

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
ACCOUNTANTS' REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 1966

ACCOUNTANTS' REPORT

Auditor General
State of Illinois
Springfield, Illinois

We have examined the balance sheet of the System Trust Fund of State Employees' Retirement System of Illinois at June 30, 1966 and the related statements of income and expenditures and appropriations, expenditures and unencumbered balances for the year then ended. 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.

The accompanying statements reflect the financial position and results of operations of State Employees' Retirement System as they are shown in its accounts, which are maintained on an accrual basis of accounting. The statements do not purport to reflect the actuarial position of the System.

In our opinion, subject to an actuarial determination of all reserve requirements for the various annuities and benefits for both active and retired members, the accompanying statements present fairly the financial position of the System Trust Fund of State Employees' Retirement System of Illinois at June 30, 1966 and the results of its operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

The accompanying schedule of United States Government Securities has been subjected to the tests and other auditing procedures applied in the examination of the financial statements mentioned above and, in our opinion, is fairly stated when considered in connection with the financial statements taken as a whole.

Whitney, Hakman & Conaghan

Springfield, Illinois
April 25, 1967

SYSTEM TRUST FUND
FINANCIAL BALANCE SHEET

June 30, 1966

ASSETS

Cash	\$ 657,496.73	
Cash items in Transit	120,169.14	\$ 777,665.87
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Accounts Receivable		
Contributions by Members	1,474,810.41	
Contributions from Illinois State Toll Highway Commission	116,847.97	
Proportional Service Retirement Allowance	6,826.08	
Cancellations		
Service Retirement Allowance.....	2,477.61	
Ordinary Disability	9,526.01	
Accidental Disability	24.49	
Widow's Annuity	500.00	
Survivors Annuity	1,600.90	
Resignation Refunds	97.46	1,612,710.93
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Accrued Interest on Investments.....		1,501,072.27
Investments (at amortized book value).....		142,429,618.18
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Total Assets		<u><u>\$ 146,321,067.25</u></u>

LIABILITIES AND RESERVES

Benefits Payable		
Accidental Disability	5,577.93	
Accidental Death	4,390.20	
Ordinary Death	66,372.24	
Ordinary Disability	105,173.14	
Death Benefit After Retirement	5,346.49	
Service Retirement Allowance.....	4,671.82	
Survivors Annuity	12,331.01	
Widow's Annuity	2,982.84	206,845.67
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Refunds Payable		
Termination	459,879.44	
Widow's or Survivors Annuity Contribu- tions	3,141.22	463,020.66
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Deferred Credits to Income		
Advanced Contributions from Trust and Federal Funds		451.46
Reserves		
Annuitants Death Benefits.....	4,719,673.17	
Interest Accumulations	10,332,808.81	
Members' Contributions	100,148,928.26	
General Reserve	28,994,394.79	
Funded Benefits—Illinois Toll Highway Commission	1,454,944.43	\$ 145,650,749.46
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Total Liabilities and Reserves		<u><u>\$ 146,321,067.25</u></u>

SYSTEM TRUST FUND
STATEMENT OF INCOME AND EXPENDITURES
(Exclusive of Administrative Expense Appropriations)
July 1, 1965 to June 30, 1966

Contributions:	INCOME	
By Members	\$ 18,070,698.85	
Based on disability		
benefits	169,357.85	
Repayment of refunds.	64,323.35	
By State of Illinois....	8,524,228.50	
By State of Illinois—		
State Pensions Fund	259,844.40	
From Federal Funds...	1,080,132.83	
By Illinois State Toll		
Highway Commission	254,353.60	
From Reciprocating		
Systems	420.81	\$ 28,423,360.19
Interest:		
On Investments (as		
amortized)	5,224,946.94	
Paid by members	42,390.78	5,267,337.72
Total Income		\$ 33,690,697.91
	EXPENDITURES	
Benefit Payments:		
Accidental Death Benefits—Accumulat-		
ed Contributions		15,146.84
Accidental Death Benefits—State Al-		
lowance		136,362.98
Accidental Disability Benefits		
Payments	\$ 59,114.89	
Credits to Members		
Accounts	17,425.16	76,540.05
Ordinary Death Benefits—Accumulated		
Contributions		953,541.09
Ordinary Death Benefits—State Allow-		
ance		252,887.09
Ordinary Disability Benefits.....		
Payments	\$ 1,088,339.42	
Credits to members		
Accounts	151,932.69	1,240,272.11
Death Benefit After Retirement (Excess		
of Accumulated Contributions over		
Pension Payments Received).....		51,565.38
Service Retirement Allowance.....		9,141,378.39
Survivors Annuity		1,150,146.15
Widow's Annuity		689,380.27
Reversionary Annuity		10,168.44
		\$ 13,717,388.79
Refunds:		
To Members — With-		
drawal from Service.\$	3,502,090.74	
To Members—Widow's		
or Survivors Annuity		
Contributions	95,522.82	\$ 3,597,613.56
Total Expenditures		\$ 17,315,002.35
Balance, June 30, 1966, Excess of Income Over Expenditures,		
Carried to Reserves		\$ 16,375,695.56

NOTES TO FINANCIAL STATEMENTS

June 30, 1966

1. The accompanying statements reflect the financial position and results of operations of State Employees' Retirement System as they are shown in its accounts, which are maintained on an accrual basis. The statements do not purport to reflect the actuarial position of the System.

Appropriations to the State Employees' Retirement Fund have approximated the cash requirements for each biennium but have not provided for the funding of benefits on an actuarial basis. As of the close of the prior fiscal year, June 30, 1965, the actuary reports the total unfunded obligation of the State of Illinois to be approximately \$225,980,000.00. An actuarial valuation of the State Employees' Retirement System of Illinois as of June 30, 1966 had not been completed at the date of this report.

2. It has been the consistent practice that investments are carried at amortized cost and no provision is made for increases or declines in market value until disposition. At June 30, 1966, the market value of investments amounted to \$129,364,238.70 based on bid prices.

STATEMENT OF APPROPRIATIONS BY 74TH GENERAL ASSEMBLY

Period from July 1, 1965 through June 30, 1966

	Expenditures		Encumbrances, June 30, 1966			Unencumbered Balances June 30, 1966
	74th Biennium Appropriations	July 1, 1965 through June 30, 1966	Unexpended Appropriations June 30, 1966	Accounts Payable	Other	
Personal services	\$ 430,905.00	\$ 199,511.28	\$ 231,393.72	\$ 8,938.25	.....	\$ 222,555.47
Contractual services	225,170.00	106,856.75	118,313.25	1,348.74	789.43	116,175.08
Postage	8,000.00	3,650.00	4,350.00	.....	.....	4,350.00
Travel	8,700.00	468.16	1,531.84	40.26	146.77	1,344.81
Commodities	2,000.00	2,202.28	6,497.72	.....	.....	6,497.72
Equipment	6,000.00	1,870.28	4,129.72	20.00	241.19	3,868.53
Stationery, printing and office supplies	19,000.00	6,529.16	12,470.84	832.46	821.21	10,817.17
Contingencies	2,500.00	.....	2,500.00	.....	.....	2,500.00
Administrative expenses of Widows' Annuity Benefits	24,000.00	8,977.11	15,022.89	127.50	73.00	14,822.39
General administrative expense— totals	726,275.00	330,065.02	396,209.98	11,207.21	2,071.60	382,931.17
Administrative expenses of Social Security Enabling Act	137,035.00	34,587.81	102,447.19	1,175.00	628.59	100,643.60
Payment to Social Security Contribution Fund	15,000.00	15,000.00	.....	.....	.....	.....
State's contribution to the System Trust Fund	17,048,457.00	8,524,228.50	8,524,228.50	.....	.....	8,524,228.50
Total General Revenue Fund	17,926,767.00	8,903,881.33	9,022,885.67	12,382.21	2,700.19	9,007,803.27
State Pensions Funds: (Escheat Account) State's contribution to System Trust Fund	259,844.40	259,844.40	.....	.....	.....	.....
Total—all funds	\$ 18,186,611.40	\$ 9,163,725.73	\$ 9,022,885.67	\$ 12,382.21	\$ 2,700.19	\$ 9,007,803.27

SYSTEM TRUST FUND
UNITED STATE GOVERNMENT SECURITIES

June 30, 1966

	Maturity Date	Principal Amount	Amortized Cost
Treasury notes, 5% Series A	11-15-70	\$ 8,600,000.00	\$ 8,610,374.23
Treasury bonds:			
3 $\frac{7}{8}$ %	5-15-68	2,475,000.00	2,481,584.96
4%	10- 1-69	2,000,000.00	1,988,061.23
4%	2-15-70	1,500,000.00	1,451,352.56
4%	8-15-70	6,325,000.00	6,302,791.39
3 $\frac{7}{8}$ %	11-15-71	1,305,000.00	1,300,145.20
4%	2-15-72	2,025,000.00	2,003,064.25
4%	8-15-72	3,500,000.00	3,503,785.89
4%	8-15-73	3,351,000.00	3,308,852.88
4 $\frac{1}{8}$ %	11-15-73	4,706,000.00	4,682,565.85
3 $\frac{7}{8}$ %	11-15-74	8,491,000.00	8,596,265.34
4%	2-15-80	6,275,000.00	6,190,462.18
3 $\frac{1}{2}$ %	11-15-80	1,600,000.00	1,606,420.67
3 $\frac{1}{4}$ %	6-15-83/78	13,270,000.00	13,434,610.40
4 $\frac{1}{4}$ %	5-15-85/75	1,000,000.00	1,005,005.28
3 $\frac{1}{4}$ %	5-15-85	4,000,000.00	3,993,780.13
3 $\frac{1}{2}$ %	2-15-90	29,538,000.00	28,877,971.69
4 $\frac{1}{4}$ %	8-15-92/87	28,631,000.00	28,707,148.11
4%	2-15-93/88	4,300,000.00	4,307,117.97
4 $\frac{1}{8}$ %	5-15-94/89	8,800,000.00	8,840,932.84
3 $\frac{1}{2}$ %	11-15-98	1,400,000.00	1,237,325.13
Total		<u>\$ 143,092,000.00</u>	<u>\$ 142,429,618.18</u>

**STATISTICAL
AND
CLAIMS DATA**

MEMBERSHIP BY DEPARTMENTS

Code No.	Department	Male	Female	Total	Percent of Total Membership
01	Governor	11	24	35	.07
02	Lieutenant Governor	1	1	2	.01
03	Secretary of State	1,002	952	1,954	3.81
04	Auditor of Public Accounts.....	60	92	152	.30
05	Treasurer	70	35	105	.20
06	Attorney General	184	96	280	.55
07	Public Instruction	102	145	247	.48
08	Courts	124	137	261	.51
09	State Officers	87	6	93	.18
10	Aeronautics	22	13	35	.07
11	Agriculture	394	138	532	1.04
12	Conservation	552	105	657	1.28
13	Finance	149	156	305	.59
14	Insurance	99	65	164	.32
15	Labor	1,182	1,381	2,563	5.00
16	Children's & Family Services.....	510	884	1,394	2.72
17	Mines and Minerals	55	15	70	.14
18	Audits	3	3	6	.01
19	Financial Institutions	151	51	202	.39
20	Public Health	400	605	1,005	1.96
21	Public Safety	2,924	356	3,280	6.39
22	Mental Health	5,574	8,828	14,402	28.08
23	Public Works & Buildings.....	7,287	615	7,902	15.41
24	Registration and Education.....	111	111	222	.43
25	Revenue	621	606	1,227	2.39
26	Business & Economic Development	19	18	37	.07
28	Personnel	35	76	111	.22
29	Youth Commission	771	393	1,164	2.27
30	Civil Service Commission.....	4	3	7	.01
31	Commerce Commission	136	93	229	.45
32	Liquor Control Commission	28	18	46	.09
33	Public Aid	555	1,523	2,078	4.05
34	Veterans' Commission	66	77	143	.28
35	State Militia	237	39	276	.54
50	Miscellaneous Agencies	968	517	1,485	2.89
	Inactives	5,104	3,514	8,618	16.80
	Totals	<u>29,598</u>	<u>21,691</u>	<u>51,289</u>	<u>100.00</u>

**NUMBER OF MEMBERS AND TOTAL SALARIES AT JUNE 30, 1966
CLASSIFIED BY AGE AND SEX**

Male Employees

Age at June 30, 1966	Number of Members	Aggregate Annual Salary Rate	Age at June 30, 1966	Number of Members	Aggregate Annual Salary Rate
18	4	\$ 24,720	55	792	\$ 5,260,692
19	66	323,208	56	767	5,066,328
20	153	722,148	57	783	5,254,716
21	194	936,312	58	816	5,527,884
22	228	1,101,648	59	730	4,780,524
23	279	1,475,532	60	729	4,887,900
24	327	1,827,072	61	649	4,313,676
25	357	2,076,492	62	653	4,163,304
26	435	2,669,100	63	556	3,518,112
27	477	2,996,256	64	504	3,177,276
28	447	2,881,080	65	440	2,813,544
29	417	2,733,360	66	376	2,265,924
30	493	3,364,464	67	307	1,927,284
31	471	3,199,596	68	281	1,751,280
32	468	3,254,820	69	223	1,346,088
33	455	3,304,284	70	173	1,041,744
34	453	3,324,348	71	154	959,568
35	485	3,528,660	72	93	554,964
36	453	3,354,312	73	91	571,848
37	469	3,366,156	74	95	595,320
38	492	3,627,768	75	55	333,912
39	541	4,043,556	76	53	276,780
40	544	4,110,864	77	39	209,352
41	523	3,891,552	78	33	175,800
42	558	4,273,056	79	23	129,228
43	571	4,362,168	80	24	117,612
44	565	4,143,612	81	19	82,368
45	597	4,251,372	82	8	39,180
46	549	3,737,268	83	3	23,724
47	539	3,666,456	84	11	51,912
48	623	4,254,300	85	2	5,952
49	560	3,653,772	86	5	21,744
50	656	4,202,664	87	1	5,700
51	617	4,055,748	88	2	3,000
52	682	4,655,148	89	1	3,000
53	669	4,443,816	90	2	3,012
54	704	4,600,560	95	1	2,508
				26,615	\$ 177,700,008
				2,983	14,451,048
				Totals	\$ 192,151,056

**NUMBER OF MEMBERS AND TOTAL SALARIES AT JUNE 30, 1966
CLASSIFIED BY AGE AND SEX**

Female Employees

Age at June 30, 1966	Number of Members	Aggregate Annual Salary Rate	Age at June 30, 1966	Number of Members	Aggregate Annual Salary Rate
17	2	\$ 6,804	55	582	\$ 3,089,136
18	6	28,212	56	617	3,224,016
19	64	249,180	57	554	2,925,588
20	371	1,429,320	58	563	2,970,720
21	338	1,336,632	59	557	2,900,712
22	314	1,274,016	60	481	2,488,020
23	430	1,915,128	61	444	2,323,620
24	386	1,799,340	62	402	2,120,880
25	367	1,785,828	63	354	1,892,880
26	328	1,626,780	64	344	1,890,468
27	315	1,577,616	65	266	1,457,004
28	292	1,474,260	66	260	1,367,004
29	285	1,381,716	67	185	984,120
30	251	1,224,456	68	181	946,848
31	251	1,233,480	69	134	717,576
32	225	1,108,188	70	131	682,032
33	288	1,416,060	71	115	581,448
34	250	1,209,396	72	58	314,364
35	249	1,196,760	73	83	425,820
36	275	1,369,536	74	75	400,008
37	313	1,567,740	75	44	243,756
38	283	1,404,204	76	40	186,804
39	354	1,856,676	77	21	109,728
40	343	1,728,636	78	20	108,660
41	371	1,849,632	79	6	20,460
42	379	1,872,504	80	7	34,680
43	426	2,117,904	81	3	11,520
44	455	2,304,600	82	7	23,220
45	475	2,415,264	83	1	4,440
46	474	2,349,000	84	3	7,140
47	479	2,462,400	86	2	2,700
48	512	2,584,608	89	2	10,380
49	487	2,462,400			
50	519	2,632,260		20,048	\$ 100,871,508
51	589	3,009,264			
52	592	3,071,676			
53	613	3,213,000			
54	555	2,861,280			
Members having uncompleted Membership Records....				1,643	6,390,960
Totals				21,691	\$ 107,262,468

NUMBER OF MEMBERS AT JUNE 30, 1966
CLASSIFIED BY LENGTH OF SERVICE

Length of Service at June 30, 1966 (Years)	Number		Total
	Male	Female	
Less Than One Year.....	6,710	4,803	11,513
1	3,333	2,924	6,257
2	2,621	1,691	4,312
3	2,150	1,292	3,442
4	3,127	964	4,091
5	1,259	737	1,996
6	1,128	638	1,766
7	1,242	664	1,906
8	914	783	1,697
9	864	870	1,734
10	619	672	1,291
11	597	638	1,235
12	538	504	1,042
13	473	441	914
14	384	375	759
15	378	346	724
16	406	280	686
17	293	279	572
18	301	280	581
19	271	267	538
20	244	201	445
21	133	174	307
22	98	163	261
23	148	214	362
24	207	278	485
25	203	178	381
26	127	141	268
27	143	132	275
28	132	118	250
29	82	80	162
30	96	91	187
31	65	69	134
32	70	100	170
33	49	61	110
34	20	36	56
35	33	27	60
36	31	33	64
37	20	33	53
38	24	15	39
39	11	15	26
40	16	16	32
41	6	6	12
42	7	10	17
43	7	10	17
44	2	9	11
45	1	8	9
46	7	7	14
47	3	9	12
48	3	3	6
49	—	3	3
50	1	1	2
51	—	1	1
52	—	1	1
57	1	—	1
Totals	29,598	21,691	51,289

**SERVICE RETIREMENT ANNUITANTS CLASSIFIED BY
AGE AT JUNE 30, 1966**

Male

Age at June 30, 1966	Number	Annual Payments
55	1	\$ 3,286.08
57	4	10,701.00
58	3	12,487.08
59	5	14,855.28
60	32	72,447.24
61	79	142,593.36
62	74	137,702.40
63	102	177,479.16
64	102	213,419.40
65	147	290,811.84
66	183	368,442.72
67	194	406,472.64
68	208	391,307.28
69	194	333,936.36
70	232	412,409.88
71	227	347,819.28
72	203	344,822.64
73	164	275,847.12
74	184	273,972.84
75	150	229,236.48
76	147	230,971.56
77	117	188,466.60
78	108	162,733.68
79	83	122,078.76
80	87	113,096.88
81	80	110,787.24
82	46	53,731.32
83	44	60,517.44
84	28	27,901.32
85	25	24,795.60
86	21	22,172.04
87	13	13,482.96
88	10	10,265.16
89	7	4,162.68
90	8	5,556.36
91	1	547.80
92	1	1,557.00
93	2	3,762.84
94	2	1,501.92
95	2	1,418.64
96	1	1,895.40
Totals	3,321	\$5,621,453.28

Average Age—71.52 years
Average Allowance—\$1,692.70

**SERVICE RETIREMENT ANNUITANTS CLASSIFIED BY
AGE AT JUNE 30, 1966**

Female

Age at June 30, 1966	Number	Annual Payments
52	1	\$ 1,534.08
53	2	3,199.08
55	1	1,762.08
57	3	4,426.68
58	5	8,235.36
59	8	12,021.84
60	32	46,693.68
61	73	118,343.88
62	95	132,814.08
63	108	156,456.72
64	108	143,444.76
65	106	145,740.84
66	160	242,217.24
67	146	188,157.84
68	184	225,591.60
69	187	252,819.96
70	196	245,920.80
71	193	253,271.52
72	191	249,436.68
73	156	198,675.96
74	154	190,856.76
75	146	184,979.28
76	145	178,088.76
77	116	137,737.80
78	113	140,732.52
79	94	112,549.56
80	84	99,845.76
81	71	85,460.04
82	58	63,707.28
83	33	29,480.40
84	29	33,889.08
85	26	24,458.40
86	15	14,183.40
87	14	11,673.48
88	12	9,120.96
89	2	1,364.40
90	4	3,638.64
91	5	4,033.68
93	2	1,406.64
94	1	427.56
95	2	2,038.44
96	1	447.24
Totals	3,082	\$ 3,960,884.76

Average Age—71.58 years
Average Allowance—\$1,285.17

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

Age at Retirement	Number	
	Male	Female
50	1	4
51	—	1
53	1	3
54	1	3
55	5	8
56	5	8
57	7	11
58	6	20
59	14	17
60	503	460
61	198	184
62	211	188
63	183	198
64	180	151
65	355	352
66	276	216
67	220	223
68	193	166
69	171	177
70	213	212
71	123	107
72	111	103
73	86	74
74	70	74
75	60	30
76	39	31
77	29	23
78	20	16
79	19	8
80	3	6
81	5	4
82	3	3
83	5	—
85	2	1
86	3	—
Totals	<u>3,321</u>	<u>3,082</u>

Average Age at Retirement
 Males—66.01
 Females—65.73

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
WIDOW ANNUITANTS CLASSIFIED BY AGE AT
JUNE 30, 1966

Age at June 30, 1966	Number	Annual Payments
41	1	\$ 933.60
45	1	448.80
46	2	3,388.68
47	2	1,325.64
49	3	2,378.04
50	1	419.04
51	4	2,832.36
52	3	2,202.24
53	4	4,518.72
54	4	4,068.36
55	9	6,118.32
56	5	6,993.96
57	14	13,694.28
58	11	8,522.04
59	17	19,422.12
60	14	18,582.72
61	22	15,877.68
62	23	20,441.04
63	27	30,475.08
64	36	27,098.16
65	33	28,956.12
66	45	45,228.72
67	41	46,140.96
68	49	35,236.68
69	31	22,483.80
70	44	37,830.48
71	38	34,771.80
72	57	42,714.60
73	39	25,335.72
74	29	23,575.68
75	38	23,094.00
76	32	21,887.04
77	25	15,523.80
78	23	14,894.40
79	28	19,491.36
80	20	13,266.00
81	12	8,387.04
82	11	7,327.68
83	9	5,473.92
84	4	4,083.24
85	4	1,882.44
86	2	861.96
87	2	2,069.40
88	3	965.76
89	2	1,020.60
90	1	325.32
Totals	825	\$ 672,569.40

**SURVIVORS' ANNUITY BENEFICIARIES CLASSIFIED BY
AGE AT JUNE 30, 1966**

Age	Total	Annual Payment
4	1	\$ 1,500.00
9	1	1,262.40
11	1	819.60
12	3	2,617.92
14	2	2,883.24
15	1	1,225.56
16	1	964.08
17	4	6,268.44
18	1	1,103.76
25	1	2,041.92
29	1	3,000.00
30	1	2,547.84
31	1	3,000.00
32	2	6,000.00
33	1	2,549.76
34	2	5,560.56
35	4	11,722.80
36	4	11,615.16
37	2	6,000.00
38	1	3,000.00
39	4	11,826.12
41	5	15,000.00
42	3	7,215.00
43	3	9,000.00
44	3	9,000.00
45	7	20,422.56
46	7	20,004.84
47	3	7,850.76
48	8	22,326.12
49	4	11,137.80
50	3	7,620.00
51	4	10,285.44
52	7	20,177.88
53	4	12,000.00
54	6	16,536.00
55	20	41,600.52
56	21	34,812.36
57	27	50,691.60
58	19	40,101.72
59	33	53,167.80
60	25	37,763.88
61	32	52,154.76
62	34	51,312.12
63	25	38,428.32
64	36	51,896.88
65	21	31,049.88
66	33	48,468.60
67	24	35,210.52
68	15	20,827.32
69	9	14,445.96
70	14	21,481.56
71	16	22,442.52
72	19	24,360.12
73	9	13,144.56
74	8	14,663.40
75	12	20,424.60
76	8	11,975.76
77	7	9,728.52

78	6	8,101.80
79	1	1,162.68
80	4	6,974.28
81	1	2,037.84
82	1	2,174.04
85	1	1,428.48
86	1	1,047.36
88	1	1,464.00
90	1	1,577.16
92	1	1,193.40
Totals	<u>591</u>	<u>\$ 1,043,399.88</u>

**DEATHS AMONG MEMBERS PRIOR TO RETIREMENT—AGE AND
SERVICE DATA—FISCAL PERIOD JULY 1, 1965 TO JUNE 30, 1966**

Number of Claims

Age at Death	Male	Female	Total
18 to 24 incl.	2	0	2
25 to 29 incl.	4	0	4
30 to 34 incl.	3	0	3
35 to 39 incl.	6	3	9
40 to 44 incl.	11	5	16
45 to 49 incl.	24	6	30
50 to 54 incl.	37	17	54
55 to 59 incl.	67	23	90
60 to 64 incl.	69	26	95
65 to 69 incl.	42	11	53
70 and over	20	9	29
Totals	285	100	385

Service Data:

Less than 6 years of service . .	130	21	151	39%
6 years of service or over . . .	155	79	234	61%
			385	

DEATH PRIOR TO RETIREMENT CLASSIFIED BY CAUSES OF DEATH
FISCAL PERIOD JULY 1, 1965 TO JUNE 30, 1966

Cause of Death	Number
Diseases of the Heart, Blood Vessels and Kidneys:	
Heart Disease	172
Apoplexy	26
Nephritis	7
Cancer and Tumor	72
Pneumonia and Influenza	18
Diabetes	0
Liver Disease	1
Pulmonary Tuberculosis	20
Diseases of the Digestive Tract, Including Ulcers of the Stomach and	
Duodenum and Appendicitis	20
Automobile Accidents	19
Other Violent Deaths—Including War Deaths	17
All Other Causes	10
Causes Unknown	3
Totals	<u>385</u>
 Above Statistics Classified as to Types of Benefits:	
Ordinary Death (Nonoccupational)	190
Accidental Death (Occupational)	9
Survivors' Annuity	178
Widows' Annuity	8
	<u>385</u>

STATISTICS ON WITHDRAWALS WITH REFUNDS

Classified by Age at Withdrawal

Age at Withdrawal	Number of Refunds	
	Year Ended June 30	
	1966	1965
18-19 incl.	4	13
20-24 incl.	847	745
25-29 incl.	949	677
30-34 incl.	596	436
35-39 incl.	414	347
40-44 incl.	377	337
45-49 incl.	304	306
50-54 incl.	286	288
55-59 incl.	193	256
60-64 incl.	192	161
65-69 incl.	88	86
70 and over	53	28
No age data	22	6
Totals	4,325	3,686

Classified by Length of Service

Less Than 1 Year	705	592
1 Year	1,346	941
2 Years	735	658
3 Years	506	459
4 Years	358	215
5 Years and Over	675	821
Totals (as above)	4,325	3,686

**SUMMARY BY DEPARTMENTS OF BENEFIT CLAIMS COVERING
 THE PERIOD FROM JULY 1, 1965 to JUNE 30, 1966**

Code No.	Name of Department	Service Retirement Allowance	Ordinary Death	Accidental Death	Ordinary Disability	Accidental Disability	Reversionary Annuity	Death Benefit After Retirement	Widows' Annuities	Survivors' Annuities
01	Governor	—	—	—	—	—	—	—	—	—
02	Lieutenant Governor	49	19	—	—	—	—	2	5	4
03	Secretary of State	2	4	—	—	—	—	—	—	2
04	Auditor of Public Accounts ..	1	3	—	—	1	—	—	—	—
05	Treasurer	5	1	—	—	—	—	1	1	1
06	Attorney General	5	2	—	—	—	—	—	—	—
07	Public Instruction	4	—	—	—	—	—	—	—	—
08	Courts	8	1	—	—	—	—	1	2	2
09	State Officers	—	—	—	—	—	—	—	—	—
10	Aeronautics	13	2	—	1	—	—	—	2	5
11	Agriculture	12	2	—	2	—	—	—	4	4
12	Conservation	5	1	—	8	1	—	—	—	—
13	Finance	6	1	—	—	—	—	—	—	6
14	Insurance	53	15	—	21	1	—	3	4	18
15	Labor	—	—	—	—	—	—	—	—	—
16	Children's and Family Services	39	4	—	4	2	—	3	1	9
17	Mines and Minerals	4	3	—	2	—	—	—	2	—
18	Audits	—	—	—	—	—	—	—	—	—
19	Financial Institutions	26	2	—	1	—	—	—	—	1
20	Public Health	45	5	—	9	—	—	2	—	3
21	Public Safety	307	8	3	3	2	—	4	7	24
22	Mental Health	87	66	2	190	40	—	14	15	65
23	Public Works and Buildings ..	2	17	3	15	41	—	1	31	49
24	Registration and Education ..	26	8	—	4	—	—	4	4	1
25	Revenue	—	—	—	—	—	—	—	—	10
26	Business and Economic Development	—	—	—	1	—	—	—	—	—

(Continued)

**SUMMARY BY DEPARTMENTS OF BENEFIT CLAIMS COVERING
 THE PERIOD FROM JULY 1, 1965 TO JUNE 30, 1966**

(Continued)

Code No.	Name of Department	Service Retirement Allowance	Ordinary Death	Accidental Death	Ordinary Disability	Accidental Disability	Reversionary Annuity	Death Benefit After Retirement	Widows' Annuities	Survivors' Annuities
28	Personnel	1	3	—	—	1	—	—	—	—
29	Youth Commission	22	7	—	8	1	—	2	1	10
30	Civil Service Commission	—	—	—	—	—	—	—	—	—
31	Commerce Commission	11	1	—	—	—	—	—	—	2
32	Liquor Control Commission	1	1	—	—	—	—	—	—	—
33	Public Aid	36	6	—	6	—	—	1	2	3
34	Veterans' Commission	6	1	—	1	—	—	—	—	3
35	State Militia	3	2	—	1	—	—	—	2	3
50	Miscellaneous Agencies	9	5	1	7	1	—	1	—	5
	Totals	788	190	9	286	91	—	39	83	230

**SERVICE RETIREMENT ALLOWANCE CLAIMS DURING THE
PERIOD FROM JULY 1, 1965 TO JUNE 30, 1966**

Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1966	1965
01	Governor	0	1
03	Secretary of State	49	109
04	Auditor of Public Accounts	2	5
05	Treasurer	1	3
06	Attorney General	5	5
07	Public Instruction	5	2
08	Courts	4	5
09	State Officers	8	7
10	Aeronautics	0	1
11	Agriculture	13	7
12	Conservation	12	7
13	Finance	5	5
14	Insurance	6	3
15	Labor	53	34
16	Children's and Family Services.....	39	30
17	Mines and Minerals	4	2
19	Financial Institutions	0	7
20	Public Health	26	17
21	Public Safety	45	40
22	Mental Health	307	266
23	Public Works and Buildings	87	81
24	Registration and Education	2	6
25	Revenue	26	24
28	Personnel	1	3
29	Youth Commission	22	23
31	Commerce Commission	11	1
32	Liquor Control Commission	1	1
33	Public Aid	36	53
34	Veterans' Commission	6	2
35	State Militia	3	4
50	Miscellaneous Agencies	9	7
	Totals	788	761

**WIDOWS' ANNUITY CLAIMS DURING THE PERIOD
FROM JULY 1, 1965 TO JUNE 30, 1966**

Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1966	1965
03	Secretary of State	5	9
06	Attorney General	1	0
07	Public Instruction	0	2
09	State Officers	2	0
11	Agriculture	2	1
12	Conservation	4	2
13	Finance	0	1
15	Labor	4	3
16	Children's and Family Services.....	1	3
17	Mines and Minerals	2	2
19	Financial Institutions	0	2
21	Public Safety	7	10
22	Mental Health	15	17
23	Public Works and Buildings	31	24
24	Registration and Education	0	1
25	Revenue	4	5
29	Youth Commission	1	2
31	Commerce Commission	0	1
33	Public Aid	2	2
34	Veterans' Commission	0	1
35	State Militia	2	2
	Totals	83	90

**SURVIVORS' ANNUITY CLAIMS DURING THE PERIOD
FROM JULY 1, 1965 TO JUNE 30, 1966**

Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1966	1965
03	Secretary of State	4	5
04	Auditor of Public Accounts	2	0
05	Treasurer	0	1
06	Attorney General	1	1
08	Courts	0	1
09	State Officers	2	0
11	Agriculture	5	6
12	Conservation	4	7
13	Finance	0	1
14	Insurance	6	1
15	Labor	18	18
16	Children's and Family Services.....	9	7
17	Mines and Minerals	0	1
19	Financial Institutions	1	4
20	Public Health	3	1
21	Public Safety	24	20
22	Mental Health	65	51
23	Public Works and Buildings	49	33
24	Registration and Education	1	1
25	Revenue	10	9
29	Youth Commission	10	4
31	Commerce Commission	2	3
33	Public Aid	3	3
34	Veterans' Commission	3	1
35	State Militia	3	2
50	Miscellaneous Agencies	5	3
	Totals	230	184

**ORDINARY DEATH CLAIMS DURING THE PERIOD
FROM JULY 1, 1965 TO JUNE 30, 1966**

Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1966	1965
03	Secretary of State	19	7
04	Auditor of Public Accounts	4	1
05	Treasurer	3	1
06	Attorney General	1	2
07	Public Instruction	2	2
08	Courts	0	1
09	State Officers	1	0
11	Agriculture	2	1
12	Conservation	2	1
13	Finance	1	2
14	Insurance	1	0
15	Labor	15	15
16	Children's and Family Services	4	6
17	Mines and Minerals	3	0
19	Financial Institutions	2	0
20	Public Health	5	6
21	Public Safety	8	8
22	Mental Health	66	50
23	Public Works and Buildings	17	27
25	Revenue	8	10
28	Personnel	3	0
29	Youth Commission	7	4
31	Commerce Commission	1	2
32	Liquor Control Commission	1	0
33	Public Aid	6	10
34	Veterans' Commission	1	1
35	State Militia	2	4
50	Miscellaneous Agencies	5	4
	Totals	190	165

**ACCIDENTAL DEATH CLAIMS DURING THE PERIOD
FROM JULY 1, 1965 TO JUNE 30, 1966**

Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1966	1965
21	Public Safety	3	2
22	Mental Health	2	0
23	Public Works and Buildings	3	0
29	Youth Commission	0	1
50	Miscellaneous Agencies	1	0
	Totals	9	3

**ORDINARY DISABILITY CLAIMS DURING PERIOD
FROM JULY 1, 1965 TO JUNE 30, 1966**

Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1966	1965
03	Secretary of State	0	13
06	Attorney General	0	1
09	State Officers	0	2
10	Aeronautics	1	0
11	Agriculture	2	3
12	Conservation	2	0
13	Finance	8	4
15	Labor	21	23
16	Children's and Family Services.....	4	8
17	Mines and Minerals	2	0
19	Financial Institutions	1	0
20	Public Health	9	8
21	Public Safety	3	14
22	Mental Health	190	198
23	Public Works and Buildings	15	16
25	Revenue	4	4
26	Business and Economic Development	1	0
28	Personnel	0	1
29	Youth Commission	8	8
31	Commerce Commission	0	1
33	Public Aid	6	10
34	Veterans' Commission	1	1
35	State Militia	1	0
50	Miscellaneous Agencies	7	3
	Totals	286	318

**ACCIDENTAL DISABILITY CLAIMS DURING THE PERIOD
FROM JULY 1, 1965 TO JUNE 30, 1966**

Summary by Departments

Code No.	Name of Department	Year Ended June 30	
		1966	1965
05	Treasurer	1	1
13	Finance	1	0
15	Labor	1	2
16	Children's and Family Services.....	2	2
21	Public Safety	2	0
22	Mental Health	40	38
23	Public Works and Buildings	41	31
25	Revenue	0	1
28	Personnel	1	0
29	Youth Commission	1	0
33	Public Aid	0	1
50	Miscellaneous Agencies	1	0
	Totals	91	76

**DEATH BENEFITS AFTER RETIREMENT DURING THE PERIOD
FROM JULY 1, 1965 TO JUNE 30, 1966**

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

Code No.	Name of Department	Year Ended June 30	
		1966	1965
03	Secretary of State	2	4
06	Attorney General	1	1
09	State Officers	1	0
12	Conservation	0	2
13	Finance	0	1
14	Insurance	0	1
15	Labor	3	2
16	Children's and Family Services.....	3	0
20	Public Health	2	2
21	Public Safety	4	1
22	Mental Health	14	17
23	Public Works and Buildings	1	2
25	Revenue	4	1
29	Youth Commission	2	0
33	Public Aid	1	2
34	Veterans' Commission	0	1
50	Miscellaneous Agencies	1	2
	Totals	39	39

APPENDIX

Benefit and Contribution Provisions

BENEFIT AND CONTRIBUTION PROVISIONS OF STATE EMPLOYEES' RETIREMENT ACT*

CONDITIONS FOR RETIREMENT. Retirement is optional with a member upon attainment of the age of 60 years, with at least 8 years of service. Members of the State Highway Police may retire beginning at age 55, with at least 20 years of creditable service.

A member between ages 55 and 60 years with at least 30 years of creditable service may retire prior to age 60 at a reduced amount. The reduction is $\frac{1}{2}$ of 1% for each month under age 60.

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, with 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.

AMOUNT OF SERVICE RETIREMENT ALLOWANCE:

(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, 1955;

(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.

STATE POLICE. The service retirement allowance with 20 or more years of credited service is equal to 2% of average final compensation per year of creditable service up to a maximum of 60% of such 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. Service in excess of 20 years in any other capacity in the State service than as a State highway policeman is subject to this special formula. These members contribute an additional 1% of salary.

AVERAGE FINAL COMPENSATION. Average final compensation is the average annual rate of earnable compensation for the 5 consecutive years within the last 10 years of service prior to retirement when such average was highest.

SPECIAL RETIREMENT PROVISION. Any disabled member who has received ordinary disability benefit for the maximum period of time specified under the plan, who has attained age 55 and has completed at least 15 years of service, or attained age 50 with at least 20 years of credited service, may receive a retirement allowance as of his attained age, without reduction because of retirement before age 60.

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.

* This summary sets forth in brief the principal provisions of the plan of operation underlying the System in force on June 30, 1966. It is not to be accepted as a substitute for the applicable law. The law must be considered as controlling under all circumstances.

OPTIONAL MINIMUM RETIREMENT ALLOWANCE. An optional minimum annual retirement benefit is provided for 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 year of service, subject to a minimum payment of \$780.00 per year and a maximum payment of 60% of average final compensation.

OPTION TO A WIDOW. The widow of a deceased male member who had established for his wife the right to a widow's annuity benefit as well as the survivors' annuity benefit has the option of receiving either the widow's annuity or survivors' annuity benefit.

ELIGIBILITY FOR WIDOW'S ANNUITY. This benefit does not apply to any member who first established membership in the System on or after July 19, 1961. The following conditions must be fulfilled for eligibility of a widow for a widow's annuity:

- (a) The deceased member must have at least 8 years of credited service or must have fulfilled the required service requirements for a service retirement allowance;
- (b) The widow must be exclusively nominated as beneficiary in the beneficiary designation filed with the Retirement System;
- (c) The widow must have been married to the member at least one year prior to the date of his death or retirement, whichever first occurs, and also on the last day of State employment.

AMOUNT OF WIDOW'S ANNUITY. (a) A widow's annuity equal to 50% of the service retirement allowance earned by the member (with 8 years of creditable service or more) at the date of his death, and (b) a lump sum death benefit payment amounting to \$500.00.

The widow's annuity begins immediately if the widow is aged 55 years or over at the date of death of the member. If she is under age 55 at such time, payment of the annuity is deferred until such time as she attains age 55. In any event, the lump sum death benefit (part (b) above) is payable immediately following death of the member.

If a widow has in her care a minor child or children under age 18 (children of the blood or adopted children) payment of the widow's annuity benefit begins immediately even though the widow is under age 55. In such event, the widow's annuity portion of the benefit (part (a)) is increased 5% of the service retirement allowance earned by the deceased member, on account of each such minor child, subject to a maximum payment of 66-2/3% of the service retirement allowance earned by the member.

Adopted children have the same status as children of the blood provided the proceedings for adoption began at least one year prior to the date of death of the member.

Marriage of a child renders the child ineligible for further consideration in the payment of or increase in a widow's annuity. If the widow is under age 55 at such time, the widow's annuity is suspended until she attains age 55.

Attainment of age 18 by a child renders the child ineligible for further consideration in the increase of the widow's annuity, but payment of the widow's annuity is continued without regard to her age if it is less than 55.

SURVIVORS' BENEFITS. These benefits are applicable to all members of the System, both male and female. The benefits apply immediately to a member who has been a contributor for at least 1½ years and was in State service on July 19, 1961. If a member enters or reenters State service after July 19, 1961, the benefits are effective when he has made contributions for at least 1½ years subsequent to that date.

If death occurs while not in State service, the benefits are payable only if the member had established a vested right in the service retirement allowance.

The benefits do not apply to a member who retired prior to July 19, 1961, unless he reenters service and completes at least 1½ years of contributing membership service.

AMOUNT OF SURVIVORS' BENEFITS. The survivors' benefits consist of: (a) A single sum payment of \$1,000.00, divided pro rata among the beneficiaries entitled thereto; and (b) a survivors' annuity payable to certain eligible beneficiaries, under the conditions stated above and at the rates specified.

ELIGIBILITY REQUIREMENTS. (1) A widow or dependent widower aged 55 or over, unless minor children under age 18 of the member are in the care of the widow or dependent widower in which event payments begin immediately upon death of the member.

(2) If no widow or dependent widower survives a member, a dependent child or children of the member who are full orphans would qualify for the benefit.

(3) If there is no widow, dependent widower, or dependent children of the member under age 18, the benefits are payable to a dependent parent or parents aged 55 or over. If a parent is under age 55 at the date of death of the member, payment of the annuity is deferred until attainment of age 55.

(4) If no widow, dependent widower, children under 18 of the member who are full orphans, or dependent parents survive the member, no survivors' benefits are payable.

A beneficiary is disqualified from receiving a survivors' annuity during the time he is receiving salary from the State of Illinois or as an employee of an employer covered by the State Universities Retirement System.

DEPENDENCY CONDITIONS. A beneficiary is deemed a dependent if such beneficiary was receiving at the date of death of the member at least one-half of his support from the member for maintenance including board, lodging, medical care and like costs.

A dependent child under age 18 of a member includes a dependent stepchild or dependent adopted child who has been either a stepchild or adopted child for at least one year at the date of death, of the member, or at the date of the member's withdrawal from service, whichever first occurs.

A dependent parent of the member includes a dependent stepparent or dependent adopting parent, if the marriage of the stepparent or the adoption of the member occurred prior to the member's attainment of age 18.

In order to qualify, a wife or dependent husband of a member must have been married to the member at least one year at the date of his death or at the date of the member's withdrawal from service, whichever first occurs.

OTHER CONDITIONS. If death occurs while in service, the survivors' annuity is payable as follows:

(1) If the beneficiary is a widow or dependent widower, the survivors' annuity is 30% of average final compensation. The maximum annuity is \$200.00 per month.

In addition, if a dependent child or children under age 18 also survive the member and are under the care of the widow or dependent widower, 20% of average final compensation is payable an account of each such child, plus 10% of such compensation divided equally among all such children; provided that the combined payments on account of all beneficiaries do not exceed the lesser of \$250.00 per month or 80% of average final compensation.

(2) If the beneficiary is a dependent minor child or children who are full orphans, the survivors' annuity is 20% of average final compensation to each child and 10% of such compensation divided equally among all children eligible for such annuity; provided that the combined payments to all children do not exceed the lesser of \$250.00 per month or 80% of average final compensation. The maximum annuity payment on account of any one child is \$125.00 per month.

(3) If the beneficiary is a dependent parent, the survivors' annuity is 20% of average final compensation to each parent plus 10% of such compensation divided equally among the parents who qualify, subject to a maximum payment to both of \$200.00 per month.

In addition to the survivors' benefits, consisting of the \$1,000.00 single sum benefit and the survivors' annuity, the named beneficiary or estate of a member whose death occurs prior to retirement, from any cause other than occupational injuries or disease, is entitled to a refund of retirement annuity contributions, without interest.

If death of the member occurs after his last withdrawal from service, or after retirement, the survivors' annuity to all eligible beneficiaries is further limited to a maximum of 80% of the service retirement allowance earned by the member at the date of his last withdrawal from service.

TERMINATION OF SURVIVORS' BENEFITS. The survivors' annuity terminates upon death or remarriage of the widow, dependent widower or dependent parent.

Marriage, attainment of age 18, or death of a child renders him ineligible for consideration in the payment of a survivors' annuity to a widow, or in continuing payments to the widow prior to her attainment of age 55.

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 5 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 does not receive nor has a right to receive compensation, and may extend for an aggregate period of time not to exceed $\frac{1}{4}$ of the member's period of service at date of disability, but in no event beyond age 65.

DEATH BENEFIT—DEATH BEFORE RETIREMENT. Upon death of a member from any cause other than occupational injuries or disease, leaving no dependent eligible to the survivors' or widow's annuity benefit, his designated beneficiary is entitled to a return of his contributions, including interest.

If death of a member leaving no dependent eligible to the survivors' or widow's annuity benefit occurs while in service and he was in receipt of salary from the State within a period of 12 months prior to his death, and had at least 12 months of contributing membership service, the beneficiary nominated by the member is entitled to a death benefit equal to $\frac{1}{12}$ of the member's annual salary for each completed year of creditable service not exceeding $\frac{1}{2}$ year's salary.

The accumulated contributions of the member and the death benefit provided from State contributions are payable to any named beneficiary, or the estate of the member. If a widow's annuity or survivors' annuity becomes payable, the death benefit payable to the nominated beneficiary or estate consists of the deceased member's contributions for service retirement allowance only.

DEATH BENEFIT UPON DEATH AFTER RETIREMENT. Upon death of a retired member leaving no survivors eligible for a widow's annuity or survivors' annuity, a death benefit may be payable to the person or persons nominated by the member to receive such payment, or to his estate, provided the member did not elect a reversionary annuity.

This death benefit is equal to the excess, if any, of the amount of his contributions at the time of his retirement (including interest to the date of retirement) over the total amount of payments received by the retired member as a service retirement allowance.

Upon death of the last survivor of the member and his beneficiary, if a widow's annuity or survivors' annuity has been paid in such case, a death benefit may be payable to the estate of the survivor. This death benefit is equal to the excess, if any, of the total amount of available contributions made by the member, for both service retirement allowance and widow's annuity, or survivors' annuity, including interest, over the total amount of payments made for such purposes.

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 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 is entitled to a service retirement allowance. 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 nominated 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 a child under age 18 also survives, the annuity to the widow is increased by 15% of average salary because of each child subject to a maximum of 75% of average salary. If there is no widow, or if the widow remarries or dies before all children of the deceased have attained the age of 18 years, each such child receives a monthly allowance of 15% of average salary, payable until attainment of age 18.

The combined payments to children are not to exceed 50% of earnable compensation of the member. Payments to or on account of children terminate upon their attainment of age 18 or upon their death or marriage before such age.

If there is no widow nor minor children under age 18, a benefit of 25% of earnable compensation is payable to each 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. Before a claim for accidental death may be considered by the System it must have been adjudicated as service-connected by the Industrial Commission.

REFUNDS. Upon complete severance of employment with the State, by resignation or dismissal, a member may receive a refund of his total contributions to the System. No interest is paid on such refunds.

If a male member is unmarried at the date of retirement, or if a member does not have a beneficiary who may qualify for survivors' benefits, a refund is payable of the amounts contributed by the member towards the widow's annuity and survivors' benefits, without interest.

If death of the survivor of a retired member occurs before the survivor has attained the age to qualify for a widow's annuity or survivors' annuity, no widow's annuity or survivors' annuity contributions are refunded. However, the estate of the survivor will be entitled to the excess, if any, of the total contributions made by the member to the System, with interest, over the total amount of service retirement allowance payments made by the System.

CONTRIBUTIONS BY MEMBERS. Members, both male and female, are required to contribute for service retirement allowance purposes 6% of salary, except members of the State police force who contribute 7% of salary. Effective with salary accruing on and after August 1, 1961, each member, regardless of marital status, contributes an additional 1% of salary for survivor's benefits. The 1% contribution being made by male members towards a widow's annuity prior to that date became their contributions towards the survivors' benefits.

Contributions by members cease when a member has been a contributor for 36 years at which time a paid-up status is established and no contributions thereafter are required from the member.

CONTRIBUTIONS 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 obligations 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.

RECIPROCITY OF PENSION CREDIT. Under the Reciprocity Act pension credits established in other public retirement systems in Illinois, covered thereunder, may be considered together at the time of retirement of an employee, for the purpose of determining whether the employee or his survivor is eligible for a retirement annuity or survivors' annuity.

The purpose of the Act is to assure full and continuous pension credit for public employment in Illinois in the case of employees who transfer employment from one governmental unit to another.

The Act provides for the preservation of pension credits in the retirement system in which the credits were earned. It does not provide for a transfer of employee contributions or credits from one system to another before retirement.

The following named retirement systems are subject to the provisions of both PLANS ONE AND TWO explained in the following paragraphs, except for the two retirement systems designated by an asterisk (*). Those two are governed only by the provisions of PLAN ONE.

Chicago Teachers' Pension Fund
 Chicago Sanitary District Annuity and Benefit Fund
 Cook County Employees' Annuity and Benefit Fund
 Forest Preserve District Annuity and Benefit Fund
 Laborers' Annuity and Benefit Fund of Chicago
 Municipal Employees' Annuity and Benefit Fund of Chicago
 Park Employees' Annuity and Benefit Fund of Chicago
 State Employees' Retirement System of Illinois
 State Universities Retirement System
 Teachers' Retirement System of the State of Illinois
 General Assembly Retirement System
 *Judges Retirement System of Illinois
 *Illinois Municipal Retirement Fund

A member who has established pension credit in any of the above-named retirement systems of at least 1 year, may make use of this credit upon retirement.

The members combined applicable service credits in all systems must meet the longest minimum service requirements of the systems involved.

Two formulas hereby designated as PLAN ONE and PLAN TWO are available for this purpose, subject to prescribed conditions, namely:

PLAN ONE. Regular Formula. At the date of a member's retirement, each retirement system in which he has established credit computes a proportionate annuity for the amount of the pension credit earned in such system based upon its own pension formula and average final compensation.

PLAN TWO. Alternative formula. An alternate method is provided whereby the total of the pension credits earned by a member under all retirement systems subscribing to PLAN TWO may be considered by the last retirement system. Such system would calculate the total retirement allowance according to its own formula and the final average compensation in that system. The last retirement system would pay the entire retirement allowance to the member and would be reimbursed by the other retirement systems to the extent of their obligation if PLAN ONE had been used. The following conditions must be fulfilled by a member if PLAN TWO is to be applicable:

(a) The member must have been a contributing participant in the last retirement system after July 1, 1961 and for a period of at least 5 years;

(b) If the pension credit under another system is to be considered under this plan, the period of interruption in service covered by one system and the beginning date of participation under another system must be not more than 5 years; provided that if such separation is more than 5 years, pension credit under another system will be considered if the total period of pension credit in the last system was continuous for at least 7½ years immediately preceding the latest separation from service.

(c) The member must make a contribution to the last retirement system of 1% of his final annual salary rate on the last date of service in each system (other than the last) for each year of service for which credit was allowed in each such system, provided that this payment is not to be made in any case in which