assets at End of Year.....	\$ 82,538,647.57	\$ 75,485,657.78
Increase in Net Assets.....	7,052,989.79	9,395,664.57
Investments (at Book Value).....	81,587,112.65	73,994,840.92
Average Yield on Investments.....	3.36%	3.11%
Total Income for Year.....	\$ 17,375,610.90	\$ 16,450,230.31
Employee Contributions .....	10,670,083.25	10,278,455.39
State Contributions .....	3,504,185.00	3,504,185.00
Contributions from Federal Funds.....	376,163.91	372,110.95
Interest Income .....	2,658,347.36	2,173,028.29
Total Expenditures .....	10,476,673.32	6,993,603.60
Annuity and Benefit Payments.....	6,228,022.08	5,565,773.48
Refunds .....	4,248,651.24	1,427,830.12
Unfunded Accrued Liability—		
Deferred Obligation of the State of Illinois .....	\$ 149,748,181.98	\$ 136,438,859.22
<i>Statistical</i>		
Membership at End of Year.....	37,012	38,611
Service Retirement Annuitants .....	4,067	3,407
Widow Beneficiaries .....	446	369
Changes in Retirement Roll:		
Retirements During Year.....	858	477
Re-entry into Service.....	32	22
Deaths Among Retirants.....	166	178
Number of Disability Claims:		
Nonoccupational .....	213	189
Occupational .....	50	47
Number of Death Benefit Claims:		
Nonoccupational .....	252	267
Occupational .....	4	8
Withdrawal Benefits (Refunds).....	4,791	2,671

# EIGHTEENTH ANNUAL STATEMENT

## of the

### BOARD OF TRUSTEES

This Eighteenth Annual Statement of the Board of Trustees of the State Employees' Retirement System of Illinois, presented herewith, includes, among other things, financial and statistical exhibits and schedules reflecting operating experience of the System for the fiscal year ended June 30, 1961 and its financial condition at the end of such year.

#### Membership Statistics

*Active Members:*

Number, July 1, 1960.....		38,611
<b>Additions:</b>		
Employees qualifying for membership.....		4,344
		42,955
<b>Deductions:</b>		
Deaths, occupational .....	4	
Deaths, nonoccupational .....	252	
Deaths in service resulting in widows' annuities.....	38	
Separations with refunds.....	4,791	
Service retirements .....	858	5,943
		37,012

*Retired Members:*

Number, July 1, 1960 .....		3,407
Retirements during year 1960-1961 .....		858
		4,265
<b>Total</b> .....		<b>4,265</b>
Deaths .....	166	
Re-entrants into service .....	32	198
		4,067

*Widow Beneficiaries:*

Number, July 1, 1960 .....		369
New Annuitants during year, 1960-1961.....	85	
Previously deferred claims .....	3	88
		457
<b>Total</b> .....		<b>457</b>
Deaths .....	8	
Current claims deferred to age 55.....	3	11
		446

## Financial Review

The accumulated reserves available to meet the prescribed statutory obligations amounted to \$82,538,647.57. Of the total reserves at the close of the year 82.8% represented member contributions and 17.2% consisted of reserves accruing from State appropriations. The comparable rates five years ago were 77.4% and 22.6% respectively. This trend reflects the financial policy of the State with respect to this System. Appropriations during recent years have been geared to 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.

The reserve requirements for the various obligations of the System, as determined by the actuary, amounted to \$232,851,577.50. The deferred obligation of the State of Illinois, therefore, was \$149,748,181.98. This compares with the amount at the end of the preceding year of \$136,438,859.22.

Total revenue for the year amounted to \$17,375,610.90. Expenditures for annuity, benefit and refund payments totaled \$10,476,673.32. The excess of revenue over expenditures was \$7,052,989.79, constituting the increase in net assets for the year. This increase was due for the most part to additional contributions by 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 Act governing the System 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. To date, however, the Board has confined its investments exclusively to United States Government securities. The investment account, at June 30, 1961, consisting entirely of federal government bonds, amounted to \$82,690,000.00 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 3.36% compared with 3.11% in the preceding year.

New investments during the year consisted of the following bonds:

U.S. Treasury 3 $\frac{7}{8}$ %, due 5-15-1968.....	\$ 2,475,000.00
U.S. Treasury 2 $\frac{1}{2}$ %, due 12-15-72/67.....	686,000.00
U.S. Treasury, 2 $\frac{1}{2}$ %, due 6-15-69/64.....	4,659,000.00
	<hr/>
	\$ 7,820,000.00

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During the year the System sold \$3,064,000.00 par value 2½% U. S. Treasury bonds due August 15, 1963 and reinvested the proceeds in \$3,475,000.00 par value of U. S. Treasury bonds due December 15, 1972/67, to the advantage of the System, thus bringing about an improvement in its account.

Also an exchange was made during the year under a proposal submitted by the Treasury Department of \$2,850,000.00 par value of 2¼% U. S. Treasury bonds due June 15, 1962/59 for a like amount of 3⅝% U. S. Treasury bonds due November 15, 1967. A further exchange was made of \$3,000,000.00 par value of 2½% U. S. Treasury bonds due June 15, 1967/62 for a like amount of 3½% U. S. Treasury bonds due June 15, 1969/64. As a result of these transactions, an increase occurred in the value of the investments involved in the exchanges in the amount of \$154,052.21.

The increase in the amount of bonds owned by the System at par value was \$8,231,000.00.

### Committee Activities

Three standing committees are maintained by the Board. The work of these committees results in 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, William M. Jorgensen, Chief Revenue Clerk, Office of the State Treasurer, and James A. Ronan, 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, Lee W. Ensel, Attorney, and L. C. Cortright, Secretary, members.

### New Legislation

House Bill 619, sponsored by Representative Ben S. Rhodes, et al., effective July 19, 1961, created a survivors benefit applicable to all members of the System, both male and female. This legislation constituted one of the most far-reaching changes in the retirement law since its enactment in 1943.

These benefits superseded the widow's annuity previously applicable to male employees only, except that the widow of a member who was in State service on July 19, 1961, has the option, if eligible, of receiving the widow's annuity in lieu of the survivors benefits. In a limited number of cases, the widow's annuity is larger than the survivors benefits, therefore the expectancies under that provision have been preserved.

The survivors benefits are payable to a widow or dependent widower aged 55 or over, unless minor children under age 18 of the member are in the care of such beneficiaries, in which event payment begins immediately upon death of the member. If no such beneficiaries survive, benefits are payable to dependent children as full orphans, but if no eligible minor children exist, dependent parents aged 55 or over may qualify.

The survivors benefit consists of (a) a single sum payment of \$1,000, and (b) a survivors annuity payable to the aforesaid beneficiaries under specified conditions. The annuity is equal to 30% of average final compensation (average for the 5 highest consecutive years within the last 10 years of service). This is increased on account of eligible minor children. The maximum for a widow or dependent widower is \$200 per month, and the maximum for a family is \$250 per month or 80% of average final compensation, whichever is the lesser. Smaller amounts are payable to dependent parents.

The same benefits are available upon death while in service or after retirement provided that the survivors annuity to all eligible beneficiaries may not exceed 80% of the service retirement allowance earned by the member if death occurs after termination of service.

Members contribute 1% of salary towards the survivors benefit. The State of Illinois is obligated for the remainder of the cost estimated at 1% of salary.

### **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, 3,691 governmental units having 46,995 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
1960	3,702	46,714
1961	3,691	46,995

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

### Report of the Actuary

The usual valuation of the assets and liabilities of the System was completed by the actuary as of June 30, 1961. The results thereof are presented as a part of this annual statement. The report of the actuary presents the financial condition of the System and discusses fully from a technical standpoint the several factors that are pertinent to the changes 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

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

“Accounting procedures of the State Employees’ Retirement System of Illinois provide generally effective controls over assets and operations. Though we did not obtain a legal opinion, our examination of this agency disclosed no indications of violations of the governing statutes or of applicable rules and regulations, except that, as indicated by the actuary, appropriations necessary to maintain the System by the State are not in amounts that should be contributed if applicable provisions in the act relating to State Employees’ Retirement System were more closely followed as a guide in determining appropriations.”

The accountants make the following additional observations relative to the financing of the System:

“Appropriations by the State of Illinois for maintenance of the System may be in amounts less than prescribed by the governing statute. In addition, salaries of certain State employees and the related employer contributions are paid in whole or in part from Federal funds. As Federal contributions are in the same relationship to salaries as State

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contributions, any current deficiencies in amounts paid into the System by the State results in the loss of Federal funds. Continued consideration should be given to improving this situation when future appropriations to the State Employees' Retirement System are being budgeted."

### CONCLUDING COMMENT

The results of the year's activities, reported herein, evidence a satisfactory state of affairs of the System's current financial condition.

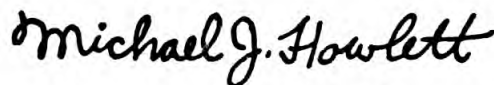
As in past years, the efforts of the Board have been directed toward the continued operation of the System in accordance with the stated provisions of the governing Act and the legislative intent to the end that the objectives of the System may be attained in full measure.

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 other members of the administrative staff.

Respectfully submitted,

BOARD OF TRUSTEES  
State Employees' Retirement System  
of Illinois

  
Chairman











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, 1961.

Appended hereto is a Valuation Balance Sheet exhibiting the total assets, 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 6, 1961.

In our opinion, the accompanying Valuation Balance Sheet correctly presents the condition of the State Employees' Retirement System of Illinois at June 30, 1961, giving effect to all accrued liabilities and reserve requirements under the applicable law.

A. A. Weinberg  
*Consulting Actuary*

October 31, 1961

**VALUATION BALANCE SHEET—JUNE 30, 1961**  
**Statement of Assets, Liabilities and Reserves**

**ASSETS**

**PRESENT ASSETS:**

Cash .....	\$	285,285.36
Accounts Receivable—		
Members' contributions .....	\$	741,796.07
Trust and federal funds .....		7,137.70
Illinois State Highway Commission.		28,336.97
		777,270.74
Investments—		
United States Government Securities (At amortized cost) .....		81,587,112.65
Accrued Interest—		
On investments .....		446,748.74
Other—		
Refundable by members for benefits cancelled .....		6,978.03

**PROSPECTIVE ASSETS:**

Obligations for service to be rendered after June 30, 1961—		
Male members .....	\$	25,026,431.00
Female members .....		14,186,904.00
State of Illinois .....		73,885,151.00
		113,098,486.00

**DEFERRED ASSETS:**

Due from the State of Illinois for unfunded accrued pension credits .....		149,748,181.98
		149,748,181.98
<b>Total Assets .....</b>	<b>\$</b>	<b>345,950,063.50</b>

## VALUATION BALANCE SHEET—JUNE 30, 1961

## Statement of Assets, Liabilities and Reserves

## LIABILITIES

BENEFITS PAYABLE .....	\$	116,236.96
REFUNDS PAYABLE .....		448,510.99

## FUTURE SERVICE LIABILITY:

For pension credits on account of service  
after June 30, 1961—

Male members .....	\$	75,220,324.00
Female members .....		37,878,162.00
		<u>\$ 113,098,486.00</u>

## RESERVE REQUIREMENTS

## RESERVE FOR MEMBERS' CONTRIBUTIONS:

For prospective retirement and widows' annuities on account of active mem- bers .....	\$	38,327,532.21
For future refunds and death benefits —actuarial value of future payments..		<u>20,976,762.55</u>
		59,304,294.76

## RESERVE FOR STATE CONTRIBUTIONS:

For prospective retirement and widows' annuities on account of active mem- bers—present value of total liability for accrued requirements.....	\$	154,029,893.00
Less, members' contribution credits.....		<u>38,327,532.21</u>
		115,702,360.79

## RETIREMENT AND BENEFITS RESERVE:

Actuarial value of retirement and widows' annuities in force, and other prospec- tive annuities and benefits—		
Retirement annuities and reversion- ary annuities to wives of retired members .....	\$	49,366,084.00
Widows' annuities in force.....		4,508,572.00
Reversionary annuities in force....		116,462.00
Deferred annuities and benefits.....		<u>3,289,056.00</u>
		57,280,174.00

Total Liabilities and Reserves..... \$ 345,950,063.50

## REPORT OF THE ACTUARY

This report presents the results of the Eighteenth Annual Valuation of the State Employees' Retirement System of Illinois, as of June 30, 1961. 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, 1961, 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, 1961. Total accrued liabilities and reserve requirements are shown at \$232,851,577.50. To meet these liabilities and reserves the System had total assets amounting to \$83,103,395.52. This difference of \$149,748,181.98 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 \$13,309,322.76. This increase was due primarily to the appropriation to the System by the State of Illinois on practically a cash basis, thus deferring the major part of the accruing liabilities. 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.

### Statistics

The statistics used in 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 . . . . .	20,215	16,797	37,012
Proportion of total . . . . .	54.6%	45.4%	100.0%
Aggregate annual salaries . . \$	107,680,515.00	\$ 67,770,483.00	\$ 175,450,998.00
Average salary . . . . . \$	5,327.00	\$ 4,035.00	\$ 4,740.00
Average age (years) . . . . .	47.6	47.5	47.6
Average membership service . . . . .	6.2	7.0	6.6



### Service Retirements

Number .....	2,274	1,793	4,067
Proportion of total.....	55.9%	44.1%	100.0%
Aggregate annual payments .....	\$ 2,878,323.00	\$ 1,828,858.00	\$ 4,707,181.00
Average annual payment..\$	1,266.00	\$ 1,020.00	\$ 1,157.00
Average age at June 30, 1961 .....	70.6	71.0	70.8
Average age at retirement.	66.6	65.5	66.1

### Other Annuities

	Number	Annual Payments	Average Annuity	Average age at June 30, 1961
Widows' annuities .....	446	\$361,588.56	\$810.74	69.0
Deferred widows' annuities — de- ferred to age 55.....	19	18,108.72	953.09	51.2
Reversionary annuities in force...	16	12,628.24	789.27	75.9
Prospective reversionary annuities	8	5,291.76	661.47	73.9

There were 77 accidental death benefit claims in force at the close of the year involving total annual payments amounting to \$129,307.00.

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. Statistics pertinent to this liability are as follows:

	Male	Female
Total years of prior service.....	28,676	25,755
Total liability .....	\$ 15,908,731.00	\$ 11,663,685.00

*Membership Service Liability.* The pension credits earned by the members during the period from January 1, 1944 to June 30, 1961, referred to as membership service, amounted to \$126,457,477.00. 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 widow's 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, 1961, included in the foregoing figure, amounted to \$24,081,590.00.

The pension credits to be earned by the members during service to be rendered after June 30, 1961, including the liability for widow's annuity, amounted to \$113,098,486.00. These credits reflect future service to the assumed ages of retirement according to a projected salary scale.

*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 .....	\$34,690,780.00
Female members .....	23,453,538.00
Total .....	\$58,144,318.00

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

Year Ended June 30th	Number of Claims
1957	216
1958	219
1959	245
1960	267
1961	252

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.

*Occupational Death.* The number of beneficiaries of death benefits on account of deaths due to occupational causes was 77, involving a liability of \$1,938,306.00. The total number of claims incurred during the year was 4, being one-half the number that was incurred in the preceding year. The number of deaths on account of this hazard is below the expectancy.

*Occupational disability.* Claims for occupational disability benefits increased during the year from 47 to 50. 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
1957	213
1958	153
1959	193
1960	189
1961	213

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 increased materially during the year as will be noted. This was due to certain administrative changes in the State government. The trend in the number and amounts of these payments during the last five years is illustrated in the following statistical summary:

Year Ended June 30th	Number of Withdrawal Benefits	Total Payments	Average Payment
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
1960	2,671	1,417,330.69	530.64
1961	4,791	4,223,768.36	881.60

*Illinois State Toll Highway Commission.* Under the Act governing the System, the Illinois State Toll Highway Commission, having its own revenue producing sources, is required to contribute on behalf of its employees on an actuarially funded basis.

## CONCLUSION

The System is continuing to broaden its operations. Membership is increasing steadily. Annuity payments are continuing their upward trend. This trend will maintain for a great number of years. Claims for the several types of disability benefits seem to have reached a stabilized level.

The System is fulfilling its objectives in a satisfactory manner. The administrative procedures in force reflect the constructive policies of the Board of Trustees. A high standard of efficiency in administration has been developed and 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  
 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 period from July 1, 1960 through June 30, 1961. These statements are presented as Exhibits A through E. 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, 1961 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 the 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, 1961, the revenue and expenditures and changes in reserves for the year then ended, and the expenditures against the System's appropriations by the 71st General Assembly for the period July 1, 1960 through September 30, 1961, on a basis consistent with that of the preceding year.

(Signed) ALEXANDER GRANT & COMPANY

Bloomington, Illinois  
 October 6, 1961

## SYSTEM FUND ACCOUNT

## BALANCE SHEET

June 30, 1961

## ASSETS

Cash .....	\$ 282,348.17	
Cash Items in Transit.....	2,937.19	
		\$ 285,285.36
Accounts Receivable		
Contributions by Members.....	741,796.07	
Cancellation of Service Retirement Allowance .....	847.51	
Cancellation of Accidental Disability.....	12.47	
Cancellation of Ordinary Disability.....	6,095.75	
Cancellation of Resignation Refunds.....	22.30	
Contributions by Employer—		
Funded Benefits Reserve.....	28,336.97	
Contributions from Trust and Federal Funds .....	7,137.70	
		784,248.77
Accrued Interest on Investments.....		446,748.74
Investments .....		81,587,112.65
		<u>\$83,103,395.52</u>

## LIABILITIES

Benefits Payable		
Accidental Death Benefits—		
State Allowance .....	499.54	
Accidental Disability Benefits.....	7,332.28	
Ordinary Death Benefits.....	36,685.49	
Ordinary Disability Benefits.....	62,832.61	
Service Retirement Allowances .....	5,687.40	
Widows' Annuity Benefits.....	3,199.64	
		\$ 116,236.96
Refunds—Payable		
Termination Refunds .....	444,348.38	
Erroneous Deductions .....	2,271.56	
Departmental .....	26.25	
Widows' Annuity Contributions.....	1,864.80	
		\$ 448,510.99
Reserves		
Members Contributions .....	\$59,304,294.76	
Interest Accumulations .....	5,597,105.64	
Annuitants Death Benefits .....	3,048,405.02	
Funded Benefits—Illinois Toll Highway		
Commission .....	378,808.71	
Contingent General Reserve.....	14,210,033.44	
		<u>\$82,538,647.57</u>
		<u>\$83,103,395.52</u>

Original from

UNIVERSITY OF ILLINOIS AT  
URBANA-CHAMPAIGN

**SYSTEM FUND ACCOUNT**  
**SUMMARY OF INCOME, PAYMENTS AND CHARGES**  
**Year Ended June 30, 1961**

INCOME

Contributions by State of Illinois.....	\$ 3,504,185.00	
Contributions by Members.....	\$10,537,995.64	
Less Refunds of Departmental and Erroneous Deductions .....	11,002.83	
	<u>10,526,992.81</u>	
Contributions Credited to Members' Accounts		
Accidental Disability.....	\$ 10,799.38	
Ordinary Disability .....	74,503.10	
	<u>85,302.48</u>	
Contributions from Trust and Federal Funds..	376,163.91	
Contributions by Employer—Funded Benefits Reserve .....	166,831.38	
Interest Earned on Investments (Less Amortization of Premium Charges).....	2,631,032.01	
Interest Paid By Members .....	27,315.35	
Repayment of Refunds .....	57,787.96	
	<u>\$17,375,610.90</u>	
Total Income .....		\$17,375,610.90

PAYMENTS AND CHARGES

Benefit Payments

Accidental Death Benefits—		
Accumulated Contributions .....	\$ 3,813.53	
Accidental Death Benefits—		
State Allowance .....	79,057.74	
Accidental Disability Benefits .....	59,623.57	
Annuities—Reversionary... ..	12,111.49	
Death Benefits—After Retirement (Excess of Accumulated Contributions over pension payments received) .....	25,114.61	
Ordinary Death Benefits—		
Accumulated Contributions .....	468,362.00	
Ordinary Death Benefits—		
State Allowance .....	381,216.57	
Ordinary Disability Benefits .....	656,006.91	
Service Retirement Allowance .....	4,161,087.20	
Widows' Annuity .....	379,734.68	
	<u>\$ 6,226,128.30</u>	



## EXHIBIT B (Continued)

Payments to Reciprocating Systems			
Contributions .....	1,759.53		
Interest .....	133.95		
	<u>          </u>	\$	1,893.48
Refunds			
To Members—Withdrawal from Service.....	4,223,768.36		
To Members—Widows' An- nuity Contributions ....	24,882.88		
	<u>          </u>		4,248,651.24
		<u>          </u>	
Total Payments and Charges.....			\$10,476,673.02
Balance, Before Adjustments .....		\$	6,898,937.88
Adjustments			
Overpayment of Death Benefits.....		—	.30
Gains From Sale of U. S. Government Bonds.....		+	154,052.21
			<u>          </u>
Balance, June 30, 1961, Excess of Income over Payments and Charges .....		\$	<u>7,052,989.79</u>

**SYSTEM TRUST FUND**  
**STATEMENT OF REVENUE, EXPENDITURES AND RESERVES**  
 Period from July 1, 1960 through June 30, 1961

ALLOCATED TO

	Total	Members' contributions	Interest accumulations	Annuityants' death benefits	Funded benefits— Illinois State Toll Highway commission	Contingent general reserve
<b>Revenue</b>						
<b>Contributions</b>						
By members.....	\$10,526,992.81	\$10,526,992.81	\$	\$	\$	\$
Based on disability benefits..	85,302.48	85,302.48				
Repayment of refunds.....	57,787.96	57,787.96				
By State of Illinois.....	3,504,185.00					3,504,185.00
From Federal funds.....	376,163.91					376,163.91
By Illinois State Toll Highway Commission .....	166,831.38				166,831.38	
<b>Interest</b>						
On bonds .....	2,631,032.01		648,281.30			1,982,750.71
Paid by members .....	27,315.35					27,315.35
<b>Total revenue .....</b>	<b>\$17,375,610.90</b>	<b>\$10,670,083.25</b>	<b>\$ 648,281.30</b>	<b>\$</b>	<b>\$ 166,831.38</b>	<b>\$ 5,890,414.97</b>
<b>Expenditures</b>						
Benefit payments .....	6,226,128.60	430,042.82				5,796,085.78
Contribution refunds .....	4,248,651.24	4,248,651.24				
To reciprocating systems.....	1,893.48	1,759.53				133.95
<b>Total expenditures .....</b>	<b>\$10,476,673.32</b>	<b>\$ 4,680,453.59</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 5,796,219.73</b>
<b>Excess of Revenue Over Expenditures .....</b>	<b>\$ 6,898,937.58</b>	<b>\$ 5,989,629.66</b>	<b>\$ 648,281.30</b>	<b>\$</b>	<b>\$ 166,831.38</b>	<b>\$ 94,195.24</b>

	ALLOCATED TO			EXHIBIT C (Continued)
	Total	Members' contributions	Interest accumulations	Funded benefits— Illinois State Toll Highway commission
		Annuitants' death benefits	Contingent general reserve	
Special item				
Excess of proceeds over amortized cost of bonds sold or exchanged	\$ 154,052.21			\$ 154,052.21
Excess of Revenue and Special Item Over Expenditures	\$ 7,052,989.79	\$ 5,989,629.66	\$ 648,281.30	\$ 166,831.38
Reserves—July 1, 1960	75,485,657.78	55,807,264.34	4,948,824.34	211,977.33
	<u>\$82,538,647.57</u>	<u>\$61,796,894.00</u>	<u>\$ 5,597,105.64</u>	<u>\$ 378,808.71</u>
Transfers				
Accumulated contributions of retired members transferred to Contingent General Reserve		(2,492,599.24)		
Amount required to reflect excess of accumulated contributions of annuitants and deceased members over annuity benefits paid				1,542,110.15
Reserves—June 30, 1961	<u>\$82,538,647.57</u>	<u>\$59,304,294.76</u>	<u>\$ 5,597,105.64</u>	<u>\$ 378,808.71</u>
				(1,542,110.15)
				<u>\$14,210,033.44</u>

Original from

EXHIBIT D

STATEMENT OF APPROPRIATIONS BY 71st GENERAL ASSEMBLY

	71st Biennium appropriations	Expenditures July 1, 1959 through June 30, 1961	Unexpended appropriations June 30, 1961	Expenditures July 1, 1961 through Sept. 30, 1961	Balances lapsed Sept. 30, 1961
Personal services	\$ 350,376.00	\$ 327,936.61	\$ 22,439.39	\$ 7,044.00	\$ 15,395.39
Contractual services	89,200.00	75,217.96	13,982.04	1,995.89	11,986.15
Postage	6,000.00	6,000.00			
Travel	8,700.00	6,539.26	2,160.74	79.66	2,081.08
Commodities	2,000.00	1,000.32	999.68	44.34	955.34
Equipment	6,000.00	3,976.05	2,023.95		2,023.95
Stationery, printing and office supplies	19,000.00	15,655.34	3,344.66	2,894.11	450.55
Contingencies	2,500.00		2,500.00		2,500.00
Administrative expenses of Widows' Annuity Benefits	24,000.00	4,240.70	19,759.30		19,759.30
General administrative expense—totals	\$ 507,776.00	\$ 440,566.24	\$ 67,209.76	\$ 12,058.00	\$ 55,151.76
Administrative expenses of Social Security Enabling Act	130,000.00	68,808.47	61,191.53	1,502.27	59,689.26
Payment to Social Security Contribution Fund	15,000.00	15,000.00			
State's contribution to the State Employees' Retirement Fund	7,008,370.00	7,008,370.00			
<b>Total</b>	<b>\$ 7,661,146.00</b>	<b>\$ 7,532,744.71</b>	<b>\$ 128,401.29</b>	<b>\$ 13,560.27</b>	<b>\$ 114,841.02</b>

**SYSTEM TRUST FUND**  
**UNITED STATES GOVERNMENT SECURITIES**

June 30, 1961

	Maturity Date	Principal Amount	Amortized Cost
<b>Treasury Notes</b>			
4 $\frac{7}{8}$ % Series C—1963.....	11-15-63	\$ 400,000.00	\$ 399,762.36
4 $\frac{3}{4}$ % Series A—1964.....	5-15-64	900,000.00	902,066.66
4 $\frac{7}{8}$ % Series C—1964.....	11-15-64	2,200,000.00	2,213,180.78
3 $\frac{3}{4}$ % Series D—1964.....	5-15-64	1,156,000.00	1,124,532.16
		<hr/>	<hr/>
		4,656,000.00	4,639,541.96
<b>Investment series bonds</b>			
2 $\frac{1}{2}$ % Series A.....	10- 1-65	250,000.00	250,000.00
2 $\frac{3}{4}$ % Series B.....	4- 1-80	10,167,000.00	10,271,526.43
		<hr/>	<hr/>
		10,417,000.00	10,521,526.43
<b>Treasury bonds</b>			
2 $\frac{1}{2}$ % .....	11-15-61	204,000.00	202,380.29
2 $\frac{5}{8}$ % .....	2-15-65	1,325,000.00	1,243,448.76
3 $\frac{5}{8}$ % .....	11-15-67	2,850,000.00	2,850,881.57
3 $\frac{7}{8}$ % .....	5-15-68	2,475,000.00	2,497,332.58
2 $\frac{1}{2}$ % .....	6-15-69/64	4,109,000.00	3,711,539.31
4% .....	10- 1-69	2,000,000.00	1,972,570.17
2 $\frac{1}{2}$ % .....	12-15-69/64	550,000.00	499,769.99
2 $\frac{1}{2}$ % .....	9-15-72/67	928,000.00	822,317.19
2 $\frac{1}{2}$ % .....	12-15-72/67	15,311,000.00	14,645,271.92
3 $\frac{7}{8}$ % .....	11-15-74	5,450,000.00	5,665,195.54
4% .....	2-15-80	3,050,000.00	3,011,282.34
3 $\frac{1}{2}$ % .....	11-15-80	1,600,000.00	1,607,994.75
3 $\frac{1}{4}$ % .....	6-15-83/78	13,270,000.00	13,509,214.31
4 $\frac{1}{4}$ % .....	5-15-85/75	1,000,000.00	1,007,317.79
3 $\frac{1}{2}$ % .....	2-15-90	2,000,000.00	1,995,994.94
3% .....	2-15-95	10,095,000.00	9,957,033.82
3 $\frac{1}{2}$ % .....	11-15-98	1,400,000.00	1,226,498.99
		<hr/>	<hr/>
		\$67,617,000.00	\$66,426,044.26
		<hr/>	<hr/>
		\$82,690,000.00	\$81,587,112.65
		<hr/> <hr/>	<hr/> <hr/>



STATISTICAL  
AND  
CLAIMS DATA

## MEMBERSHIP BY DEPARTMENTS

June 30, 1961

Code No.	Department	Number		Total	Percent Of Total Member- ship
		Male	Female		
1	Governor .....	2	7	9	.02
2	Lieutenant Governor .....	0	0	0	0
3	Secretary of State .....	950	887	1,837	4.96
4	Auditor of Public Accounts.....	41	84	125	.34
5	Treasurer .....	89	33	122	.33
6	Attorney General .....	49	63	112	.30
7	Public Instruction .....	51	98	149	.40
8	Courts .....	43	33	76	.21
9	State Officers .....	113	77	190	.51
10	Aeronautics .....	16	11	27	.07
11	Agriculture .....	264	133	397	1.07
12	Conservation .....	357	71	428	1.16
13	Finance .....	120	148	268	.72
14	Insurance .....	76	53	129	.35
15	Labor .....	920	1,298	2,218	5.99
17	Mines and Minerals .....	42	12	54	.15
18	Audits .....	3	3	6	.02
19	Financial Institutions .....	171	52	223	.60
20	Public Health .....	305	592	897	2.42
21	Public Safety .....	2,441	262	2,703	7.30
22	Mental Health .....	4,319	7,091	11,410	30.84
23	Public Works & Buildings.....	2,954	467	3,421	9.24
24	Registration & Education.....	36	73	109	.29
25	Revenue .....	368	469	837	2.26
28	Personnel .....	34	74	108	.29
29	Youth Commission .....	618	323	941	2.54
30	Civil Service Commission.....	2	3	5	.01
31	Illinois Commerce Commission...	99	71	170	.46
32	Illinois Liquor Commission.....	28	16	44	.12
33	Illinois Public Aid Commission...	319	1,121	1,440	3.89
34	Illinois Veterans' Commission....	74	92	166	.45
35	Illinois State Militia.....	147	40	187	.51
50	Miscellaneous Agencies .....	663	350	1,013	2.74
	Inactives .....	4,501	2,690	7,191	19.44
	Totals .....	<u>20,215</u>	<u>16,797</u>	<u>37,012</u>	<u>100.00</u>



**NUMBER OF MEMBERS AND TOTAL SALARIES AT JUNE 30, 1961  
CLASSIFIED BY AGE AND SEX**

**Male Employees**

Age At June 30, 1961	Number of Members	Aggregate Annual Salary Rate	Age At June 30, 1961	Number of Members	Aggregate Annual Salary Rate
18	1	\$ 2,940	55	576	\$ 3,131,436
19	10	32,436	56	549	2,988,384
20	52	182,124	57	567	3,061,836
21	165	620,232	58	516	2,701,092
22	225	898,176	59	500	2,691,036
23	166	669,948	60	480	2,615,400
24	200	874,992	61	466	2,417,244
25	267	1,249,416	62	399	2,187,288
26	284	1,381,716	63	428	2,239,776
27	286	1,349,460	64	322	1,728,120
28	295	1,515,660	65	309	1,629,264
29	273	1,428,396	66	264	1,376,436
30	315	1,651,740	67	222	1,182,828
31	320	1,718,556	68	159	884,040
32	305	1,606,824	69	169	894,348
33	334	1,853,616	70	121	581,160
34	342	1,952,640	71	92	464,712
35	338	1,982,820	72	95	454,224
36	383	2,205,120	73	58	310,560
37	372	2,259,312	74	43	209,064
38	373	2,203,284	75	47	213,300
39	318	1,870,752	76	37	160,560
40	356	1,980,684	77	16	81,336
41	330	1,830,048	78	8	45,900
42	309	1,684,968	79	8	29,604
43	341	1,919,952	80	6	20,760
44	353	1,850,304	81	4	19,500
45	377	1,972,584	82	6	26,412
46	350	1,897,176	83	3	6,816
47	404	2,253,780	84	2	4,764
48	420	2,183,616	85	4	11,820
49	452	2,399,328	87	1	2,640
50	482	2,617,092	90	1	2,028
51	497	2,684,748	92	1	3,480
52	501	2,740,140	95	1	1,344
53	586	3,267,600			
54	527	2,783,160			
Members having uncompleted Membership Records .....				18,389	\$ 97,953,852
Records .....				1,826	9,726,663
<b>Totals .....</b>				<b>20,215</b>	<b>\$107,680,515</b>

**NUMBER OF MEMBERS AND TOTAL SALARIES AT JUNE 30, 1961  
CLASSIFIED BY AGE AND SEX**

**Female Employees**

Age At June 30, 1961	Number of Members	Aggregate Annual Salary Rate	Age At June 30, 1961	Number of Members	Aggregate Annual Salary Rate
18	4	\$ 11,244	52	462	\$ 1,906,752
19	51	163,596	53	475	2,002,296
20	190	637,716	54	487	2,015,640
21	211	697,788	55	477	1,966,284
22	200	693,072	56	460	1,966,356
23	240	866,952	57	457	1,913,580
24	239	908,100	58	451	1,855,188
25	211	801,792	59	432	1,824,672
26	200	769,884	60	389	1,647,504
27	186	709,608	61	446	1,863,924
28	208	796,848	62	306	1,242,132
29	170	667,596	63	328	1,350,864
30	170	633,828	64	260	1,075,572
31	171	669,612	65	273	1,129,176
32	197	782,316	66	223	902,808
33	176	669,144	67	158	634,008
34	223	883,176	68	159	669,216
35	232	932,508	69	123	541,956
36	230	888,024	70	94	402,612
37	223	855,780	71	86	348,216
38	270	1,041,324	72	53	222,060
39	278	1,139,868	73	64	274,440
40	317	1,261,032	74	31	128,556
41	320	1,261,752	75	30	121,860
42	319	1,265,784	76	11	42,300
43	328	1,332,048	77	12	42,540
44	310	1,243,428	78	6	19,080
45	349	1,411,776	79	5	17,580
46	426	1,739,616	80	1	3,720
47	426	1,753,068	81	4	10,620
48	473	1,969,716	83	1	3,720
49	426	1,753,056	88	1	3,600
50	459	1,912,032			
51	510	2,104,812			
				15,708	\$ 63,376,728
Members having uncompleted Membership Records .....				1,089	4,393,755
Totals .....				16,797	\$ 67,770,483

**NUMBER OF MEMBERS AT JUNE 30, 1961  
CLASSIFIED BY LENGTH OF SERVICE**

Length of Service at June 30, 1961 (Years)	Number		Total
	Male	Female	
Less Than One Year .....	2,345	1,575	3,920
1 .....	2,454	1,825	4,279
2 .....	1,897	1,236	3,133
3 .....	1,919	1,254	3,173
4 .....	1,125	1,181	2,306
5 .....	1,026	1,104	2,130
6 .....	879	889	1,786
7 .....	1,221	855	2,076
8 .....	896	658	1,554
9 .....	549	543	1,092
10 .....	542	437	979
11 .....	565	450	1,015
12 .....	429	354	783
13 .....	394	386	780
14 .....	428	366	794
15 .....	338	345	683
16 .....	339	280	619
17 .....	186	233	419
18 .....	203	248	451
19 .....	279	371	650
20 .....	424	412	836
21 .....	218	230	448
22 .....	236	206	442
23 .....	166	185	351
24 .....	159	155	314
25 .....	128	132	260
26 .....	122	120	242
27 .....	115	111	226
28 .....	108	140	248
29 .....	61	71	132
30 .....	50	56	106
31 .....	65	57	122
32 .....	37	50	87
33 .....	41	45	86
34 .....	32	27	59
35 .....	36	34	70
36 .....	31	26	57
37 .....	20	20	40
38 .....	37	30	67
39 .....	36	18	54
40 .....	27	14	41
41 .....	18	11	29
42 .....	11	24	35
43 .....	9	9	18
44 .....	3	7	10
45 .....	5	6	11

Length of Service at June 30, 1961 (Years)	Number		Total
	Male	Female	
46 .....	1	3	4
47 .....	1	3	4
48 .....	—	2	2
49 .....	2	—	2
50 .....	1	1	2
51 .....	—	1	1
52 .....	1	1	2
Totals .....	<u>20,215</u>	<u>16,797</u>	<u>37,012</u>

**SERVICE RETIREMENT ANNUITANTS CLASSIFIED BY  
AGE AT JUNE 30, 1961**

**Male**

Age at June 30, 1961	Number	Annual Payments
52 .....	1	\$ 2,126.64
56 .....	1	1,919.52
57 .....	1	1,703.28
59 .....	2	2,449.92
60 .....	26	35,735.52
61 .....	58	75,835.20
62 .....	77	97,340.88
63 .....	93	132,825.12
64 .....	92	103,007.16
65 .....	124	197,886.00
66 .....	163	226,043.40
67 .....	138	182,438.40
68 .....	146	179,822.40
69 .....	161	210,029.64
70 .....	137	177,171.12
71 .....	141	176,046.96
72 .....	123	165,756.48
73 .....	121	158,837.04
74 .....	109	135,769.68
75 .....	89	102,638.16
76 .....	100	121,818.72
77 .....	72	82,038.96
78 .....	62	84,294.12
79 .....	50	47,352.72
80 .....	38	34,510.80
81 .....	35	35,254.32
82 .....	20	18,701.28
83 .....	21	20,685.36
84 .....	22	17,130.12
85 .....	17	14,644.32
86 .....	9	5,303.16
87 .....	4	6,156.84
88 .....	6	8,170.08
89 .....	4	3,357.84
90 .....	8	9,855.12
91 .....	2	3,007.92
92 .....	1	658.68
<b>Totals .....</b>	<b>2,274</b>	<b>\$ 2,878,322.88</b>

Average Age—70.59 years  
Average Allowance—\$1,265.75 per year

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**SERVICE RETIREMENT ANNUITANTS CLASSIFIED BY  
AGE AT JUNE 30, 1961**

**Female**

Age at June 30, 1961	Number	Annual Payments
53 .....	1	\$ 1,258.92
54 .....	2	1,524.72
56 .....	2	1,727.16
57 .....	3	5,163.72
58 .....	6	8,324.40
59 .....	3	3,395.04
60 .....	13	12,422.76
61 .....	34	37,395.72
62 .....	44	41,675.76
63 .....	68	73,333.68
64 .....	79	94,949.76
65 .....	89	82,119.00
66 .....	104	111,964.80
67 .....	109	122,506.80
68 .....	105	116,521.68
69 .....	109	102,964.56
70 .....	109	114,540.00
71 .....	125	135,333.00
72 .....	112	113,453.88
73 .....	98	93,787.80
74 .....	87	89,346.72
75 .....	79	79,022.40
76 .....	77	82,307.16
77 .....	74	77,314.68
78 .....	49	44,486.40
79 .....	38	41,504.64
80 .....	41	36,644.64
81 .....	34	28,600.08
82 .....	23	18,995.16
83 .....	23	17,733.60
84 .....	14	10,047.96
85 .....	12	8,069.64
86 .....	16	12,396.48
88 .....	3	2,000.28
89 .....	3	2,214.72
90 .....	2	2,038.44
91 .....	2	1,608.24
92 .....	1	163.92
<b>Totals</b> .....	<b>1,793</b>	<b>\$ 1,828,858.32</b>

Average Age—71.03  
Average Allowance—\$1,020.00

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

**JUNE 30, 1961**

Age at Retirement	Male	Number	Female
50 .....	1		2
53 .....	—		2
54 .....	1		2
55 .....	6		9
56 .....	3		3
57 .....	—		3
58 .....	2		13
59 .....	4		10
60 .....	330		282
61 .....	144		117
62 .....	134		101
63 .....	116		99
64 .....	129		91
65 .....	267		221
66 .....	163		127
67 .....	152		101
68 .....	125		108
69 .....	134		109
70 .....	217		164
71 .....	70		67
72 .....	59		42
73 .....	60		37
74 .....	44		37
75 .....	32		16
76 .....	23		11
77 .....	18		11
78 .....	17		3
79 .....	10		3
80 .....	4		—
81 .....	2		—
82 .....	3		1
83 .....	3		1
84 .....	—		—
85 .....	—		—
86 .....	—		—
87 .....	1		—
	<u>2,274</u>		<u>1,793</u>

Average Age at Retirement

Males—66.06

Females—65.52

**WIDOW ANNUITANTS CLASSIFIED BY AGE AT  
JUNE 30, 1961**

Age at June 30, 1961	Number	Annual Payments
36 .....	1	\$ 933.60
47 .....	1	629.88
48 .....	1	491.13
49 .....	1	1,005.72
50 .....	3	4,601.04
51 .....	1	694.92
52 .....	4	3,450.36
53 .....	3	3,292.92
54 .....	6	6,155.64
55 .....	3	4,232.28
56 .....	7	5,432.52
57 .....	7	7,189.44
58 .....	4	3,858.36
59 .....	6	7,584.96
60 .....	5	4,687.08
61 .....	9	7,109.40
62 .....	12	12,762.96
63 .....	18	16,974.48
64 .....	17	19,172.52
65 .....	10	10,166.88
66 .....	26	22,493.76
67 .....	21	18,567.36
68 .....	25	24,637.08
69 .....	29	25,569.87
70 .....	24	16,780.20
71 .....	24	15,085.44
72 .....	33	21,175.56
73 .....	21	19,025.04
74 .....	24	15,965.16
75 .....	18	11,947.92
76 .....	16	11,142.72
77 .....	24	17,706.36
78 .....	16	9,203.04
79 .....	8	3,522.72
80 .....	5	3,188.04
81 .....	8	3,356.76
82 .....	1	467.04
84 .....	2	616.32
85 .....	1	390.00
86 .....	1	322.08
Totals .....	<u>446</u>	<u>\$361,588.56</u>

Average Age—68.91  
Average Annuity—\$810.74



## DEATHS AMONG MEMBERS—AGE AND SERVICE DATA

Age at Death	Number of Claims			Number of Claims		
	Year Ended June 30, 1961			Year Ended June 30, 1960		
Nonoccupational	Male	Female	Total	Male	Female	Total
18 to 21 incl. ....	0	1	1	0	2	2
22 to 28 incl. ....	1	0	1	1	1	2
29 to 34 incl. ....	2	2	4	6	5	11
35 to 39 incl. ....	3	1	4	2	2	4
40 to 44 incl. ....	3	7	10	5	4	9
45 to 49 incl. ....	13	12	25	12	3	15
50 to 54 incl. ....	25	18	43	23	11	34
55 to 59 incl. ....	46	17	63	47	21	68
60 to 64 incl. ....	29	11	40	51	11	62
65 to 69 incl. ....	25	8	33	25	7	32
70 or over .....	17	11	28	24	4	28
Totals .....	164	88	252	196	71	267
Number of Occupa- tional Deaths .....	4	0	4	8	0	8
Totals .....	168	88	256	204	71	275
Nonoccupational Deaths:						
Less than 6 years of service.....		38%			49%	
6 years of service or over .....		62%			51%	

**DEATH CLAIMS CLASSIFIED BY CAUSES OF DEATH  
FISCAL PERIOD JULY 1, 1960 TO JUNE 30, 1961**

**Claims for Preceding Year Given for Comparison**

Cause of Death	Number of Claims	
	Year Ended June 30, 1961	Year Ended June 30, 1960
Diseases of the Heart, Blood Vessels and Kidneys:		
Heart disease .....	119	145
Apoplexy .....	33	11
Nephritis .....	11	5
Cancer and Tumor .....	45	57
Pneumonia and Influenza.....	11	14
Diabetes .....	0	0
Liver Disease .....	8	7
Pulmonary Tuberculosis .....	0	1
Diseases of the Digestive Tract, Including Ulcers of the Stomach and Duodenum and Appendicitis...	5	6
Automobile Accidents .....	9	17
Other Violent Deaths—Including War Deaths.....	8	7
All Other Causes .....	7	4
Causes Unknown .....	0	1
Totals .....	256	275
Above statistics classified as follows:		
Nonoccupational .....	252	267
Occupational .....	4	8
Totals .....	256	275

## STATISTICS ON WITHDRAWALS WITH REFUNDS

### Classified by Age at Withdrawal

Age At Withdrawal	Number of Refunds	
	Year Ended June 30, 1961	Year Ended June 30, 1960
18-19 incl. ....	8	12
20-24 incl. ....	554	513
25-29 incl. ....	550	439
30-34 incl. ....	458	335
35-39 incl. ....	450	308
40-44 incl. ....	427	261
45-49 incl. ....	493	220
50-54 incl. ....	582	182
55-59 incl. ....	525	161
60-64 incl. ....	411	121
65-69 incl. ....	215	85
70 and over ....	68	21
No age data ....	50	13
Totals .....	4,791	2,671

### CLASSIFIED BY LENGTH OF SERVICE

Less Than 1 Year .....	550	536
1 Year .....	1,048	776
2 Years .....	691	432
3 Years .....	541	310
4 Years .....	401	175
5 Years and Over .....	1,560	442
Totals (as above).....	4,791	2,671

**SUMMARY BY DEPARTMENTS OF BENEFIT CLAIMS COVERING  
 THE PERIOD FROM JULY 1, 1960 TO JUNE 30, 1961**

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	16	13	...	6	...	...	...	4
04	Auditor of Public Accounts	7	1	...	1	...	...	...	...
05	Treasurer	1	2	...	...	...	...	...	...
06	Attorney General	3	3	...	...	...	...	...	...
07	Public Instruction	2	2	...	...	...	...	...	1
08	Courts	3	...	...	...	...	...	...	...
09	State Officers	20	1	...	...	...	...	...	...
10	Aeronautics	...	...	...	...	...	...	...	...
11	Agriculture	9	6	1	5	1	...	...	2
12	Conservation	11	6	...	1	...	...	...	2
13	Finance	9	3	...	2	...	...	...	...
14	Insurance	5	1	...	...	...	...	...	1
15	Labor	32	19	...	15	3	...	...	6
17	Mines and Minerals	6	1	...	...	...	...	...	1
18	Audits	...	...	...	...	...	...	...	...
19	Financial Institutions	4	2	...	...	...	...	...	...
20	Public Health	10	4	...	6	1	...	...	1
21	Public Safety	65	19	1	14	...	1	2	9
22	Mental Health	235	86	...	118	18	...	7	27
23	Public Works and Buildings	268	36	2	21	25	...	3	16
24	Registration and Education	9	...	...	2	...	...	...	...
25	Revenue	81	11	...	12	1	...	1	6
26	Personnel	1	...	...	...	...	...	...	...

(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
29	Illinois Youth Commission.....	10	10	...	2	...	...	...	1
30	Civil Service Commission.....	...	...	...	...	...	...	...	...
31	Illinois Commerce Commission.....	13	4	...	1	...	...	...	2
32	Illinois Liquor Control Commission.....	3	...	...	4	1	...	...	3
33	Illinois Public Aid Commission.....	21	10	...	2	...	...	...	...
34	Illinois Veterans' Commission.....	1	2	...	...	...	...	...	2
35	Illinois State Militia.....	6	2	...	1	...	...	...	1
50	Miscellaneous Agencies.....	6	8	...	...	...	1	2	1
	Totals.....	858	252	4	213	50	2	15	85
	Pending and Uncompleted.....	0	0	0	0	0	0	0	0
	Totals.....	858	252	4	213	50	2	15	85

**SERVICE RETIREMENT ALLOWANCE EFFECTIVE DURING THE  
PERIOD FROM JULY 1, 1960 TO JUNE 30, 1961**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1961	1960
01	Governor .....	1	0
03	Secretary of State .....	16	13
04	Auditor of Public Accounts .....	7	3
05	Treasurer .....	1	2
06	Attorney General .....	3	0
07	Public Instruction .....	2	5
08	Courts .....	3	2
09	State Officers .....	20	17
11	Agriculture .....	9	6
12	Conservation .....	11	6
13	Finance .....	9	3
14	Insurance .....	5	1
15	Labor .....	32	24
17	Mines and Minerals .....	6	1
19	Financial Institutions .....	4	1
20	Public Health .....	10	11
21	Public Safety .....	65	40
22	Mental Health .....	235	231
23	Public Works and Buildings .....	268	51
24	Registration and Education .....	9	1
25	Revenue .....	81	10
28	Personnel .....	1	0
29	Illinois Youth Commission .....	10	12
31	Illinois Commerce Commission .....	13	1
32	Illinois Liquor Control Commission .....	3	1
33	Illinois Public Aid Commission .....	21	20
34	Illinois Veterans' Commission .....	1	0
35	Illinois State Militia .....	6	7
50	Miscellaneous Agencies .....	6	8
	Totals .....	858	477
	Pending and Uncompleted .....	0	0
	Totals .....	858	477

**WIDOW'S ANNUITIES EFFECTIVE DURING THE PERIOD  
FROM JULY 1, 1960 TO JUNE 30, 1961**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1961	1960
03	Secretary of State .....	4	2
04	Auditor of Public Accounts .....	0	2
05	Treasurer .....	0	1
07	Public Instruction .....	1	1
09	State Officers .....	0	2
11	Agriculture .....	2	0
12	Conservation .....	2	1
14	Insurance .....	1	0
15	Labor .....	6	4
17	Mines and Minerals.....	1	1
20	Public Health .....	1	0
21	Public Safety .....	9	11
22	Mental Health .....	27	34
23	Public Works and Buildings.....	16	13
25	Revenue .....	6	7
28	Personnel .....	0	1
29	Illinois Youth Commission .....	1	2
31	Illinois Commerce Commission .....	0	3
32	Illinois Liquor Control Commission.....	2	0
33	Illinois Public Aid Commission.....	3	2
35	Illinois State Militia .....	2	0
50	Miscellaneous Agencies .....	1	1
	Totals .....	85	88
	Pending and Uncompleted.....	0	0
	Totals .....	85	88

**NON-OCCUPATIONAL DEATH CLAIMS COVERING THE  
PERIOD FROM JULY 1, 1960 TO JUNE 30, 1961**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1961	1960
03	Secretary of State .....	13	17
04	Auditor of Public Accounts .....	1	2
05	Treasurer .....	2	0
06	Attorney General .....	3	2
07	Public Instruction .....	2	0
09	State Officers .....	1	2
11	Agriculture .....	6	5
12	Conservation .....	6	4
13	Finance .....	3	4
14	Insurance .....	1	0
15	Labor .....	19	15
17	Mines and Minerals.....	1	0
19	Financial Institutions .....	2	2
20	Public Health .....	4	5
21	Public Safety .....	19	25
22	Mental Health .....	86	88
23	Public Works and Buildings.....	36	50
24	Registration and Education .....	0	2
25	Revenue .....	11	12
29	Illinois Youth Commission .....	10	8
31	Illinois Commerce Commission .....	4	8
32	Illinois Liquor Control Commission.....	0	1
33	Illinois Public Aid Commission.....	10	7
34	Illinois Veterans' Commission .....	2	3
35	Illinois State Militia .....	2	2
50	Miscellaneous Agencies .....	8	3
	Totals .....	252	267
	Pending and Uncompleted.....	0	0
	Totals .....	252	267



**OCCUPATIONAL DEATH CLAIMS COVERING THE PERIOD  
FROM JULY 1, 1960 TO JUNE 30, 1961**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1961	1960
11	Agriculture .....	1	0
12	Conservation .....	0	3
21	Public Safety .....	1	1
23	Public Works and Buildings.....	2	2
25	Revenue .....	0	2
	Totals .....	4	8
	Pending and Uncompleted.....	0	0
	Totals .....	4	8

**NON-OCCUPATIONAL DISABILITY CLAIMS COVERING THE  
PERIOD FROM JULY 1, 1960 TO JUNE 30, 1961**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1961	1960
03	Secretary of State .....	6	4
04	Auditor of Public Accounts .....	1	0
08	Courts .....	0	1
11	Agriculture .....	5	1
12	Conservation .....	1	0
13	Finance .....	2	1
15	Labor .....	15	9
19	Financial Institutions .....	0	1
20	Public Health .....	6	3
21	Public Safety .....	14	17
22	Mental Health .....	118	117
23	Public Works and Buildings.....	21	20
24	Registration and Education .....	2	1
25	Revenue .....	12	6
29	Illinois Youth Commission .....	2	1
32	Illinois Liquor Control Commission.....	1	0
33	Illinois Public Aid Commission.....	4	5
34	Illinois Veterans' Commission .....	2	1
50	Miscellaneous Agencies .....	1	1
	Totals .....	213	189
	Pending and Uncompleted.....	0	0
	Totals .....	213	189

**OCCUPATIONAL DISABILITY CLAIMS COVERING THE PERIOD  
FROM JULY 1, 1960 TO JUNE 30, 1961**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1961	1960
04	Auditor of Public Accounts .....	0	1
11	Agriculture .....	1	1
15	Labor .....	3	1
20	Public Health .....	1	0
21	Public Safety .....	0	1
22	Mental Health .....	18	21
23	Public Works and Buildings.....	25	19
25	Revenue .....	1	0
29	Illinois Youth Commission .....	0	1
33	Illinois Public Aid Commission.....	1	2
	Totals .....	50	47
	Pending and Uncompleted .....	0	2
	Totals .....	50	49

**DEATH BENEFITS AFTER RETIREMENT COVERING THE PERIOD  
FROM JULY 1, 1960 TO JUNE 30, 1961**

**Excess of Accumulated Contributions Over Pension Payments Received  
Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1961	1960
03	Secretary of State .....	0	1
20	Public Health .....	0	1
21	Public Safety .....	2	1
22	Mental Health .....	7	11
23	Public Works and Buildings.....	3	4
25	Revenue .....	1	1
33	Illinois Public Aid Commission.....	0	1
34	Illinois Veterans' Commission .....	0	1
50	Miscellaneous Agencies .....	2	1
	Totals .....	15	22
	Pending and Uncompleted.....	0	0
	Totals .....	15	22

**REVERSIONARY ANNUITIES EFFECTIVE DURING THE PERIOD  
FROM JULY 1, 1960 TO JUNE 30, 1961**

**Summary by Departments**

Code No.	Name of Department	Year Ended June 30	
		1961	1960
21	Public Safety .....	1	0
50	Miscellaneous Agencies .....	1	0
		<hr/>	<hr/>
	Totals .....	2	0
	Pending and Uncompleted.....	0	0
		<hr/>	<hr/>
	Totals .....	<u>2</u>	<u>0</u>



## 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 reenters 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.

\* This summary sets forth in brief the principal provisions of the plan of operation underlying the System in force on June 30, 1961. It is not to be accepted as a substitute for the applicable law. The law must be considered as controlling under all circumstances.

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*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.

*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 age 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, provided he was granted a leave of absence for disability. The amount of the benefit is 50% of earnable compensation, plus a credit to the member's account of service and contributions at 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.

## 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.

If a widow's annuity was also payable, such refund is payable to the estate of the widow consisting of the excess, if any, of the member's accumulated contributions over the total payments for service retirement and widow's annuity.

## 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 service and contributions at 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.