

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

TWENTY-SIXTH ANNUAL STATEMENT OF THE BOARD OF TRUSTEES

**For the Fiscal Year Ended
June 30, 1969**



1201 South Fifth Street
Springfield, Illinois 62706
Tel. 525-6581 — Area Code 217

BOARD OF TRUSTEES

(As Constituted June 30, 1969)

HOWARD C. REEDER, *Chairman*
Chairman, Executive Committee
Continental Assurance Company

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

HON. JOHN W. McCARTER, JR.
Director of Finance
(Member Ex Officio)

EDWARD F. MERTEN
Director of General Services
Department of Mental Health

THEODORE F. MORF
Deputy Chief Highway Engineer
Department of Public Works and Buildings

★ ★ ★

PAUL D. PRATER,* *Secretary*

HON. WILLIAM J. SCOTT
Attorney General
Counsel

HON. ADLAI E. STEVENSON III
State Treasurer
Treasurer

A. A. WEINBERG
Consulting Actuary

* Retired. Succeeded by **NORMAN E. LENTZ** on March 3, 1970.

(21834)

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INDUSTRIAL AND LABOR RELATIONS
CORNELL UNIVERSITY

LETTER OF TRANSMITTAL

April 30, 1970

To His Excellency,
The Honorable Richard B. Ogilvie
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 Twenty-Sixth Annual Statement of the Board for the fiscal year ended June 30, 1969.

Respectfully submitted,



Chairman

FINANCIAL FACTS — IN COMPARISON

| <i>For the Year</i> | <i>Fiscal Year Ended June 30th</i> | |
|---|------------------------------------|------------------|
| | <i>1969</i> | <i>1968</i> |
| Total Revenue | \$ 63,531,792.51 | \$ 58,996,336.99 |
| Total Expenditures and Charges | 30,731,357.68 | 20,602,282.35 |
| Excess of Total Revenues Over | | |
| Total Expenditures | 32,800,434.83 | 38,394,054.64 |
| Contributions by Members | 23,253,181.71 | 23,484,974.71 |
| Contributions by Employer | 29,596,832.56 | 28,271,625.17 |
| Interest from Members | 65,995.26 | 25,592.85 |
| Investment Income | 10,615,782.98 | 7,214,144.26 |
| Investment Income as Proportion | | |
| of Total Revenues | 16.7% | 12.2% |
| Service Retirement Allowances | 12,111,419.06 | 11,086,388.23 |
| Survivors' Annuity and Widows' | | |
| Annuity Payments | 3,313,250.12 | 2,724,942.67 |
| Disability Benefits | 1,697,328.60 | 1,364,280.35 |
| Death Benefits | 2,075,138.67 | 1,631,214.98 |
| Refunds | 8,199,796.03 | 3,592,570.05 |
| Net Loss on Bond Conversions | 3,334,425.20 | — |
| <i>At End of Year</i> | | |
| Net Present Assets | \$233,552,120.47 | \$200,751,685.64 |
| Actuarial Reserve Requirements | 503,132,139.47 | 466,384,215.64 |
| Unfunded Accrued Liability | 269,580,019.00 | 265,632,530.00 |
| Per Cent Funded | 46.4% | 43.0% |
| Amortized Book Value of Investments | \$225,189,129.30 | \$191,542,830.85 |
| Average Yield on Investments | 5.40% | 4.54% |

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

TWENTY-SIXTH ANNUAL STATEMENT OF THE BOARD OF TRUSTEES

Fiscal Year Ended June 30, 1969

Characteristic of the larger demands upon the State government, increased activity occurred in every sector of the System's operations. Membership increased and pension and benefit payments continued their persistent upward trend. A substantially larger turnover in membership occurred due to certain changes and adjustments within the State service. Contributing materially to this increased activity was the incidence during the year, effective January 1, 1969, of federal social security coverage under the "divided" system method.

Important legislation was enacted improving the benefit structure of the System for the benefit of the membership. This legislation was of a constructive character and became operative after the close of the year. Of special importance also was the creation of a State Board of Investment under legislation enacted during the year but operative after the close thereof. This legislation provided for the transfer of the investment functions of the Board of Trustees to a State Board of Investment composed of nine members, five ex officio, including the Chairman of the Board, and four appointed by the Governor.

Although total revenues exceeded those of the preceding fiscal year, expenditures by the System were at a considerably larger amount resulting in a reduced excess of revenues over expenditures for the year as an addition to the reserves.

Notwithstanding the foregoing results, it is noted with satisfaction that investment income for the year increased about 47%. This was due to higher rates of return on new investments and to the conversion operations resulting in the disposition of low yielding U.S. Government Bonds and the reinvestment of the proceeds in high quality corporate issues at considerably higher rates of income.

Changes in membership characteristics during the year due to the incidence of federal social security on January 1, 1969, and the assumption of a 4% rate of interest instead of 3½% for valuation purposes would have resulted in some decrease in the unfunded accrued liability. However, other internal adjustments affecting the projected salary scale and certain mortality factors served to more than offset this decrease resulting in a relatively small increase in this item for the year equal approximately to 2%. From a current operating standpoint, however, the System is maintaining a condition of relative stability.

MEMBERSHIP. Total membership at the close of the year was 62,372. A separation of the membership as between those under dual coverage, that is, social security plus a partial Retirement System benefit and those who elected to continue under the Retirement

System at full benefits, was not possible with any degree of accuracy. Such a separation, therefore, does not appear in this report. The foregoing total membership compares with 60,200 members at the close of the preceding year.

The number of persons in receipt of annuities, including retired members, widows and other eligible survivors, was 9,848. This compares with 9,057 at the end of the preceding year.

FINANCIAL REVIEW. A comparison of the principal items of revenues and expenditures for the year under review is of interest in illustrating the scope of current financial operations and basic trends. Such an illustration is presented in the statement of financial facts appearing in the beginning of this publication immediately preceding this narrative report.

It is noted again that the State of Illinois is continuing to maintain its policy of funding in full measure the normal cost requirements of the System. Two years ago the State adopted the method of budgeting normal cost on a departmental basis by having this cost expressed specifically in the departmental budgets as a direct proportion of the salary expense. This is a realistic approach to a basic problem and should bring about a slow but gradual improvement in the funded status of the System.

Total revenues amounting to \$63,531,792.51 were the highest in the history of the System reflecting the underlying trend in membership and salaries. Total expenditures for the year of \$30,731,357.68 exceeded those of the preceding year by a sizable amount due largely to refund payments which were considerably above those of prior years.

Due to the abnormally large expenditures for the year, the excess of total revenues over expenditures decreased during the year from \$38,394,054.64 to \$32,800,434.83. This is an unusual development. It is to be expected that net income for future years should conform to their normal trend with an increasing excess of current revenues over expenditures.

INVESTMENTS. Total investments of the System increased during the year from \$192,707,000.00 to \$228,044,000.00 at par value. Investments at the close of the year consisted of two types of bonds, in the amounts indicated:

| | |
|-----------------|-------------------------|
| U.S. Treasury | \$103,895,000.00 |
| Corporate bonds | <u>124,149,000.00</u> |
| Total | <u>\$228,044,000.00</u> |

The average rate of income on the total investment account at June 30, 1969 was 5.40%.

The corporate bonds are all rated "A" or better by recognized security rating concerns. They are well diversified and of high quality. The First National Bank of Chicago serves as investment counsel.

A substantial change in the composition of the investment ac-

count occurred during the year. Upon recommendation of the investment counsel, a total of \$51,812,000.00 par value of United States Treasury Bonds were disposed of consisting principally of bonds of relatively short maturities. The proceeds were immediately re-invested in high grade rated corporate bonds of long term yielding attractive rates of income.

In the process of conversion, a small gain of \$1,585.08 was realized and a loss of \$3,336,010.28 was incurred, resulting in a net loss to the System of \$3,334,425.80. This loss, while of significant proportions, will be recovered within a few years through increased income on the reinvestment. Since the pension obligations of the System are of an extended character maturing many years after they are initiated, investments are made in long term securities for the purpose of insuring adequate income to meet the obligations when they mature.

AMENDATORY LEGISLATION. A number of important amendments affecting the rights and benefits of the members were enacted at the 1969 session of the 76th General Assembly. These amendments became operative after the close of the fiscal year. The amendments resulted in upgrading certain benefits in accord with underlying economic and social trends and are of distinct advantage to the members of the System.

ANNUAL ACTUARIAL VALUATION. An actuarial valuation was completed as of June 30, 1969 in accordance with the specific directives of the law governing the System. The report of the actuary, which is a part of this annual statement, discloses that the unfunded accrued liability at the aforesaid date was \$269,580,019.00. This amount represents the value of the unfinanced pension credits on the part of the State of Illinois which is to be discharged by future appropriations to the System on the part of the State.

The actuary has reported that the normal cost for the State of Illinois for the fiscal year 1971 is 6.4% of payroll. This rate gives effect to the 1969 amendments to the retirement law and is predicated upon a 4% interest assumption.

CONCLUSION. Social security coverage for State employees has created numerous procedural problems in administration. These are being resolved in the most effective manner consistent with the intent and purpose of the coordinated plan.

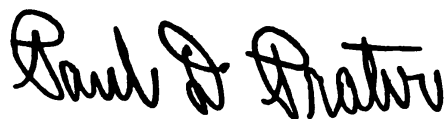
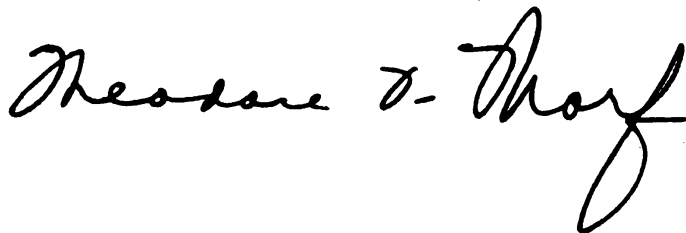
Although the transfer of the investment functions of the Board to a new State Board of Investment effective July 1, 1970, will relieve this Board of the direct responsibility of this area of management, the results of operations of this new State unit will be currently available to the trustees for judgment and evaluation through the Chairman of this Board of Trustees as an ex officio member of the State Board of Investment. As in the past, the policies of the Board will be directed towards the fulfillment in the most adequate and efficient manner the stated objectives of the System as an adjunct of a progressive personnel policy for the State of Illinois.

Acknowledgment is hereby made of the cooperation and service of the officials of the State of Illinois during the year and of the competence and dedication of the members of the administrative staff of the System.

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, 1969.

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 financial reports prepared by the Secretary.

In our opinion, the accompanying Valuation Balance Sheet correctly presents the condition of the State Employees' Retirement System of Illinois at June 30, 1969, giving effect to all accrued liabilities and reserve requirements under the applicable law.

A. A. Weinberg
Consulting Actuary

April 17, 1970

VALUATION BALANCE SHEET — JUNE 30, 1969

STATEMENT OF ASSETS, LIABILITIES AND RESERVES

ASSETS

PRESENT ASSETS:

| | |
|---------------------------------------|--------------|
| Cash | \$ 3,659,339 |
| Accounts receivable | 6,420,607 |
| Investments (at amortized cost) | 225,189,129 |
| Accrued Interest on Investments | 3,300,598 |

PROSPECTIVE ASSETS:

| | | |
|--|--------------------|-------------|
| Obligations for service to be rendered after June 30, 1969 — | | |
| Male members | \$ 78,419,827 | |
| Female members | 44,365,592 | |
| State of Illinois | <u>116,963,387</u> | 239,748,806 |

DEFERRED ASSETS:

| | |
|---|------------------------------------|
| Due from the State of Illinois for unfinanced accrued pension credits | <u>269,580,019</u> |
| TOTAL ASSETS | <u><u>\$747,898,498</u></u> |

VALUATION BALANCE SHEET — JUNE 30, 1969
STATEMENT OF ASSETS, LIABILITIES AND RESERVES

LIABILITIES

CURRENT LIABILITIES:

| | | |
|------------------------------|------------|--------------|
| Benefits payable | \$ 276,424 | |
| Refunds payable | 1,233,628 | |
| Uncompleted investment | 3,507,500 | \$ 5,017,552 |
| | | |

FUTURE SERVICE LIABILITY:

| | | |
|--|---------------|-------------|
| For pension credits on account of service after June 30, 1969 — | | |
| Male members | \$133,737,253 | |
| Female members | 106,011,553 | 239,748,806 |
| | | |

RESERVE LIABILITIES

MEMBERS' CONTRIBUTIONS:

| | | |
|--|---------------|-------------|
| For prospective retirement and widows' annuities on account of active members.... | \$ 85,455,590 | |
| For future refunds and death benefits — actuarial value of future payments | 66,031,867 | 151,487,457 |
| | | |

EMPLOYER CONTRIBUTIONS:

| | | |
|--|---------------|-------------|
| For prospective retirement and widows' annuities on account of active members — present value of total liability for accrued requirements | \$279,048,616 | |
| Less, Members' contribution credits | 85,455,590 | 193,593,026 |
| | | |

RETIREMENT AND BENEFITS RESERVE:

| | |
|---|-------------|
| Actuarial value of retirement, widows' and survivors' annuities in force | 158,051,657 |
| | |

| | |
|---|------------------------------------|
| TOTAL LIABILITIES AND RESERVE REQUIREMENTS.... | <u><u>\$747,898,498</u></u> |
|---|------------------------------------|

The following explanation is given regarding the several items comprising the assets, liabilities and reserves of the System in order to facilitate an understanding thereof.

Present Assets comprise the assets on hand as taken from the reports submitted by the Secretary for the 1969 fiscal year.

Prospective Assets represent the obligations of the participants and the State for service to be rendered subsequent to June 30, 1969. They consist of amounts, actuarially determined, with the application of the factors of mortality, interest, turnover and others that enter into the computation of the present value of liabilities for benefits accruing on account of future service.

Deferred Assets constitute the amount accrued and unpaid on account of service rendered prior to the balance sheet date. This item is referred to as the "unfunded accrued liability" or "actuarial deficit." This is an obligation of the State to be discharged in future years by increasing appropriations to the System.

Current Liabilities consist of the accrued benefits and deferred credits.

Future Service Liability is an offset to Prospective Assets, and represents the present value of the proportionate pension credits to be earned by the participants during future service extending from the balance sheet date to the assumed ages of retirement.

Reserve Liabilities embrace three items and represent the amounts necessary to fully fund all accrued liabilities for pensions and refunds for service prior to the balance sheet date. The three items comprising these requirements are described below.

Reserve for Members' Contributions represents the participants' own contribution credits including interest to the balance sheet date. Part of these credits are subject to refund in future years on account of resignation, dismissal or death, and part are to be applied to finance a portion of the retirement annuities and survivors' benefits to become due in the case of participants now in service or their beneficiaries who will ultimately qualify for such benefits.

Reserve for State Contributions represents the State's portion of the accrued pension credits for those participants now in service who ultimately will become entitled to retirement annuities at the ages assumed for their retirement or whose beneficiaries may become eligible for payments under the widows' or survivors' benefit provisions.

Retirement and Benefits Reserve constitutes the amount required to pay out during the future lifetime of the present pensioners and beneficiaries the pensions and other benefits previously granted and in force at the balance sheet date.

REPORT OF THE ACTUARY

An actuarial valuation of the State Employees' Retirement System was completed as of June 30, 1969, pursuant to the directive prescribed by Article 14 of the Illinois Pension Code which states 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 this Article, and certify the results thereof to the Board."

Basis of valuation. The benefit and contribution provisions governing the System which formed the basis of this valuation are summarized in the appendix. Although the 1969 amendments became operative after the valuation date, effect thereto has been given in this valuation for the purpose of establishing the financial condition of the System on a current basis.

The valuation of reserves and liabilities on retirement annuities and widows' and survivors' annuities was made according to the GA-1951 table of mortality with an interest assumption of 4% per annum. Deaths occurring while in service were valued upon the basis of the 1960 Commissioners Standard Group Table.

Results of valuation. The accompanying Valuation Balance Sheet presents the results of this valuation and illustrates the financial condition of the System at June 30, 1969. Total accrued liabilities are shown at \$503,132,140.00. To meet these liabilities, the System had net present assets amounting to \$233,552,121.00.

The difference between the aforesaid two amounts of \$269,580,019.00 constitutes the unfunded accrued liability commonly referred to as the actuarial reserve deficiency. It represents a deferred obligation of the State of Illinois to be discharged by future appropriations.

Statistics. The statistical data required for the preparation of this report was compiled and tabulated in the office of the System under the direction and supervision of the Secretary. Detailed tables reflecting this data are presented later in this report. Certain summaries of the data are shown in the succeeding pages.

Membership. The pertinent facts pertaining to membership are as follows:

| | <i>Male</i> | <i>Female</i> |
|---------------------------------|------------------|------------------|
| Number of members | 32,794 | 29,578 |
| Proportion of total | 52.6% | 47.4% |
| Aggregate annual salaries | \$254,595,132.00 | \$170,714,448.00 |
| Average annual salary | \$7,763.00 | \$5,772.00 |
| Average age | 47.7 | 45.5 |
| Average service | 6.6 | 6.5 |

Service retirements. The number of retired members at the close of the year are shown with the following characteristics:

| | <i>Male</i> | <i>Female</i> |
|------------------------------------|----------------|----------------|
| Number of retired members | 3,739 | 3,784 |
| Proportion of total | 49.7% | 50.3% |
| Aggregate annual payments | \$7,192,462.92 | \$5,563,964.64 |
| Average annual payment | \$1,923.63 | \$1,470.39 |
| Average age at June 30, 1969 | 72.0 | 72.2 |
| Average age at retirement | 65.8 | 65.6 |

The following statistics are pertinent to the aforesaid types of beneficiaries:

| | <i>Widows' Annuities</i> | <i>Survivors' Annuities</i> |
|---|------------------------------|---------------------------------|
| Number of beneficiaries | 996 | 1,329 |
| Annual payments | \$847,686.00 | \$2,278,985.28 |
| Average annual payment | \$851.00 | \$1,742.00 |
| Average age (exclusive of children) | 71.4 | 63.5 |

Ordinary death benefit. This benefit consists of (a) members' accumulated contributions with interest, and if death occurs in service (b) an amount equal to 1/12th of the annual rate of salary for each year of credited service not to exceed 6/12ths thereof. This death benefit represents a substantial amount of life insurance for State employees.

Claims incurred during the year on deaths occurring while in service consisted of 218 compared to 202 for the preceding fiscal year. The rate of incidence is still below the expectancy according to the applicable mortality tables.

Accidental death. The number of accidental death claims arising during the year was 7 in comparison with 8 incurred during the preceding fiscal year. This rate of incidence was somewhat below the expectancy according to the standard in use in an evaluation of the effect of this hazard among State employees.

Ordinary disability. Only members with at least 5 years of credited service who are under age 65 are qualified for this benefit. The number of these claims has fluctuated considerably during recent years due principally to internal personnel policies of the various State departments. However, for the year under review total claims have shown a material increase from 314 during the preceding year to 359 for the year covered by this report. This increase is in accord with the current trend in claims of this character.

Refunds. It is noted that a large increase occurred in refund payments both in number and amount in the case of State employees withdrawing from service. For the 1969 fiscal year a total of 6,210 applications for resignation refunds were processed involving payments aggregating \$8,017,966.20 compared to 3,709 for the 1968 fiscal year with refund payments amounting to \$3,468,469.18. This substantial change is probably a temporary condition. It can not be

accepted as an indication of probable future experience with this decrement factor. The following statement showing the distribution of these refund payments by length of service may be of interest:

| | |
|------------------------|--------------|
| Less than 1 year | 838 |
| 1 year | 1,646 |
| 2 years | 1,054 |
| 3 years | 780 |
| 4 years | 485 |
| 5 years and over | 1,407 |
| Total | 6,210 |

It should be noted that close to 80% of the refund payments represented employees with less than 5 years of service.

Financing the System. In this valuation a reexamination was made of the normal cost rate for the State of Illinois. The valuation disclosed that the rate for the fiscal year ending June 30, 1971 is to be 6.4% of payroll. This rate is predicated upon an interest assumption of 4% per annum and gives effect to the 1969 amendments to the law which increased the cost of financing the System in an amount equal to 2/10 of 1% of payroll. These several amendments are summarized below:

1. Establishment of a plan for an automatic increase in the retirement annuities for future retirants, commonly referred to as "escalation". This increase is to be 1½% for each year on retirement, based upon the original amount of allowance, not compounded, with the aggregate increase limited to 30% after 20 years on retirement.
2. The accrual of pension credit above 36 years' service up to a maximum of 42 years' service would begin at any age of retirement instead of age 61.
3. Extension of the maximum period of time for the payment of an ordinary disability benefit from ¼ to ½ of total service credit.
4. Revision of the period of vesting from a dual standard previously in effect, namely, 10 years if separation from service occurred prior to age 55 and 8 years if separation occurred at age 55 or over, to a single standard of 8 years regardless of the age at separation.
5. Repeal of the qualifying conditions of dependency for the receipt of a survivor's annuity in the case of a widower of a female member.
6. Special provisions for fire fighter employees in State institutions for whom the same qualifying conditions and rates of retirement annuity were prescribed as those in effect for State policemen.

Conclusion. The System is continuing to expand its operations. Membership is increasing steadily. Annuity payments are continuing their persistent upward trend. This trend should maintain for a

great number of years. The size of a retirement system is properly measurable by the amount of its total liabilities rather than its assets. The total liabilities at the close of the year exceeded \$742,000,-000.00.

The System is fulfilling its objectives satisfactorily. Under the management policies of the Board of Trustees, a high standard of efficiency in administration has been achieved.

A. A. Weinberg
Consulting Actuary

**AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 1969**

AUDITORS' REPORT

Auditor General
State of Illinois
Springfield, Illinois

We have examined the accompanying statement of assets, liabilities and reserves of the System Trust Fund of State Employees' Retirement System of Illinois at June 30, 1969 and the related statement of income, expenditures and changes in reserve balances for the year then ended, and the statement of expenditures and lapsed balances from appropriations by the 75th General Assembly for the year ended June 30, 1969, including the lapse period ended September 30, 1969. 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.

As more extensively described in Notes 1 and 2 of the Notes to Financial Statements, the accompanying statements do not reflect certain actuarially determined financial data. Accordingly, they do not purport to present the financial position and results of operations of the System in accordance with generally accepted accounting principles.

In our opinion, the financial statements mentioned above present fairly the individual assets, liabilities and reserves of the System Trust Fund as shown on the statement of assets, liabilities and reserves at June 30, 1969, and the income, expenditures and changes in reserve balances of the System Trust Fund for the year then ended, and the expenditures and lapsed balances from appropriations by the 75th General Assembly for the year ended June 30, 1969, including the lapse period ended September 30, 1969, in conformity with the System's accounting policy as described in Note 1 of the Notes to Financial Statements, applied on a consistent basis.

McGladrey, Hansen, Dunn & Company
successor by merger to
Whitney, Hakman & Conaghan
Certified Public Accountants

Springfield, Illinois
January 12, 1970

SYSTEM TRUST FUND
STATEMENT OF ASSETS, LIABILITIES AND RESERVES
JUNE 30, 1969

ASSETS

| | | |
|--|------------------|---------------------------------------|
| Cash | | \$ 3,659,339.31 |
| Receivables: | | |
| Members' Contributions | \$ 2,431,167.31 | |
| Contributions by employers | 3,969,620.65 | |
| Allowances from other systems | 3,823.91 | |
| Accrued Interest | 3,300,597.68 | |
| Cancellation of benefits | 15,995.80 | 9,721,205.35 |
| Investments, at amortized cost (Note 3): | | |
| U.S. Government obligations | \$103,514,791.57 | |
| Corporate bonds and notes | 121,674,337.73 | 225,189,129.30 |
| Total Assets | | <u><u>\$238,569,673.96</u></u> |

LIABILITIES AND RESERVES

| | | |
|---|------------------|---------------------------------------|
| Accounts payable for investments | | |
| purchased | \$ 3,507,500.01 | |
| Benefits payable | 276,424.55 | |
| Refunds payable | 1,233,628.93 | |
| Total Liabilities | | \$ 5,017,553.49 |
| Reserves: | | |
| Members' contributions | \$136,726,389.06 | |
| Interest accumulations | 14,761,068.91 | |
| Annuitants' death benefits | 6,598,798.86 | |
| Contingent general | 75,465,863.64 | |
| Total reserves | | 233,552,120.47 |
| Total Liabilities and Reserves | | <u><u>\$238,569,673.96</u></u> |

The accompanying notes to financial statements are an integral part of this statement.

SYSTEM TRUST FUND
STATEMENT OF INCOME, EXPENDITURES and CHANGES IN RESERVE BALANCES
(Exclusive of Administrative Expense Appropriations)
Year Ended June 30, 1969

| | <i>Allocated To</i> | | | | |
|---|-------------------------|-------------------------------|-------------------------------|-----------------------------------|-----------------------------------|
| | <u>Total</u> | <u>Members' Contributions</u> | <u>Interest Accumulations</u> | <u>Annuitants' Death Benefits</u> | <u>Contingent General Reserve</u> |
| Income: | | | | | |
| Contributions by members | \$ 23,253,181.71 | \$ 23,253,181.71 | | | |
| Contributions by employers (Notes 1 and 2) | 29,596,832.56 | | | | \$ 29,596,832.56 |
| Interest Income: | | | | | |
| On investments | 10,615,782.98 | | | | 10,615,782.98 |
| From members | 65,995.26 | | | | 65,995.26 |
| Total Income | \$ 63,531,792.51 | \$ 23,253,181.71 | | | \$ 40,278,610.80 |
| Expenditures: | | | | | |
| Service Retirement Allowance | \$ 12,111,419.06 | | | | \$ 12,111,419.06 |
| Death Benefit after Retirement | 117,337.24 | | | | 117,337.24 |
| Ordinary Death Benefit | 1,716,237.64 | \$ 1,308,756.76 | | | 407,480.88 |
| Accidental Death Benefit | 241,563.79 | 19,047.29 | | | 222,516.50 |
| Ordinary Disability Benefit | 1,590,376.11 | | | | 1,590,376.11 |
| Accidental Disability Benefit | 106,952.49 | | | | 106,952.49 |
| Survivors' Annuity Benefit | 2,443,798.48 | | | | 2,443,798.48 |
| Widows' Annuity Benefit | 858,989.67 | | | | 858,989.67 |
| Reversionary Annuity | 10,461.97 | | | | 10,461.97 |
| Refunds | 8,199,796.03 | 8,199,796.03 | | | |
| Total Expenditures | \$ 27,396,932.48 | \$ 9,527,600.08 | | | \$ 17,869,332.40 |
| Excess of income over expenditures before net loss on sale of investments. | \$ 36,134,860.03 | | | | \$ 22,409,278.40 |
| Net loss on sale of investments | 3,334,425.20 | | | | 3,334,425.20 |
| Excess of income over expenditures .. | \$ 32,800,434.83 | \$ 13,725,581.63 | | | \$ 19,074,853.20 |

Reserve transfers:

Net increase in reserve for interest accumulations representing interest credited to members' accounts less the accrued interest on accounts of members who retired or received refunds during the year..

\$ 1,482,545.06

\$(1,482,545.06)

Transfer accumulated contributions of members who retired during the year, net of accumulated contributions of annuitants who resumed employment, to contingent general reserve

4,716,320.89

\$(4,716,320.89)

Transfer to adjust annuitants' death benefit reserve to an amount representing the excess of annuitants' contributions over payments made

17

\$ 1,577,254.80

(1,577,254.80)

Contributions credited to members' accounts during periods of temporary disability

250,857.58

(250,857.58)

Reserve transfers—net ..

\$ 1,577,254.80

\$ 1,405,663.45

Net increase in reserves for year

\$ 1,577,254.80

\$ 20,480,516.65

Reserve balances, beginning of year ..

5,021,544.06

54,985,346.99

Reserve balances, end of year

\$ 6,598,798.86

\$ 75,465,863.64

The accompanying notes to financial statements are an integral part of this statement.

APPROPRIATIONS BY 75TH GENERAL ASSEMBLY STATEMENT OF EXPENDITURES AND LAPSED BALANCES July 1, 1968 to September 30, 1969

| | <i>Unexpended Balances June 30, 1968</i> | <i>Voucher Expenditures Year Ended June 30, 1969</i> | <i>Unexpended Balances June 30, 1969</i> | <i>Voucher Expenditures Three Months Ended Sept. 30 1969</i> | <i>Balances Lapsed Sept. 30 1969</i> |
|--|--|--|--|--|--|
| Administrative costs and expenses — general: | | | | | |
| Personal service | \$269,856.16 | \$204,459.71 | \$ 65,396.45 | \$ 8,808.95 | \$ 56,587.50 |
| Contribution to State Employees' Retirement System | 18,889.68 | 14,312.21 | 4,577.47 | 616.63 | 3,960.84 |
| Contractual services | 47,028.65 | 45,937.44 | 1,091.21 | 890.99 | 200.22 |
| Electronic data processing | 173,087.23 | 138,571.24 | 34,515.99 | 3,769.12 | 30,746.87 |
| Postage | 2,118.00 | 2,118.00 | | | |
| Travel | 5,525.20 | 1,587.41 | 3,937.79 | 164.94 | 3,937.79 |
| Commodities | 3,935.71 | 2,542.58 | 1,393.13 | | 1,228.19 |
| Equipment | 3,076.89 | 1,724.10 | 1,352.79 | | 1,352.79 |
| Stationery, printing and office supplies | 5,063.91 | 2,548.61 | 2,515.30 | 600.34 | 1,914.96 |
| Contingencies | 2,500.00 | 2,500.00 | 2,500.00 | | 2,500.00 |
| Administrative expense of Widows' Annuity Benefits | 22,180.78 | 12,609.74 | 9,571.04 | 4,184.23 | 5,386.81 |
| For administrative expenses in connection with amendments to the Illinois Pension Code (S.B. 1316) | 94,654.31 | 15,039.39 | 79,614.92 | 3,132.50 | 76,482.42 |
| Total administrative costs and expenses — System Trust Fund | <u>\$647,916.52</u> | <u>\$441,450.43</u> | <u>\$206,466.09</u> | <u>\$ 22,167.70</u> | <u>\$184,298.39</u> |
| Administrative costs and expenses — Social Security Unit: | | | | | |
| Administrative expense of Social Security Enabling Act | \$100,648.59 | \$ 49,194.75 | \$ 51,453.84 | \$ 2,565.49 | \$ 48,888.35 |
| For administrative expenses of the Social Security Unit in connection with amendments to the Illinois Pension Code (S.B. 1316) | 100,000.00 | 100,000.00 | 100,000.00 | | 100,000.00 |
| Total administrative costs and expenses — Social Security Contribution Fund .. | <u>\$200,648.59</u> | <u>\$ 49,194.75</u> | <u>\$151,453.84</u> | <u>\$ 2,565.49</u> | <u>\$148,888.35</u> |
| | <u>\$848,565.11</u> | <u>\$490,645.18</u> | <u>\$357,919.93</u> | <u>\$ 24,733.19</u> | <u>\$333,186.74</u> |

NOTES TO FINANCIAL STATEMENTS

Note 1. Method of Accounting

The State Employees' Retirement System of Illinois follows the practice of recording in its accounts only those funds for which it is accountable and its accounts do not reflect the employer contributions which would be required from state appropriations to provide for the actuarial requirements of the employee benefits provided for by the Illinois Pension Code. Accordingly, the accompanying financial statements also do not include the unrecorded benefits actuarially accrued. Expenditures for benefits are included on the basis of those actually paid which are applicable to the year ended June 30, 1969, rather than on the basis of full provision for the current cost of benefits accrued as actuarially determined. Certain actuarial data is shown in Note 2.

The individual amounts which are included in the accompanying financial statements are stated in accordance with generally accepted accounting principles.

Note 2. Actuarial Data

Effective July 1, 1967, contributions by the State of Illinois to State Employees' Retirement System of Illinois were made by each department or other agency with employees covered by the System on the basis of 7% of their total compensation. This percentage was determined by the actuary in accordance with the provisions of legislation enacted by the 75th General Assembly (S.B. 1220), which provided that the State's contribution, together with members' contributions, interest and other income, should be sufficient to meet the cost of maintaining and administering the System on a funded basis in accordance with actuarial reserve requirements.

Prior to July 1, 1967, the State's contributions were primarily based on estimated biennial cash requirements. Cumulative contributions by the State of Illinois to the State Employees' Retirement System have, therefore, not provided for the funding of benefits on an actuarial basis as determined by the regularly retained actuary as of June 30, 1968, the latest date on which a determination had been completed as of January 12, 1970. The amount reported by the actuary as of June 30, 1968 is shown in the following summary:

| | <u>1968</u> |
|--|-----------------------------|
| Reserve requirements as shown by the actuarial balance sheet (representing the actuarially determined total accrued liability for all annuities and benefits for both active and retired members for service rendered) | \$466,384,215 |
| Net present assets of the System (equal to the reserves as shown on the books of the System) | <u>200,751,685</u> |
| Unfunded accrued liability and unfunded obligation of the State of Illinois as reported by the actuary | <u><u>\$265,632,530</u></u> |

Note 3. Investments

Investments of the System Trust Fund have consistently been carried at amortized cost and no provision is made for unrealized

gains and losses. Approximate market values at June 30, 1969 were as follows:

| | <u>1969</u> |
|-----------------------------------|-----------------------------|
| U.S. Government obligations | \$ 79,355,440 |
| Corporate bonds and notes | 110,425,210 |
| Total | <u>\$189,780,650</u> |

The market value of U.S. Government obligations is based on bid prices at the date shown. The market value of corporate bonds and notes is based on prices quoted by investment counsel at July 1, 1969. At January 12, 1970, the System had not sold any investments owned at June 30, 1969.

★ ★ ★

AUDITORS' STATEMENT OF RESPONSIBILITY FOR SCHEDULE OF INVESTMENTS

The following schedule of investments is not an integral part of the basic financial statements, but is submitted for supplementary purposes. It has been tested in connection with our original examination of the basic financial statements, and, in our opinion, is fairly stated in all respects material in relation to the financial statements taken as a whole.

SCHEDULE OF INVESTMENTS**June 30, 1969****System Trust Fund**

| | <i>Principal Amount</i> | <i>Amortized Cost</i> |
|---|-----------------------------|---------------------------|
| United States Treasury bonds: | | |
| 4% due 11/15/73 | \$ 10,671,000.00 | \$ 10,486,164.41 |
| 3 $\frac{7}{8}$ % due 11/15/74 | 8,491,000.00 | 8,561,686.80 |
| 4% due 2/15/80 | 6,275,000.00 | 6,205,139.32 |
| 3 $\frac{1}{2}$ % due 11/15/80 | 1,600,000.00 | 1,605,337.97 |
| 3 $\frac{1}{4}$ % due 6/15/83-78 | 8,400,000.00 | 8,637,808.63 |
| 3 $\frac{1}{4}$ % due 5/15/85 | 4,000,000.00 | 3,994,532.55 |
| 4 $\frac{1}{4}$ % due 5/15/85-75 | 3,070,000.00 | 2,995,527.89 |
| 3 $\frac{1}{2}$ % due 2/15/90 | 23,438,000.00 | 23,095,112.76 |
| 4 $\frac{1}{4}$ % due 8/15/92-87 | 23,450,000.00 | 23,544,914.88 |
| 4% due 2/15/93-88 | 4,300,000.00 | 4,306,450.51 |
| 4 $\frac{1}{8}$ % due 5/15/94-89 | 8,800,000.00 | 8,837,137.90 |
| 3 $\frac{1}{2}$ % due 11/15/98 | 1,400,000.00 | 1,244,977.95 |
| Total United States Treasury bonds | \$103,895,000.00 | \$103,514,791.57 |
| Corporate bonds and notes: | | |
| American Telephone and Telegraph Co., 4 $\frac{5}{8}$ % debentures, due 2/1/94 | 1,000,000.00 | 830,202.17 |
| American Telephone and Telegraph Co., 4 $\frac{3}{4}$ % debentures, due 11/1/92 | 500,000.00 | 421,895.51 |
| The Anaconda Company, 6 $\frac{5}{8}$ % debentures, due 11/15/93 | 2,000,000.00 | 1,990,013.04 |
| Associates Investment Company, 4 $\frac{1}{2}$ % debentures, due 10/1/83 | 1,500,000.00 | 1,239,190.51 |
| Baltimore Gas and Electric Company, 7% first refunding mortgage bonds, due 12/15/98 | 2,000,000.00 | 2,019,890.97 |
| The Bell Telephone Co. of Pennsylvania, 6 $\frac{3}{4}$ % debentures, due 5/1/2008 | 1,500,000.00 | 1,500,000.00 |
| Beneficial Finance Company, 6 $\frac{3}{4}$ % debentures, due 8/1/94 | 1,500,000.00 | 1,500,000.00 |
| Carolina Power and Light Company, 6 $\frac{7}{8}$ % 1st mortgage bonds, due 10/1/98 | 2,000,000.00 | 2,036,151.01 |
| CIT Financial Corporation, 4 $\frac{1}{2}$ % debentures, due 9/1/84 | 1,500,000.00 | 1,188,734.99 |
| The Chesapeake and Potomac Tel. Co. of Md., 6 $\frac{5}{8}$ % debentures, due 10/1/2008.. | 2,000,000.00 | 2,004,463.39 |
| The Chesapeake and Potomac Tel. Co., of Va., 6 $\frac{3}{4}$ % debentures, due 5/1/2008 .. | 2,000,000.00 | 1,970,726.78 |
| The Chesapeake and Potomac Tel. Co. of Wash., 7% debentures, due 2/1/2009.. | 1,500,000.00 | 1,473,789.73 |
| The Chesapeake and Potomac Tel. Co. of W. Va., 7 $\frac{1}{4}$ % debentures, due 5/1/2009 | 2,000,000.00 | 2,013,060.00 |
| Cleveland Electric Illuminating Co., 7 $\frac{1}{8}$ % 1st mortgage bonds, due 1/15/90 | 1,200,000.00 | 1,215,271.48 |
| The Columbia Gas System, Inc., 4 $\frac{5}{8}$ % debentures, due 5/1/89 | 1,500,000.00 | 1,212,546.19 |
| Commercial Credit Company, 4 $\frac{1}{2}$ % notes, due 8/1/85 | 500,000.00 | 404,868.56 |
| Commercial Credit Company, 4 $\frac{7}{8}$ % notes, due 9/15/87 | 1,000,000.00 | 839,892.55 |
| Commonwealth Edison Company, 6 $\frac{1}{4}$ % 1st mortgage bonds, due 2/1/98 | 1,500,000.00 | 1,509,969.61 |

SCHEDULE OF INVESTMENTS
June 30, 1969 — Continued

System Trust Fund

| | <i>Principal Amount</i> | <i>Amortized Cost</i> |
|--|-----------------------------|---------------------------|
| Corporate bonds and notes (continued): | | |
| Consolidated Edison Co. of New York, Inc., 4½% 1st and refunding mortgage bonds, due 10/1/86 | 500,000.00 | 397,238.06 |
| Consolidated Edison Co. of New York, Inc., 5% 1st and refunding mortgage bonds, due 12/1/90 | 500,000.00 | 440,476.69 |
| Consolidated Edison Co. of New York, Inc., 4¾% 1st and refunding mortgage bonds, due 10/1/92 | 500,000.00 | 398,816.47 |
| Consumers Power Company, 6¾% 1st mortgage bonds, due 5/1/98 | 1,500,000.00 | 1,533,168.86 |
| Continental Oil Company, 4½% debentures, due 5/1/91 | 1,500,000.00 | 1,217,192.92 |
| The Dayton Power and Light Company, 6¾% 1st mortgage bonds, due 6/15/98 | 1,500,000.00 | 1,511,987.87 |
| The Detroit Edison Company, 6.40% gen. and refund. mort. bonds, due 10/1/98 | 2,000,000.00 | 1,983,174.87 |
| The Diamond States Telephone Co., 7% debentures, due 12/1/2008 | 2,000,000.00 | 2,026,877.73 |
| Duke Power Company, 6¾% 1st and refunding mortgage bonds, due 2/1/98 | 1,500,000.00 | 1,511,058.24 |
| Duquesne Light Company, 6¾% 1st mortgage bonds, due 2/1/98 | 1,500,000.00 | 1,514,749.80 |
| El Paso Electric Company, 6¾% 1st mortgage bonds, due 5/1/98 | 1,500,000.00 | 1,500,000.00 |
| Florida Power Corporation, 7% 1st mortgage bonds, due 11/1/98.. | 2,000,000.00 | 2,050,432.40 |
| General American Transportation Corp., 6.95% equipment trust certificates, due 1/15/89 | 1,500,000.00 | 1,500,000.00 |
| General Motors Acceptance Corporation, 6¼% debentures, due 8/1/88 | 1,500,000.00 | 1,466,875.62 |
| General Telephone Co. of California, 6¾% 1st mortgage bonds, due 12/1/97 | 1,500,000.00 | 1,492,503.84 |
| General Telephone Company of Indiana, 6¾% 1st mortgage bonds, due 8/1/98 | 1,500,000.00 | 1,490,708.72 |
| Gulf States Utilities Company, 6¾% 1st mortgage bonds, due 10/1/98 | 900,000.00 | 911,544.00 |
| Household Finance Corporation, 4½% debentures, due 7/1/91 | 1,500,000.00 | 1,146,881.82 |
| Houston Lighting and Power Company, 6¾% 1st mortgage bonds, due 4/1/98 | 1,500,000.00 | 1,515,207.45 |
| Illinois Bell Telephone Company, 8% 1st mortgage bonds, due 6/1/2005 | 1,500,000.00 | 1,530,000.00 |
| Illinois Power Company, 6¾% 1st mortgage bonds, due 10/1/98 | 2,000,000.00 | 2,025,095.92 |
| Kansas City Power and Light Company, 6¾% bonds, due 4/1/98 | 1,500,000.00 | 1,514,774.72 |
| Louisville Gas and Electric Company, 6¾% 1st mortgage bonds, due 6/1/98 | 2,000,000.00 | 2,025,114.82 |
| Michigan Bell Telephone Company, 6¾% debentures, due 2/1/2005 | 2,000,000.00 | 2,001,652.01 |

SCHEDULE OF INVESTMENTS**June 30, 1969 — Continued****System Trust Fund**

| | <i>Principal Amount</i> | <i>Amortized Cost</i> |
|--|-----------------------------|---------------------------|
| Corporate bonds and notes (continued): | | |
| Natural Gas Pipeline Co. of America, 6¾% 1st mortgage pipeline bonds, due 8/1/87 | 1,500,000.00 | 1,502,607.29 |
| New England Telephone and Telegraph Co., 6¾% debentures, due 9/1/2008 .. | 2,000,000.00 | 1,994,182.36 |
| New Jersey Bell Telephone Company, 6¾% debentures, due 4/1/2008 | 1,500,000.00 | 1,505,186.57 |
| New York State Electric and Gas Corp., 6½% 1st mortgage bonds, due 9/1/98 | 1,500,000.00 | 1,519,697.18 |
| New York Telephone Company, 7½% refunding mort. bonds, due 3/1/2009 .. | 2,000,000.00 | 1,975,937.50 |
| Niagara Mohawk Power Corporation, 6½% general mort. bonds, due 8/1/98 | 2,000,000.00 | 2,018,654.70 |
| Northern Illinois Gas Company, 6¾% 1st mortgage bonds, due 6/1/93 | 1,449,000.00 | 1,449,000.00 |
| Northern Indiana Public Service Co., 6¾% 1st mortgage bonds, due 10/1/98 | 2,000,000.00 | 2,052,220.46 |
| Northwestern Bell Telephone Company, 6¼% debentures, due 1/1/2007 | 1,500,000.00 | 1,483,286.04 |
| Ohio Bell Telephone Company, 6¾% debentures, due 7/1/2008 | 1,500,000.00 | 1,505,587.02 |
| Oklahoma Gas and Electric Company, 6¾% 1st mortgage bonds, due 1/1/98 | 1,500,000.00 | 1,500,000.00 |
| Pacific Gas and Electric Company, 6¾% 1st and refunding mort. bonds, due 6/1/2000 | 1,500,000.00 | 1,500,000.00 |
| Pacific Telephone and Telegraph Co., 6½% debentures, due 7/1/2003 | 2,000,000.00 | 2,007,810.30 |
| Panhandle Eastern Pipeline Company, 7¼% debentures, due 1/1/89 | 2,000,000.00 | 2,000,000.00 |
| Pennsylvania Power and Light Co., 6¾% 1st mortgage bonds, due 11/1/97 | 1,000,000.00 | 1,019,606.78 |
| Philadelphia Electric Company, 6½% 1st and refunding mort. bonds, due 3/1/93 | 1,500,000.00 | 1,500,000.00 |
| Potomac Electric Power Company, 6¾% 1st mort. bonds, due 2/15/2003 .. | 1,500,000.00 | 1,526,016.52 |
| Public Service Company of Colorado, 6¾% 1st mortgage bonds, due 7/1/98 | 1,500,000.00 | 1,515,452.19 |
| Public Service Company of New Mexico, 7¼% 1st mortgage bonds, due 4/1/99 | 2,000,000.00 | 1,987,930.26 |
| Public Service Electric and Gas Co., 4¾% 1st and refunding mort. bonds, due 8/1/88 | 500,000.00 | 423,561.54 |
| Public Service Electric and Gas Co., 4¾% 1st and refunding mort. bonds, due 9/1/90 | 500,000.00 | 427,719.82 |
| San Diego Gas and Electric Company, 7% 1st mortgage bonds, due 12/1/98 | 2,000,000.00 | 2,000,000.00 |
| Sinclair Oil Corporation, 4.60% sinking fund debentures, due 12/15/88 | 1,500,000.00 | 1,268,163.72 |

SCHEDULE OF INVESTMENTS
June 30, 1969 — Continued

System Trust Fund

| | <u>Principal Amount</u> | <u>Amortized Cost</u> |
|--|-----------------------------|---------------------------|
| Corporate bonds and notes (concluded): | | |
| South Carolina Electric and Gas Co., 6½% 1st and refunding mort. bonds, due 9/1/98 | 1,500,000.00 | 1,500,000.00 |
| South Central Bell Telephone Company, 6⅞% debentures, due 11/1/99 | 2,000,000.00 | 2,006,293.87 |
| Southern California Edison Company, 6⅞% 1st and refunding mort. bonds, due 2/15/93 | 1,500,000.00 | 1,504,555.65 |
| Southern New England Telephone Co., 7¾% debentures, due 6/1/2004 | 2,000,000.00 | 1,961,375.00 |
| Southern Indiana Gas and Electric Co., 6⅞% 1st mortgage bonds, due 8/1/98 | 1,500,000.00 | 1,525,013.61 |
| Southwestern Bell Telephone Company, 6¼% debentures, due 6/1/2008 | 2,000,000.00 | 2,014,375.00 |
| Standard Oil Company of Indiana, 4½% debentures, due 10/1/83 | 1,500,000.00 | 1,305,690.99 |
| Standard Oil Company of New Jersey, 6½% debentures, due 7/15/98 | 1,500,000.00 | 1,519,826.22 |
| Union Electric Company, 7% 1st mortgage bonds, due 4/1/98... | 1,500,000.00 | 1,537,598.64 |
| Union Oil Company of California, 6⅞% debentures, due 6/1/98 | 2,000,000.00 | 1,987,724.20 |
| Union Tank Car Company, 6½% equip. trust certificates, due 3/15/88.. | 1,600,000.00 | 1,578,241.23 |
| Virginia Electric and Power Company, 7⅞% 1st mortgage bonds, due 1/1/99 | 2,000,000.00 | 2,018,531.07 |
| Wisconsin Power and Light Company, 6¼% 1st mortgage bonds, due 8/1/98 | 2,000,000.00 | 1,968,362.42 |
| Wisconsin Public Service Corp., 7¼% 1st mortgage bonds, due 4/1/99 | 2,000,000.00 | 1,987,930.26 |
| Wisconsin Telephone Company, 6¼% debentures, due 8/1/2004 | 1,500,000.00 | 1,500,000.00 |
| Total corporate bonds and notes | <u>\$124,149,000.00</u> | <u>\$121,674,337.73</u> |
| Total investments | | |
| of System Trust Fund | <u>\$228,044,000.00</u> | <u>\$225,189,129.30</u> |

APPENDIX A

Statistical and Claims Data

Table 1. MEMBERSHIP BY DEPARTMENTS

| <i>Code No.</i> | <i>Department</i> | <i>Male</i> | <i>Female</i> | <i>Total</i> | <i>Percent of Total Member- ship</i> |
|---------------------|-------------------------------------|---------------|---------------|---------------|--|
| 01 | Governor | 4 | 11 | 15 | .02 |
| 02 | Lieutenant Governor | 3 | 2 | 5 | .01 |
| 03 | Secretary of State | 1,291 | 1,510 | 2,801 | 4.49 |
| 04 | Auditor of Public Accounts | 55 | 100 | 155 | .25 |
| 05 | Treasurer | 48 | 36 | 84 | .13 |
| 06 | Attorney General | 89 | 90 | 179 | .29 |
| 07 | Public Instruction | 154 | 259 | 413 | .67 |
| 08 | Courts | 158 | 266 | 424 | .68 |
| 09 | State Officers | 231 | 148 | 379 | .61 |
| 10 | Aeronautics | 22 | 15 | 37 | .06 |
| 11 | Agriculture | 406 | 153 | 559 | .90 |
| 12 | Conservation | 556 | 127 | 683 | 1.10 |
| 13 | Finance | 54 | 79 | 133 | .21 |
| 14 | Insurance | 92 | 74 | 166 | .26 |
| 15 | Labor | 1,205 | 1,639 | 2,844 | 4.57 |
| 16 | Children & Family Services | 516 | 1,083 | 1,599 | 2.56 |
| 17 | Mines and Minerals | 56 | 17 | 73 | .12 |
| 18 | Audits | 4 | 3 | 7 | .01 |
| 19 | Financial Institutions | 70 | 28 | 98 | .16 |
| 20 | Public Health | 489 | 692 | 1,181 | 1.89 |
| 21 | Public Safety | 3,239 | 452 | 3,691 | 5.91 |
| 22 | Mental Health | 6,538 | 12,462 | 19,000 | 30.46 |
| 23 | Public Works & Buildings | 4,753 | 734 | 5,487 | 8.79 |
| 24 | Registration and Education | 67 | 115 | 182 | .29 |
| 25 | Revenue | 400 | 654 | 1,054 | 1.69 |
| 26 | Business & Economic Development ... | 35 | 21 | 56 | .09 |
| 27 | General Services | 329 | 106 | 435 | .70 |
| 28 | Personnel | 107 | 314 | 421 | .67 |
| 29 | Youth Commission | 946 | 469 | 1,415 | 2.27 |
| 30 | Civil Service Commission | 3 | 3 | 6 | .01 |
| 31 | Commerce Commission | 88 | 86 | 174 | .28 |
| 32 | Liquor Control Commission | 10 | 17 | 27 | .04 |
| 33 | Public Aid | 551 | 1,735 | 2,286 | 3.67 |
| 34 | Veterans' Commission | 70 | 90 | 160 | .26 |
| 35 | State Militia | 190 | 28 | 218 | .35 |
| 50 | Miscellaneous Agencies | 1,334 | 745 | 2,079 | 3.33 |
| | Inactives | 8,631 | 5,215 | 13,846 | 22.20 |
| | Totals | <u>32,794</u> | <u>29,578</u> | <u>62,372</u> | <u>100.00</u> |

**Table 2. NUMBER OF MEMBERS AND TOTAL SALARIES AT
JUNE 30, 1969
CLASSIFIED BY AGE AND SEX**

Male Members

| <i>Age at June 30, 1969</i> | <i>Number of Members</i> | <i>Aggregate Annual Salary Rate</i> | <i>Age at June 30, 1969</i> | <i>Number of Members</i> | <i>Aggregate Annual Salary Rate</i> |
|--|------------------------------|---|-------------------------------------|------------------------------|---|
| 16 | 24 | \$ 216,336 | 50 | 585 | \$ 4,869,336 |
| 17 | 18 | 155,124 | 51 | 657 | 5,485,284 |
| 18 | 20 | 161,604 | 52 | 629 | 4,934,676 |
| 19 | 61 | 323,184 | 53 | 695 | 5,346,828 |
| | | | 54 | 669 | 5,205,072 |
| 20 | 154 | 879,312 | | | |
| 21 | 193 | 1,127,556 | 55 | 722 | 5,877,720 |
| 22 | 234 | 1,333,248 | 56 | 748 | 5,975,064 |
| 23 | 311 | 1,894,800 | 57 | 774 | 6,037,776 |
| 24 | 308 | 1,996,572 | 58 | 838 | 6,587,964 |
| | | | 59 | 812 | 6,445,740 |
| 25 | 377 | 2,531,844 | | | |
| 26 | 459 | 3,416,748 | 60 | 783 | 6,204,240 |
| 27 | 471 | 3,655,380 | 61 | 775 | 6,005,268 |
| 28 | 494 | 3,810,912 | 62 | 663 | 5,081,904 |
| 29 | 487 | 3,880,536 | 63 | 654 | 4,921,404 |
| | | | 64 | 567 | 4,313,100 |
| 30 | 501 | 4,162,020 | | | |
| 31 | 500 | 4,170,360 | 65 | 544 | 4,042,524 |
| 32 | 441 | 3,678,588 | 66 | 414 | 2,964,924 |
| 33 | 523 | 4,643,544 | 67 | 335 | 2,472,204 |
| 34 | 515 | 4,401,132 | 68 | 302 | 2,190,072 |
| | | | 69 | 255 | 1,948,140 |
| 35 | 466 | 4,094,568 | | | |
| 36 | 466 | 4,383,192 | 70 | 229 | 1,655,244 |
| 37 | 463 | 4,186,224 | 71 | 188 | 1,358,124 |
| 38 | 520 | 4,648,572 | 72 | 136 | 999,120 |
| 39 | 495 | 4,785,792 | 73 | 111 | 751,776 |
| | | | 74 | 102 | 723,228 |
| 40 | 458 | 4,127,664 | | | |
| 41 | 522 | 4,756,128 | 75 | 56 | 352,032 |
| 42 | 589 | 5,327,580 | 76 | 64 | 491,808 |
| 43 | 568 | 5,266,464 | 77 | 52 | 333,516 |
| 44 | 563 | 5,105,844 | 78 | 41 | 279,084 |
| | | | 79 | 36 | 243,528 |
| 45 | 594 | 5,549,508 | | | |
| 46 | 630 | 6,011,532 | 80 and over | 94 | 461,808 |
| 47 | 608 | 5,351,388 | | | |
| 48 | 643 | 5,694,504 | | | |
| 49 | 617 | 5,097,804 | | | |
| | | | | 27,823 | \$225,384,072 |
| Members having uncompleted Membership Records.. | 4,971 | | | | 29,211,060 |
| Totals | 32,794 | | | | \$254,595,132 |

**Table 3. NUMBER OF MEMBERS AND TOTAL SALARIES AT
JUNE 30, 1969
CLASSIFIED BY AGE AND SEX**

Female Members

| <i>Age at June 30, 1969</i> | <i>Number of Members</i> | <i>Aggregate Annual Salary Rate</i> | <i>Age at June 30, 1969</i> | <i>Number of Members</i> | <i>Aggregate Annual Salary Rate</i> |
|--|------------------------------|---|-------------------------------------|------------------------------|---|
| 16 | 11 | \$ 51,576 | 50 | 659 | \$ 3,901,212 |
| 17 | 6 | 38,784 | 51 | 689 | 4,091,148 |
| 18 | 22 | 107,820 | 52 | 650 | 3,852,012 |
| 19 | 113 | 503,292 | 53 | 685 | 4,017,504 |
| | | | 54 | 728 | 4,350,204 |
| 20 | 403 | 1,803,828 | | | |
| 21 | 455 | 2,154,216 | 55 | 746 | 4,412,844 |
| 22 | 539 | 2,550,408 | 56 | 715 | 4,324,380 |
| 23 | 570 | 2,955,804 | 57 | 711 | 4,205,508 |
| 24 | 541 | 3,056,496 | 58 | 690 | 4,176,528 |
| | | | 59 | 708 | 4,121,364 |
| 25 | 564 | 3,296,736 | | | |
| 26 | 532 | 3,331,920 | 61 | 613 | 3,725,592 |
| 27 | 513 | 3,016,704 | 61 | 587 | 3,418,308 |
| 28 | 407 | 2,440,836 | 62 | 508 | 2,967,972 |
| 29 | 378 | 2,362,920 | 63 | 429 | 2,538,828 |
| | | | 64 | 379 | 2,251,608 |
| 30 | 370 | 2,310,672 | | | |
| 31 | 388 | 2,319,672 | 65 | 346 | 2,010,864 |
| 32 | 346 | 2,033,436 | 66 | 250 | 1,617,708 |
| 33 | 339 | 2,034,468 | 67 | 232 | 1,522,632 |
| 34 | 339 | 1,965,480 | 68 | 192 | 1,250,580 |
| | | | 69 | 201 | 1,218,636 |
| 35 | 329 | 1,972,536 | | | |
| 36 | 369 | 2,201,616 | 70 | 126 | 773,748 |
| 37 | 341 | 2,043,288 | 71 | 126 | 759,516 |
| 38 | 368 | 2,115,192 | 72 | 96 | 591,288 |
| 39 | 412 | 2,435,988 | 73 | 89 | 525,876 |
| | | | 74 | 72 | 397,824 |
| 40 | 430 | 2,593,872 | | | |
| 41 | 420 | 2,594,868 | 75 | 43 | 246,960 |
| 42 | 525 | 3,224,424 | 76 | 52 | 278,196 |
| 43 | 519 | 3,144,192 | 77 | 47 | 275,004 |
| 44 | 527 | 3,074,484 | 78 | 21 | 117,432 |
| | | | 79 | 27 | 151,908 |
| 45 | 559 | 3,248,220 | | | |
| 46 | 581 | 3,499,644 | 80 and over | 44 | 188,688 |
| 47 | 618 | 3,755,808 | | | |
| 48 | 657 | 4,054,980 | | | |
| 49 | 633 | 3,802,632 | | | |
| | | | | 25,585 | \$150,378,684 |
| Members having uncompleted Membership Records.. | | | | 3,993 | 20,335,764 |
| Totals | | | | 29,578 | \$170,714,448 |

**Table 4. NUMBER OF MEMBERS AT JUNE 30, 1969
CLASSIFIED BY LENGTH OF SERVICE**

| <i>Length of Service at June 30, 1969 (Years)</i> | <i>Number</i> | | <i>Total</i> |
|---|---------------|---------------|--------------|
| | <i>Male</i> | <i>Female</i> | |
| Less than 1 year | 4,889 | 4,315 | 9,204 |
| 1..... | 4,616 | 5,179 | 9,795 |
| 2..... | 2,826 | 3,540 | 6,366 |
| 3..... | 2,443 | 2,499 | 4,942 |
| 4..... | 2,372 | 2,045 | 4,417 |
| 5..... | 1,809 | 1,497 | 3,306 |
| 6..... | 1,428 | 1,013 | 2,441 |
| 7..... | 2,311 | 901 | 3,212 |
| 8..... | 1,350 | 700 | 2,050 |
| 9..... | 801 | 578 | 1,379 |
| 10..... | 940 | 541 | 1,481 |
| 11..... | 1,059 | 642 | 1,701 |
| 12..... | 684 | 692 | 1,376 |
| 13..... | 602 | 659 | 1,261 |
| 14..... | 506 | 560 | 1,066 |
| 15..... | 460 | 498 | 958 |
| 16..... | 416 | 400 | 816 |
| 17..... | 340 | 340 | 680 |
| 18..... | 293 | 266 | 559 |
| 19..... | 335 | 258 | 593 |
| 20..... | 301 | 202 | 503 |
| 21..... | 220 | 212 | 432 |
| 22..... | 241 | 224 | 465 |
| 23..... | 190 | 189 | 379 |
| 24..... | 136 | 134 | 270 |
| 25..... | 79 | 138 | 217 |
| 26..... | 77 | 111 | 188 |
| 27..... | 129 | 191 | 320 |
| 28..... | 200 | 215 | 415 |
| 29..... | 106 | 126 | 232 |
| 30..... | 132 | 110 | 242 |
| 31..... | 85 | 89 | 174 |
| 32..... | 78 | 81 | 159 |
| 33..... | 77 | 89 | 166 |
| 34..... | 52 | 55 | 107 |
| 35..... | 50 | 51 | 101 |
| 36..... | 46 | 62 | 108 |
| 37..... | 23 | 33 | 56 |
| 38..... | 13 | 19 | 32 |
| 39..... | 26 | 25 | 51 |
| 40..... | 9 | 16 | 25 |
| 41..... | 9 | 17 | 26 |
| 42..... | 8 | 6 | 14 |
| 43..... | 3 | 9 | 12 |
| 44..... | 8 | 8 | 16 |

**Table 4. NUMBER OF MEMBERS AT JUNE 30, 1969
CLASSIFIED BY LENGTH OF SERVICE — Continued**

| <i>Length of Service at June 30, 1969 (Years)</i> | <i>Number</i> | | <i>Total</i> |
|---|----------------------|----------------------|----------------------|
| | <i>Male</i> | <i>Female</i> | |
| 45..... | 1 | 4 | 5 |
| 46..... | 5 | 9 | 14 |
| 47..... | 1 | 6 | 7 |
| 48..... | .... | 6 | 6 |
| 49..... | 2 | 5 | 7 |
| 50..... | 2 | 6 | 8 |
| 51..... | 3 | 2 | 5 |
| 52..... | 1 | 2 | 3 |
| 53..... | 1 | 1 | 2 |
| 54..... | .... | 1 | 1 |
| 55..... | .... | 1 | 1 |
| Totals..... | <u>32,794</u> | <u>29,578</u> | <u>62,372</u> |

**Table 5. SERVICE RETIREMENT ANNUITANTS CLASSIFIED
BY AGE AT JUNE 30, 1969**

Male

| <i>Age at June 30, 1969</i> | <i>Number</i> | <i>Annual Payments</i> |
|-----------------------------|---------------|----------------------------|
| 55 | 1 | \$ 3,520.80 |
| 56 | 1 | 3,356.88 |
| 57 | 1 | 2,526.96 |
| 58 | 6 | 21,664.08 |
| 59 | 7 | 18,266.88 |
| 60 | 26 | 59,230.44 |
| 61 | 65 | 168,645.12 |
| 62 | 87 | 184,744.20 |
| 63 | 127 | 304,435.80 |
| 64 | 140 | 316,027.92 |
| 65 | 151 | 331,325.40 |
| 66 | 182 | 397,210.32 |
| 67 | 191 | 457,317.48 |
| 68 | 230 | 471,414.00 |
| 69 | 210 | 425,382.72 |
| 70 | 229 | 490,132.44 |
| 71 | 238 | 468,280.68 |
| 72 | 200 | 384,526.44 |
| 73 | 229 | 436,944.72 |
| 74 | 200 | 326,985.60 |
| 75 | 185 | 332,195.28 |
| 76 | 150 | 244,225.32 |
| 77 | 152 | 246,311.04 |
| 78 | 128 | 199,696.56 |
| 79 | 121 | 201,086.16 |
| 80 | 97 | 158,236.56 |
| 81 | 87 | 140,192.88 |
| 82 | 64 | 98,246.64 |
| 83 | 49 | 65,747.52 |
| 84 | 53 | 76,077.72 |
| 85 | 34 | 43,210.80 |
| 86 | 37 | 53,569.20 |
| 87 | 17 | 18,660.00 |
| 88 | 13 | 14,152.32 |
| 89 | 11 | 9,961.56 |
| 90 | 5 | 6,444.96 |
| 91 | 5 | 3,944.16 |
| 92 | 3 | 1,799.52 |
| 93 | 4 | 2,941.32 |
| 97 | 1 | 920.88 |
| 98 | 1 | 1,008.24 |
| 99 | 1 | 1,895.40 |
| Totals | 3,739 | \$7,192,462.92 |

Average Age — 71.95 years; Average Allowance — \$1,923.63.

**Table 6. SERVICE RETIREMENT ANNUITANTS CLASSIFIED
BY AGE AT JUNE 30, 1969**

Female

| <i>Age at June 30, 1969</i> | <i>Number</i> | <i>Annual Payments</i> |
|-----------------------------|---------------------|------------------------------|
| 53 | 1 | \$ 1,999.32 |
| 54 | 1 | 1,930.32 |
| 55 | 2 | 3,747.36 |
| 56 | 5 | 8,558.52 |
| 57 | 3 | 6,318.84 |
| 58 | 5 | 8,598.12 |
| 59 | 5 | 9,719.88 |
| 60 | 30 | 58,544.52 |
| 61 | 62 | 103,118.16 |
| 62 | 103 | 151,905.36 |
| 63 | 102 | 180,625.80 |
| 64 | 142 | 242,818.68 |
| 65 | 163 | 290,782.80 |
| 66 | 198 | 319,573.44 |
| 67 | 205 | 334,586.76 |
| 68 | 171 | 257,448.48 |
| 69 | 212 | 339,829.56 |
| 70 | 189 | 280,692.48 |
| 71 | 223 | 285,882.96 |
| 72 | 206 | 302,604.60 |
| 73 | 208 | 290,652.60 |
| 74 | 216 | 309,535.20 |
| 75 | 195 | 272,652.84 |
| 76 | 169 | 248,818.56 |
| 77 | 157 | 228,367.80 |
| 78 | 133 | 191,621.04 |
| 79 | 129 | 162,425.40 |
| 80 | 104 | 137,829.60 |
| 81 | 111 | 155,834.88 |
| 82 | 74 | 91,064.52 |
| 83 | 69 | 84,117.84 |
| 84 | 56 | 64,342.20 |
| 85 | 44 | 51,552.72 |
| 86 | 23 | 22,615.44 |
| 87 | 18 | 20,719.56 |
| 88 | 18 | 15,959.28 |
| 89 | 8 | 8,153.64 |
| 90 | 9 | 6,698.52 |
| 91 | 7 | 5,994.84 |
| 92 | 1 | 498.36 |
| 93 | 2 | 1,757.28 |
| 94 | 3 | 2,137.32 |
| 97 | 1 | 427.56 |
| 98 | 1 | 901.68 |
| Totals | <u>3,784</u> | <u>\$5,563,964.64</u> |

Average Age — 72.21 years; Average Allowance — \$1,470.39.

**Table 7. SERVICE RETIREMENT ANNUITANTS CLASSIFIED
BY AGE AT RETIREMENT**

| <i>Age at Retirement</i> | <i>Number</i> | |
|------------------------------|---------------------|---------------------|
| | <i>Male</i> | <i>Female</i> |
| 50 | — | 6 |
| 51 | — | 1 |
| 53 | 1 | 4 |
| 54 | 1 | 5 |
| 55 | 5 | 12 |
| 56 | 9 | 10 |
| 57 | 13 | 14 |
| 58 | 8 | 23 |
| 59 | 15 | 24 |
| 60 | 557 | 585 |
| 61 | 239 | 233 |
| 62 | 243 | 225 |
| 63 | 224 | 246 |
| 64 | 200 | 201 |
| 65 | 458 | 451 |
| 66 | 300 | 257 |
| 67 | 258 | 273 |
| 68 | 238 | 203 |
| 69 | 187 | 189 |
| 70 | 206 | 208 |
| 71 | 122 | 138 |
| 72 | 112 | 125 |
| 73 | 82 | 97 |
| 74 | 62 | 71 |
| 75 | 65 | 45 |
| 76 | 41 | 51 |
| 77 | 31 | 27 |
| 78 | 18 | 25 |
| 79 | 21 | 11 |
| 80 | 7 | 11 |
| 81 | 7 | 4 |
| 82 | 3 | 4 |
| 83 | 1 | — |
| 84 | 1 | 1 |
| 85 | 3 | 3 |
| 89 | 1 | — |
| Totals | <u>3,739</u> | <u>3,784</u> |

Average Age at Retirement

Males—65.78

Females—65.63

**Table 8. WIDOW ANNUITANTS CLASSIFIED BY AGE
AT JUNE 30, 1969**

| <i>Age</i> | <i>Number</i> | <i>Annual Payments</i> |
|---------------------|---------------|----------------------------|
| 40 | 1 | \$ 305.04 |
| 44 | 2 | 2,281.44 |
| 47 | 1 | 422.04 |
| 49 | 3 | 8,470.92 |
| 50 | 2 | 1,325.64 |
| 52 | 3 | 2,378.04 |
| 53 | 1 | 384.12 |
| 54 | 4 | 2,626.32 |
| 55 | 4 | 2,649.24 |
| 56 | 9 | 11,710.92 |
| 57 | 12 | 11,831.64 |
| 58 | 14 | 8,670.00 |
| 59 | 7 | 12,022.68 |
| 60 | 18 | 19,213.32 |
| 61 | 16 | 17,945.04 |
| 62 | 22 | 23,389.32 |
| 63 | 22 | 26,751.00 |
| 64 | 29 | 19,808.52 |
| 65 | 31 | 25,435.68 |
| 66 | 43 | 47,232.60 |
| 67 | 48 | 37,665.84 |
| 68 | 37 | 32,945.64 |
| 69 | 59 | 63,433.56 |
| 70 | 47 | 57,095.40 |
| 71 | 62 | 48,348.48 |
| 72 | 45 | 35,223.84 |
| 73 | 48 | 42,495.96 |
| 74 | 53 | 48,872.00 |
| 75 | 56 | 42,311.52 |
| 76 | 49 | 34,813.68 |
| 77 | 34 | 24,412.68 |
| 78 | 41 | 24,439.44 |
| 79 | 36 | 22,753.92 |
| 80 | 20 | 12,255.12 |
| 81 | 30 | 20,139.84 |
| 82 | 30 | 19,105.44 |
| 83 | 18 | 12,697.20 |
| 84 | 10 | 6,345.48 |
| 85 | 9 | 5,902.92 |
| 86 | 7 | 4,494.96 |
| 87 | 5 | 4,271.52 |
| 88 | 2 | 648.96 |
| 89 | 2 | 861.96 |
| 91 | 2 | 702.24 |
| 92 | 1 | 469.56 |
| 93 | 1 | 325.32 |
| Totals | 996 | \$847,686.00 |

**Table 9. SURVIVORS' ANNUITY BENEFICIARIES CLASSIFIED
BY AGE AT JUNE 30, 1969**

| <i>Age</i> | <i>Number</i> | <i>Annual Payment</i> |
|---------------------------|---------------|---------------------------|
| Under 18 (Children) | 62 | \$ 71,471.76 |
| 26 | 1 | 2,612.16 |
| 28 | 1 | 2,041.92 |
| 29 | 1 | 3,000.00 |
| 30 | 2 | 6,000.00 |
| 33 | 3 | 7,957.44 |
| 34 | 1 | 2,247.00 |
| 35 | 2 | 6,000.00 |
| 36 | 1 | 2,549.76 |
| 37 | 5 | 15,000.00 |
| 38 | 3 | 9,000.00 |
| 39 | 6 | 16,609.44 |
| 40 | 4 | 12,000.00 |
| 41 | 2 | 6,000.00 |
| 42 | 5 | 14,329.32 |
| 43 | 3 | 8,041.20 |
| 44 | 8 | 24,000.00 |
| 45 | 7 | 20,211.12 |
| 46 | 7 | 20,393.16 |
| 47 | 7 | 17,426.40 |
| 48 | 9 | 26,927.76 |
| 49 | 12 | 34,858.92 |
| 50 | 4 | 12,000.00 |
| 51 | 13 | 36,788.76 |
| 52 | 7 | 20,058.96 |
| 53 | 6 | 18,000.00 |
| 54 | 11 | 28,346.40 |
| 55 | 30 | 57,204.48 |
| 56 | 50 | 92,065.92 |
| 57 | 55 | 103,395.00 |
| 58 | 51 | 93,849.36 |
| 59 | 63 | 106,031.40 |
| 60 | 51 | 86,776.68 |
| 61 | 51 | 88,641.12 |
| 62 | 79 | 124,681.56 |
| 63 | 62 | 93,125.04 |
| 64 | 65 | 109,321.92 |
| 65 | 59 | 98,017.32 |
| 66 | 53 | 87,084.00 |
| 67 | 60 | 86,690.76 |
| 68 | 42 | 63,250.56 |
| 69 | 67 | 96,039.00 |
| 70 | 46 | 72,235.44 |
| 71 | 40 | 60,191.64 |
| 72 | 34 | 51,477.12 |
| 73 | 24 | 32,039.28 |
| 74 | 33 | 45,389.64 |

**Table 9. SURVIVORS' ANNUITY BENEFICIARIES CLASSIFIED
BY AGE AT JUNE 30, 1969 — Continued**

| <i>Age</i> | <i>Number</i> | <i>Annual Payment</i> |
|---------------------|---------------------|------------------------------|
| 75 | 25 | 33,990.72 |
| 76 | 17 | 28,123.32 |
| 77 | 17 | 27,140.04 |
| 78 | 18 | 29,686.20 |
| 79 | 14 | 21,035.04 |
| 80 and over | 30 | 47,631.24 |
| Totals | <u>1,329</u> | <u>\$2,278,985.28</u> |

**Table 10. NUMBER OF DEATHS AMONG MEMBERS PRIOR
TO RETIREMENT — AGE AND SERVICE DATA —
FISCAL PERIOD JULY 1, 1968 TO JUNE 30, 1969**

| <i>By Age at Death</i> | <i>Male</i> | <i>Female</i> | <i>Total</i> |
|------------------------|-------------------|------------------|-------------------|
| 18-24 incl. | 4 | 2 | 6 |
| 25-29 incl. | 2 | — | 2 |
| 30-34 incl. | 4 | 1 | 5 |
| 35-39 incl. | 5 | 5 | 10 |
| 40-44 incl. | 11 | 2 | 13 |
| 45-49 incl. | 26 | 7 | 33 |
| 50-54 incl. | 55 | 12 | 67 |
| 55-59 incl. | 81 | 28 | 109 |
| 60-64 incl. | 86 | 22 | 108 |
| 65-69 incl. | 62 | 6 | 68 |
| 70 and over | 43 | 8 | 51 |
| Totals | <u>379</u> | <u>93</u> | <u>472</u> |

| <i>By Length of Service</i> | <i>Male</i> | <i>Female</i> | <i>Total</i> | <i>Per Cent of Total</i> |
|-----------------------------|-------------------|------------------|-------------------|------------------------------|
| Less than 6 years | 170 | 33 | 203 | 43% |
| 6 years or over | 209 | 60 | 269 | 57% |
| Totals | <u>379</u> | <u>93</u> | <u>472</u> | |

**Table 11. NUMBER OF DEATHS PRIOR TO RETIREMENT
CLASSIFIED BY CAUSES OF DEATH —
JULY 1, 1968 TO JUNE 30, 1969**

| <i>Cause of Death</i> | <i>Number</i> |
|---|---------------|
| Diseases of the Heart, Blood Vessels and Kidneys: | |
| Heart Disease | 224 |
| Apoplexy | 41 |
| Nephritis | 14 |
| Cancer and Tumor | 83 |
| Pneumonia and Influenza | 39 |
| Diabetes | 1 |
| Liver Disease | 8 |
| Diseases of the Digestive Tract, Including Ulcers of the Stomach and Duodenum and Appendicitis | |
| Automobile Accidents | 18 |
| Other Violent Deaths — Including War Deaths | 13 |
| All Other Causes | 14 |
| Causes Unknown | 15 |
| | 2 |
| Total | 472 |

Classified by Types of Benefits

| | |
|--|------------|
| Ordinary Death (Nonoccupational) | 218 |
| Accidental Death (Occupational) | 7 |
| Survivors' Annuity | 245 |
| Widows' Annuity | 2 |
| Total | 472 |

**Table 12. WITHDRAWALS WITH REFUNDS
By Age at Withdrawal**

| <i>Age at Withdrawal</i> | <i>Number of Refunds</i> | |
|--------------------------|--|---------------------|
| | <i>Year Ended June 30</i> <i>1969</i> | <i>1968</i> |
| 18-19 incl. | 115 | 24 |
| 20-24 incl. | 1,110 | 738 |
| 25-29 incl. | 1,080 | 822 |
| 30-34 incl. | 660 | 435 |
| 35-39 incl. | 501 | 324 |
| 40-44 incl. | 522 | 289 |
| 45-49 incl. | 493 | 266 |
| 50-54 incl. | 457 | 249 |
| 55-59 incl. | 388 | 167 |
| 60-64 incl. | 352 | 143 |
| 65-69 incl. | 290 | 123 |
| 70 and over | 176 | 101 |
| No age data | 66 | 28 |
| Totals | <u>6,210</u> | <u>3,709</u> |

By Length of Service

| | | |
|------------------------|---------------------|---------------------|
| Less than 1 year | 838 | 720 |
| 1 year | 1,646 | 1,030 |
| 2 years | 1,054 | 723 |
| 3 years | 780 | 404 |
| 4 years | 485 | 238 |
| 5 years and over | 1,407 | 594 |
| Totals | <u>6,210</u> | <u>3,709</u> |

**Table 13. SERVICE RETIREMENT ALLOWANCE CLAIMS
JULY 1, 1968 TO JUNE 30, 1969**

Summary by Departments

| <i>Code No.</i> | <i>Name of Department</i> | <i>Year Ended June 30</i> | |
|---------------------|------------------------------------|---------------------------|-------------------|
| | | <i>1969</i> | <i>1968</i> |
| 01 | Governor | 1 | .... |
| 03 | Secretary of State | 30 | 33 |
| 04 | Auditor of Public Accounts | 1 | 3 |
| 05 | Treasurer | 1 | 1 |
| 06 | Attorney General | 10 | 4 |
| 07 | Public Instruction | 5 | 3 |
| 08 | Courts | 6 | 3 |
| 09 | State Officers | 13 | 13 |
| 10 | Aeronautics | 1 | .... |
| 11 | Agriculture | 12 | 7 |
| 12 | Conservation | 13 | 4 |
| 13 | Finance | 4 | 2 |
| 14 | Insurance | 9 | 3 |
| 15 | Labor | 66 | 52 |
| 16 | Children and Family Services | 36 | 19 |
| 17 | Mines and Minerals | 1 | 1 |
| 19 | Financial Institutions | 3 | 3 |
| 20 | Public Health | 15 | 22 |
| 21 | Public Safety | 64 | 41 |
| 22 | Mental Health | 285 | 273 |
| 23 | Public Works and Buildings | 186 | 90 |
| 24 | Registration and Education | 9 | 3 |
| 25 | Revenue | 34 | 20 |
| 27 | General Services | 14 | 5 |
| 28 | Personnel | 3 | 2 |
| 29 | Youth Commission | 25 | 21 |
| 31 | Commerce Commission | 5 | 4 |
| 32 | Liquor Control Commission | 4 | 4 |
| 33 | Public Aid | 55 | 33 |
| 34 | Veterans' Commission | 2 | 6 |
| 35 | State Militia | 11 | 2 |
| 50 | Miscellaneous Agencies | 17 | 20 |
| | Totals | <u>941</u> | <u>697</u> |

**Table 14. WIDOWS' ANNUITY CLAIMS
JULY 1, 1968 TO JUNE 30, 1969**

Summary by Departments

| <i>Code No.</i> | <i>Name of Department</i> | <i>Year Ended June 30</i> | |
|---------------------|------------------------------------|---------------------------|-------------|
| | | <i>1969</i> | <i>1968</i> |
| 03 | Secretary of State | 1 | 6 |
| 05 | Treasurer ..... | .... | 2 |
| 08 | Courts | 1 | .... |
| 09 | State Officers | 1 | 3 |
| 11 | Agriculture | 4 | 3 |
| 12 | Conservation | 1 | 1 |
| 14 | Insurance | 1 | .... |
| 15 | Labor | 3 | 1 |
| 16 | Children and Family Services | 1 | 5 |
| 17 | Mines and Minerals ..... | .... | 2 |
| 19 | Financial Institutions..... | .... | 1 |
| 20 | Public Health ..... | .... | 1 |
| 21 | Public Safety | 9 | 9 |
| 22 | Mental Health | 23 | 23 |
| 23 | Public Works and Buildings | 20 | 16 |
| 24 | Registration and Education | 1 | 1 |
| 25 | Revenue | 3 | 5 |
| 29 | Youth Commission | 3 | 1 |
| 31 | Commerce Commission | 2 | .... |
| 33 | Public Aid ..... | .... | 1 |
| 35 | State Militia | 1 | .... |
| 50 | Miscellaneous Agencies | 1 | .... |
| | Totals | 76 | 81 |

**Table 15. SURVIVORS' ANNUITY CLAIMS
JULY 1, 1968 TO JUNE 30, 1969**

Summary by Departments

| <i>Code No.</i> | <i>Name of Department</i> | <i>Year Ended June 30</i> | |
|---------------------|------------------------------------|---------------------------|-------------------|
| | | <i>1969</i> | <i>1968</i> |
| 01 | Governor | 1 | .... |
| 03 | Secretary of State | 21 | 18 |
| 04 | Auditor of Public Accounts | 1 | 1 |
| 05 | Treasurer ..... | .... | 1 |
| 06 | Attorney General | 1 | .... |
| 07 | Public Instruction | 1 | .... |
| 08 | Courts | 1 | .... |
| 09 | State Officers | 5 | 2 |
| 11 | Agriculture | 8 | 2 |
| 12 | Conservation | 3 | 8 |
| 13 | Finance | 1 | .... |
| 14 | Insurance | 2 | 4 |
| 15 | Labor | 29 | 19 |
| 16 | Children and Family Services | 5 | 3 |
| 17 | Mines and Minerals | 1 | 3 |
| 19 | Financial Institutions | 2 | 2 |
| 20 | Public Health | 4 | 4 |
| 21 | Public Safety | 42 | 31 |
| 22 | Mental Health | 79 | 55 |
| 23 | Public Works and Buildings | 58 | 52 |
| 24 | Registration and Education | 1 | 2 |
| 25 | Revenue | 13 | 13 |
| 27 | General Services | 4 | .... |
| 28 | Personnel | 1 | .... |
| 29 | Youth Commission | 6 | 9 |
| 31 | Commerce Commission | 2 | 1 |
| 32 | Liquor Control Commission ..... | .... | 2 |
| 33 | Public Aid | 12 | 5 |
| 34 | Veterans' Commission | 1 | 1 |
| 35 | State Militia | 5 | 4 |
| 50 | Miscellaneous Agencies | 18 | 11 |
| | Totals | <u>328</u> | <u>253</u> |

**Table 16. ORDINARY DEATH CLAIMS
JULY 1, 1968 TO JUNE 30, 1969**

Summary by Departments

| <i>Code No.</i> | <i>Name of Department</i> | <i>Year Ended June 30</i> | |
|---------------------|---|---------------------------|-------------------|
| | | <i>1969</i> | <i>1968</i> |
| 03 | Secretary of State | 17 | 20 |
| 04 | Auditor of Public Accounts | 1 | .... |
| 05 | Treasurer ..... | .... | 1 |
| 06 | Attorney General | 4 | 1 |
| 07 | Public Instruction | 2 | 1 |
| 08 | Courts | 1 | 1 |
| 09 | State Officers | 3 | .... |
| 11 | Agriculture | 3 | 2 |
| 12 | Conservation | 2 | 4 |
| 13 | Finance ..... | .... | 1 |
| 14 | Insurance | 1 | 1 |
| 15 | Labor | 20 | 15 |
| 16 | Children and Family Services | 3 | 13 |
| 19 | Financial Institutions | 1 | 2 |
| 20 | Public Health | 5 | 5 |
| 21 | Public Safety | 15 | 7 |
| 22 | Mental Health | 74 | 56 |
| 23 | Public Works and Buildings | 28 | 30 |
| 24 | Registration and Education | 1 | 1 |
| 25 | Revenue | 6 | 5 |
| 26 | Business and Economic Development | 1 | .... |
| 28 | Personnel ..... | .... | 2 |
| 29 | Youth Commission | 5 | 7 |
| 31 | Commerce Commission | 1 | 5 |
| 32 | Liquor Control Commission ..... | .... | 1 |
| 33 | Public Aid | 8 | 11 |
| 35 | State Militia | 3 | 4 |
| 50 | Miscellaneous Agencies | 13 | 6 |
| | Totals | <u>218</u> | <u>202</u> |

**Table 17. ACCIDENTAL DEATH CLAIMS
JULY 1, 1968 TO JUNE 30, 1969**

Summary by Departments

| <i>Code No.</i> | <i>Name of Department</i> | <i>Year Ended June 30</i> | |
|---------------------|----------------------------------|---------------------------|-------------|
| | | <i>1969</i> | <i>1968</i> |
| 13 | Finance ..... | .... | 1 |
| 15 | Labor | 1 | .... |
| 21 | Public Safety ..... | .... | 2 |
| 22 | Mental Health | 1 | 1 |
| 23 | Public Works and Buildings | 5 | 3 |
| 25 | Revenue ..... | .... | 1 |
| | Totals | <u>7</u> | <u>8</u> |

**Table 18. ORDINARY DISABILITY CLAIMS
JULY 1, 1968 TO JUNE 30, 1969**

Summary by Departments

| <i>Code No.</i> | <i>Name of Department</i> | <i>Year Ended June 30</i> | |
|---------------------|------------------------------------|---------------------------|-------------------|
| | | <i>1969</i> | <i>1968</i> |
| 03 | Secretary of State | 5 | 3 |
| 04 | Auditor of Public Accounts ..... | .... | 2 |
| 06 | Attorney General | 1 | 2 |
| 07 | Public Instruction | 2 | .... |
| 11 | Agriculture | 3 | 1 |
| 12 | Conservation | 2 | 3 |
| 13 | Finance | 1 | 2 |
| 14 | Insurance ..... | .... | 1 |
| 15 | Labor | 50 | 25 |
| 16 | Children and Family Services | 7 | 6 |
| 17 | Mines and Minerals ..... | .... | 1 |
| 19 | Financial Institutions ..... | .... | 1 |
| 20 | Public Health | 16 | 6 |
| 21 | Public Safety | 17 | 8 |
| 22 | Mental Health | 188 | 197 |
| 23 | Public Works and Buildings | 34 | 29 |
| 24 | Registration and Education ..... | .... | 1 |
| 25 | Revenue | 6 | 5 |
| 27 | General Services | 6 | .... |
| 29 | Youth Commission | 6 | 5 |
| 33 | Public Aid | 6 | 8 |
| 34 | Veterans' Commission ..... | .... | 1 |
| 35 | State Militia | 2 | 2 |
| 50 | Miscellaneous Agencies | 7 | 5 |
| | Totals | <u>359</u> | <u>314</u> |

**Table 19. ACCIDENTAL DISABILITY CLAIMS
JULY 1, 1968 TO JUNE 30, 1969**

Summary by Departments

| <i>Code No.</i> | <i>Name of Department</i> | <i>Year Ended June 30</i> | |
|---------------------|------------------------------------|---------------------------|-------------------|
| | | <i>1969</i> | <i>1968</i> |
| 03 | Secretary of State ..... | .... | 1 |
| 16 | Children and Family Services | 1 | 2 |
| 20 | Public Health | 1 | 1 |
| 21 | Public Safety | 4 | 8 |
| 22 | Mental Health | 73 | 44 |
| 23 | Public Works and Buildings | 55 | 41 |
| 29 | Youth Commission | 4 | 3 |
| 33 | Public Aid | 1 | .... |
| 50 | Miscellaneous Agencies ..... | .... | 1 |
| | Totals | <u>139</u> | <u>101</u> |

**Table 20. DEATH BENEFITS AFTER RETIREMENT
JULY 1, 1968 TO JUNE 30, 1969**

Summary by Departments

| <i>Code No.</i> | <i>Name of Department</i> | <i>Year Ended June 30</i> | |
|---------------------|------------------------------------|---------------------------|------------------|
| | | <i>1969</i> | <i>1968</i> |
| 03 | Secretary of State | 5 | 2 |
| 04 | Auditor of Public Accounts | 1 | 1 |
| 09 | State Officers | 1 | .... |
| 11 | Agriculture ..... | .... | 1 |
| 14 | Insurance | 1 | 1 |
| 15 | Labor | 4 | 4 |
| 16 | Children and Family Services | 3 | 2 |
| 19 | Financial Institutions ..... | .... | 1 |
| 20 | Public Health | 2 | 2 |
| 21 | Public Safety | 3 | 2 |
| 22 | Mental Health | 10 | 15 |
| 23 | Public Works and Buildings | 2 | 6 |
| 25 | Revenue | 3 | 2 |
| 29 | Youth Commission | 1 | 1 |
| 31 | Commerce Commission | 1 | .... |
| 33 | Public Aid | 5 | 2 |
| 50 | Miscellaneous Agencies | 1 | 1 |
| | Totals | <u>43</u> | <u>43</u> |

APPENDIX B

**Summary of Benefit and Contribution
Provisions of the System**

BENEFIT AND CONTRIBUTION PROVISIONS OF STATE EMPLOYEES' RETIREMENT ACT

This summary sets forth in brief the principal benefit provisions of the State Employees' Retirement Act including the 1969 amendments which became effective after the end of the fiscal year covered by this report. It explains the general provisions applicable to the majority of employees. Special provisions for State Police, certain air pilots and fire fighters are not explained. The following is not to be accepted as a substitute for the applicable law embodied in Article 14 of the "Illinois Pension Code" which is controlling under all circumstances.

CONDITIONS FOR RETIREMENT. Optional with a member upon or after attainment of the age of 60 years, with at least 8 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 reduction in the retirement allowance of $\frac{1}{2}$ of 1% for each month under age 60 at retirement.

VESTING. Any State employee becoming separated from service prior to age 60 is entitled to a vested interest in his retirement allowance, and in the survivor's annuity, if he has at least 8 years of creditable service, with the deferred service retirement allowance payable beginning upon or after attainment of age 60.

AMOUNT OF SERVICE RETIREMENT ALLOWANCE (PENSION). The amount of annuity for a member who is under full Retirement System coverage without Social Security as a State employee is equal to 1% of average final compensation for each year of creditable service.

One coordinated with Social Security is eligible to an annuity equal to $1\frac{3}{4}$ % of average salary for each year of credit prior to January 1, 1969 and 1% of average salary for each year after January 1, 1969.

AVERAGE FINAL COMPENSATION. The average annual rate of earnable compensation for the 5 highest consecutive years within the last 10 years of service prior to retirement.

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. The maximum service retirement allowance is 70% of average final compensation. For a member under coordination with Social Security, the retirement annuity from the System together with his Social Security benefit cannot exceed 80% of average salary.

OPTIONAL MINIMUM RETIREMENT ALLOWANCE. Any member not covered by Social Security as a State employee aged 65 years or over, having 15 or more years of creditable service is entitled to a pension 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 70% of average final compensation.

AUTOMATIC INCREASE IN SERVICE RETIREMENT ALLOWANCE (PENSION). A plan for an automatic increase in the Service Retirement

Allowance was established for State employees terminating service after December 31, 1969. This increase would begin on January 1 next following the first full year on retirement provided the member has attained age 60. Future increases will be effective each January 1 thereafter. The rate of increase is $1\frac{1}{2}\%$ of the original retirement allowance for each year on retirement subject to an aggregate increase of 30% after a period of 20 years.

INCREASE OF SERVICE RETIREMENT ALLOWANCE (PENSION) TO PRESENTLY RETIRED EMPLOYEES. The pension of a member terminating service prior to January 1, 1970 who retired with at least 20 years of service credit is increased $1\frac{1}{2}\%$ for each full year on retirement based upon the original amount of allowance. The increase begins to accrue on January 1, 1970 or on January 1 nearest the annuitant's 65th birthday, whichever is later. Future increases of $1\frac{1}{2}\%$ of the original pension will be effective each January 1 thereafter. To meet legal requirements, an annuitant is required to make a one-time contribution to the Retirement System, in a single sum, equal to 1% of the monthly final average salary upon which the retirement allowance was based times the number of full years of creditable service at retirement.

OPTION TO A WIDOW. The widow of a deceased male member who participated in the System before and after July 19, 1961 and who had established for his wife the right to a widow's annuity benefit as well as the survivor's annuity benefit has the option of receiving either the widow's annuity or survivor's annuity benefit.

ELIGIBILITY FOR WIDOW'S ANNUITY. This benefit does not apply to any member who established membership in the System after July 19, 1961. In addition, 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 creditable service or must have fulfilled the minimum 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) Equal to 50% of the 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 of \$500.00. IF THE DECEASED MEMBER WAS COORDINATED WITH SOCIAL SECURITY THE MONTHLY BENEFIT TO THE WIDOW IS REDUCED BY $\frac{1}{2}$ OF THE SOCIAL SECURITY BENEFIT TO WHICH SHE IS ENTITLED.

The widow's annuity begins immediately for a widow aged 55 years or over at the date of death of the member. If she is under age 55 with no children under age 18, payment is deferred until such time as she attains age 55. In any event, the lump sum death benefit (part (b)) is payable immediately upon 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 $66\frac{2}{3}\%$ of the service retirement allowance.

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. Applicable to all members of the System, both male and female, whose death occurs in service after $1\frac{1}{2}$ years of creditable service from any cause other than occupational injuries or disease. If a member enters or reenters State service after July 19, 1961, the benefits are effective when he has made contributions for at least $1\frac{1}{2}$ years subsequent to that date.

If death occurs while out of State service, the benefits are payable only if the member has established a vested right in a service retirement allowance.

The benefits do not apply to a member who retired or terminated service prior to July 19, 1961, unless he reenters service and completes at least $1\frac{1}{2}$ 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 monthly survivor's annuity payable to certain eligible beneficiaries, under the conditions stated above and at the rates specified below.

IF THE DECEASED MEMBER WAS COORDINATED WITH SOCIAL SECURITY, THE MONTHLY BENEFIT TO THE ELIGIBLE BENEFICIARIES IS REDUCED BY $\frac{1}{2}$ OF THE SOCIAL SECURITY BENEFIT TO WHICH THEY ARE ENTITLED.

Upon death while in service, the survivor's annuity is payable as follows: (1) If the beneficiary is a widow or widower without children under age 18, the survivor's annuity is 30% of average final compensation. The maximum annuity is \$200.000 per month.

If a dependent child or children under age 18 also survive the member and are under the care of the widow or widower, 20% of average final compensation is payable on 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 cannot 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, the survivor's 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 cannot exceed the lesser of \$250.00 per month or 80% of average final compensation.

(3) If the beneficiary is a dependent parent, the survivor's 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 monthly survivor's annuity, the named beneficiary or estate of a member whose death occurs prior to retirement is entitled to a refund of retirement annuity contributions, with interest.

If death of the member occurs after his last withdrawal from service, or after retirement, the survivor's 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.

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

(2) If no widow or widower survives a member, a dependent child or children of the member shall qualify for the benefit.

(3) If there is no widow, 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, widower, dependent children under 18 of the member, or dependent parents survive the member, no survivors' benefits are payable.

DEPENDENCY CONDITIONS. A child or parent 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 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.

TERMINATION OF SURVIVORS' BENEFITS. Terminates upon death or remarriage of the widow, widower or dependent parent.

Marriage, attainment of age 18, or death of a child renders him ineligible for consideration in the payment of a survivor's annuity to a widow or widower, or in continuing payments to the widow or widower prior to 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 (Nonoccupational). Available to any member in service under the age of 65 years who has 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 and applies for the benefit within 90 days of the date of disability. The amount of the benefit is 50% of earnable compensation, plus a credit to the member's account of the service and contributions he would have made had he been in full-time employment. 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 have a right to receive compensation, and may extend for an aggregate period of time not to exceed $\frac{1}{2}$ 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 survivor's 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 survivor's 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 1/12 of the member's annual salary for each completed year of creditable service not exceeding $\frac{1}{2}$ year's salary.

DEATH BENEFIT — AFTER RETIREMENT. Upon death of a retired member leaving no survivors eligible for a widow's annuity or survivor's 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 survivor's annuity has been paid in such case, a death benefit may be payable to the estate of the last survivor. This death benefit is equal to the excess, if any, of the total amount of available contributions retained by the System over the total amount of benefit payments made.

ACCIDENTAL DISABILITY BENEFIT. Provided for 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. Before a claim for accidental disability may be considered, it must be adjudicated as service-connected by the Industrial Commission.

The benefit is equal to 60% of earnable compensation plus a credit to the member's account of the service and contributions he would have made had he been in full-time employment. The benefit is reduced by Workmen's Compensation.

The benefit ceases upon termination of disability or upon attainment of age 65, whichever 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, including interest, are payable in full to his nominated beneficiary. If a widow survives, she is entitled to a benefit equal to 50% of the average salary 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, each 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 or minor children under age 18, a dependent parent may qualify for a benefit of 25% of average salary.

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, a member may receive a refund of his total contributions to the System. No interest is paid on such refunds.

If a member is unmarried at the date of retirement and 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.

CONTRIBUTIONS BY MEMBERS. Members, both male and female, contribute to the Retirement System at the following rates effective January 1, 1970:

| | <u>Per Cent of Salary</u> |
|---|-------------------------------|
| Members under the plan of coordination with Social Security | 3½% |
| Members under full Retirement System coverage without Social Security | 7½% |

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 annual appropriations.

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

RETIREMENT SYSTEMS RECIPROCAL ACT. Under this 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 survivor's annuity.

Its purpose 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 require a transfer of employee contributions or credits from one system to another before retirement.

PARTICIPATING SYSTEMS. 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 having pension credit of at least 1 year in any of the above-named systems may make use of this credit upon retirement.

The member's combined applicable service credits in all systems must meet the longest minimum service requirements of the two or more systems involved.

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

PLAN ONE. *Proportionate.* At the date of a member's retirement, each retirement system in which he has established credit computes and pays 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 alternative 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 4 years;

(b) The member may be required to make a contribution to the last system for each year of service credit in other systems. Such payment is to be made within 90 days of the date of retirement.

The alternative formula may be applied to a member covered by coordination of the System with Social Security, provided the service credits covered by Social Security are disregarded for calculation under the alternative formula.

OTHER BENEFITS. The foregoing PLAN ONE also applies to a widow's annuity and survivor's benefit under certain stipulated conditions. PLAN TWO, however, applies only to a retirement annuity. Ordinary disability benefits, accidental disability benefits and death benefits are excluded from the application of reciprocity.