

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

TWENTY-SEVENTH ANNUAL STATEMENT OF THE BOARD OF TRUSTEES

For the Fiscal Year Ended
June 30, 1970



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

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

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TWENTY-SEVENTH ANNUAL REPORT OF THE BOARD OF TRUSTEES

JUNE 30, 1970

* * *



State of Illinois
RICHARD B. OGILVIE, Governor

1201 South Fifth Street
Springfield, Illinois 62706

BOARD OF TRUSTEES
(As Constituted June 30, 1970)

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

* * *

NORMAN E. LENTZ
Secretary

HON. ALAN J. DIXON
State Treasurer
Treasurer

A. A. WEINBERG
Consulting Actuary

HON. WILLIAM J. SCOTT
Attorney General
Counsel

* Retired. Succeeded by Robert E. Lanier, July 13, 1970.
** Retired. Succeeded by Ralph D. Brown, Jr., July 23, 1970.

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INDUSTRIAL AND LABOR RELATIONS
CORNELL UNIVERSITY

LETTER OF TRANSMITTAL

May 15, 1971

**To His Excellency
The Honorable Richard B. Ogilvie
Governor of the State of Illinois
Springfield, Illinois**

Sir:

On behalf of the Board of Trustees of the State Employees' Retirement System of Illinois, I take pleasure in submitting herewith the Twenty-Seventh Annual Report of the Board for the fiscal year ended June 30, 1970.

Respectfully submitted,



Chairman

FINANCIAL FACTS — IN COMPARISON

<i>For the Year</i>	<i>Fiscal Year Ended June 30th</i>	
	<i>1970</i>	<i>1969</i>
Total Revenue	\$ 69,176,977	\$ 63,531,792
Total Expenditures and Charges	30,252,210	30,731,357
Excess of Total Revenues Over Total Expenditures	38,924,767	32,800,435
Contributions by Members	23,784,831	23,319,177
Contributions by Employer	32,069,702	29,596,832
Investment Income	13,322,444	10,615,783
Investment Income as Proportion of Total Revenues	19.3%	16.7%
Service Retirement Allowances	14,142,828	12,111,419
Survivors' Annuity and Widows' Annuity Payments	3,776,941	3,313,250
Disability Benefits	1,956,664	1,697,328
Death Benefits	1,858,711	2,075,139
Refunds	8,517,066	8,199,796
Net Loss on Bond Conversions	—	3,334,425
 <i>At End of Year</i>		
Net Present Assets	\$ 272,476,887	\$ 233,552,120
Accrued Liabilities	551,639,998	503,132,139
Unfunded Accrued Liabilities	279,163,111	269,580,019
Per Cent Funded	49.4%	46.4%
Amortized Book Value of Investments	265,117,966	225,189,129
Average Yield on Investments	5.73%	5.40%

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

**TWENTY-SEVENTH ANNUAL REPORT OF THE
BOARD OF TRUSTEES**

Fiscal Year Ended June 30, 1970

In keeping with established policy, there is presented herewith the Twenty-Seventh Annual Report of the Board of Trustees. This report embodies essential facts concerning the operations of the System for the year, and its financial condition at the close of the year, supplemented by a variety of statistical data on the members and pensioners and their dependents.

General. The current financial condition of the System has shown improvement during the year. The rate of funding, or security ratio as it is otherwise referred to, increased from 46.4% to 49.4%. This represents the extent to which the total accrued liabilities for the various benefit obligations are covered by net present assets. The accrued liabilities consist of (a) the actuarial value of the lifetime payments to pensioners on the roll, plus (b) the actuarial value of the proportionate pension credits earned by the active members, including liabilities for death and survivors' benefits. This trend may be construed as evidence of improved financial stability and definite progress in operations.

Membership. Total membership of State employees at the close of the year was 65,244. Coverage of State employees under social security increased greatly since the inception of this program on January 1, 1969. At that time, 19% of the eligible members in service elected to come under the coordinated plan under the option then in effect. This was equal to approximately 9,500 employees. At that date, approximately 19,000 other State employees who had not as yet qualified for State System membership under the one-year waiting period were subject to compulsory coverage by social security.

At June 30, 1970, approximately 40,000 State employees were under the coordinated plan.

Financial operations. Total revenue for the year amounted to \$69,176,977 compared to \$63,531,792 for the preceding year. These revenues are steadily increasing as the result of an increased membership, larger salaries and improved investment

income. Expenditures for the year for pensions, benefits and refunds totalled \$30,252,210 compared to \$27,396,932 a year ago. These payments are also in an upward trend in keeping with the increase in the pension and benefit rolls.

The excess of revenues over expenditures for the year amounted to \$38,924,767. Last year this excess was \$32,800,435 after giving effect to a net loss on sale of investments of \$3,334,425. Excess revenues represent, for the most part, additional pension credits earned by the employees for the service rendered during the year for which reserves must be accumulated and maintained by the System.

The pension roll has shown its normal increase, both in the number and amount of payments. Total pension payments during the year amounted to \$14,142,828 compared with \$12,111,419 during the preceding year. Pension payments will continue in an upward trend for many years until the pension roll attains a balance between additions thereto and separations therefrom by death.

Ordinary disability benefits showed a marked increase during the year reflecting the general trend. Accidental disability benefits also showed an increase for the year. Payments for these benefits increased from \$1,697,328 to \$1,956,664. A larger number of claims was incurred during the year. Refunds for the year were also greater than in the preceding year increasing from \$8,199,796 to \$8,517,066. It is noted that payments on account of death claims were lower, both in number and amount. This development is in accord with the general expectancy.

Reserves. At the close of the year total reserves amounted to \$272,476,887. The reserves increased in the sum of \$38,924,767 which is represented by the excess of revenues over expenditures for the year.

The reserves included the amount of \$160,282,451 representing member contributions plus interest accumulations, a provision for death benefits payable upon death of pensioners of \$8,005,729, and a reserve for post-retirement increases to present and future retirees of \$5,906,522. The remainder of \$98,282,185 represented the general reserve to meet the accrued and accruing liabilities of the System.

INVESTMENTS

At June 30, 1970, the Board transferred all its investments and the accrued income therefrom to a new agency created by the State, namely, Illinois State Board of Investment. This transfer was made in accordance with an amendment to the Illinois Pension Code approved October 10, 1969 establishing the aforesaid Board. This new agency began operations on July 1, 1970.

The amendment granted authority to the new Board to manage, invest and reinvest the reserves and monies of the State Employees' Retirement System, the General Assembly Retirement System and the Judges Retirement System. The amendment further stipulated that a transfer shall be made prior to July 1, 1970 of all investments owned by these three systems and accrued income. Thereafter, periodic transfers were to be made of all funds becoming available for investment.

The investments and accrued income transferred to such agency at June 30, 1970 were credited to this System on the books of the Illinois State Board of Investment. Each investment transferred to the said Board at that date was valued at amortized cost.

Based upon a report rendered by the Illinois State Board of Investment, the book value of the investments transferred at June 30, 1970 was \$261,245,208. This was in agreement with the audited reports rendered by auditors employed by our Board of Trustees. The market value of the investments at that date was \$206,367,715.

Amendments. Consideration has been given by the Board from time to time to possible revisions of the benefit provisions to give effect to underlying economic trends. While the formulation of policy on public employee pensions is essentially a function and responsibility of the Illinois Public Employees Pension Laws Commission, the Board directed that suggestions with respect to possible basic changes should be formulated and presented to the said Commission for evaluation, report and recommendation.

Accordingly, the Board directed the staff of the System to submit periodically proposals for changes in the retirement plan with the view of effecting desirable improvements in the provisions thereof.

Annual actuarial valuation. An actuarial valuation was completed as of June 30, 1970 in accordance with the specific directive of the law governing the System. The report of the actuary, which is a part of this annual report, discloses that the unfunded accrued liability at the aforesaid date was \$279,163,111. This represented the actuarially computed value of the unfinanced pension credits on the part of the State of Illinois which are to be discharged by future appropriations to the System by the State.

The actuary previously reported the State's normal cost for financing the System was 6.2% of payroll for fiscal year 1970.

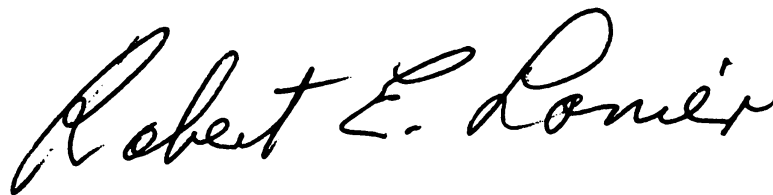
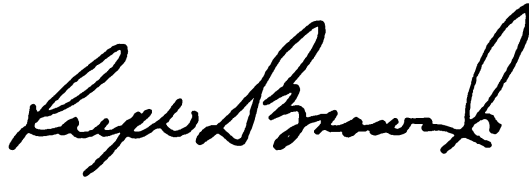
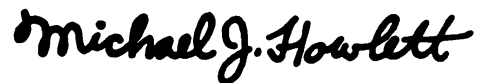
Conclusion. Administrative policies and procedures are geared to high standards in order that a full measure of service may be provided the membership of the System at all times.

The trustees acknowledge with appreciation the cooperation and service during the year of the officials of the State of Illinois and the competence and loyalty 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, 1970.

Appended hereto is a Valuation Balance Sheet showing the total assets, liabilities and reserves of the System at the afore-said date. Present assets and current liabilities applied in this statement were derived from the Audit Report dated April 19, 1971 of McGladrey, Hansen, Dunn & Company.

In our opinion, the accompanying Valuation Balance Sheet correctly presents the condition of the State Employees' Retirement System of Illinois at June 30, 1970, giving effect to the accrued liabilities on all benefits comprising the benefit schedule and total reserve requirements under the applicable law.

**A. A. Weinberg
Consulting Actuary**

May 14, 1971

VALUATION BALANCE SHEET — JUNE 30, 1970
STATEMENT OF ASSETS, LIABILITIES AND RESERVES

ASSETS

PRESENT ASSETS:

Cash	\$ 2,868,729	
Accounts receivable	5,064,179	
Investments (at amortized cost)	265,117,967	\$ 273,050,875

PROSPECTIVE ASSETS:

Obligations for service to be rendered after June 30, 1970—		
Male members	\$ 87,332,718	
Female members	52,134,651	
State of Illinois	129,266,113	268,733,482

DEFERRED ASSETS:

Due from the State of Illinois for un-financed accrued pension credits		279,163,111
TOTAL ASSETS		\$ 820,947,468

VALUATION BALANCE SHEET — JUNE 30, 1970
STATEMENT OF ASSETS, LIABILITIES AND RESERVES

LIABILITIES

CURRENT LIABILITIES:

Benefits payable	\$ 291,549		
Refunds payable	282,439	\$	573,988

FUTURE SERVICE LIABILITY:

For pension credits on account of service after June 30, 1970			
Male members	\$ 151,273,051		
Female members	117,460,431	268,733,482	

RESERVE LIABILITIES

MEMBERS' CONTRIBUTIONS:

For prospective retirement and widows' annuities on account of active mem- bers	\$ 90,110,087		
For future refunds and death benefits— actuarial value of future payments ..	70,172,363	160,282,450	

EMPLOYER CONTRIBUTIONS:

For prospective retirement and widows' annuities on account of active mem- bers—present value of total liability for accrued requirements	\$ 310,252,469		
Less, Members' contribution credits	90,110,087	220,142,382	

RETIREMENT AND BENEFITS RESERVE:

Actuarial value of retirement, widows' and survivors' annuities in force			171,215,166

TOTAL LIABILITIES AND RESERVE REQUIREMENTS			\$ 820,947,468

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 audit report of McGladrey, Hansen, Dunn & Company for the 1970 fiscal year, dated April 19, 1971.

Prospective Assets represent the obligations of the participants and the State for service to be rendered subsequent to June 30, 1970. 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 represent 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

Article 14 of the Illinois Pension Code governing the State Employees' Retirement System provides 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,”

In accordance with this directive, an actuarial valuation of the State Employees' Retirement System was completed as of June 30, 1970.

Basis of valuation. The benefit and contribution provisions governing the System forming the basis of this valuation are summarized in the appendix. Effect thereto has been given in this valuation to all amendatory changes in the benefits prior to the date of valuation in order to establish the financial condition of the System on a current basis.

The valuation of reserves and liabilities under the established benefit schedule 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, 1970. Total accrued liabilities are shown at \$551,639,998. To meet these liabilities, the System had net present assets amounting to \$272,476,887. The difference between these two amounts of \$279,163,111 represents the unfunded accrued liability, commonly referred to as the actuarial reserve deficiency. It constitutes a deferred obligation of the State of Illinois to be discharged by future appropriations.

Statistical data. The statistics required for the preparation of this report were compiled and tabulated by the staff of the System under the direction and supervision of the Secretary. Detailed tables reflecting this data are presented in the latter pages of this report. Summaries of the data are presented in the succeeding pages.

Membership. Pertinent facts pertaining to membership are as follows:

	<i>Male</i>	<i>Female</i>
Number of members	34,260	30,984
Proportion of total	52.5%	47.5%
Aggregate annual salaries	\$289,950,240	\$200,269,392
Average annual salary	\$8,463	\$6,464
Average age	47.6	45.6
Average service	6.2	6.5

Service retirement. 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	4,136	4,043
Proportion of total	50.6%	49.4%
Aggregate annual payments	\$8,220,159	\$6,317,902
Average annual payment	\$1,987	\$1,562
Average age at June 30, 1970	71.7	72.4
Average age at retirement	65.7	65.6

Survivors' benefits. The following statistics are pertinent to survivors' benefits payable by the System:

	<i>Widows' Annuities</i>	<i>Survivors' Annuities</i>
Number of beneficiaries	1,067	1,546
Annual payments	\$930,802	\$2,632,557
Average annual payment	\$872	\$1,702
Average age (exclusive of 79 children)	71.9	60.7

Non-occupational death benefit. This ordinary death benefit which is payable when no eligible dependent survives consists of (a) members' accumulated contributions, and (b) an amount equal to 1/12th of the annual rate of salary for each year of credited service not to exceed 50% of salary. The benefit represents a substantial amount of life insurance for State employees.

Claims incurred during the year on deaths occurring while in service consisted of 202 compared to 218 for the preceding fiscal year. The rate of incidence approximates the expectancy according to the assumed mortality standards.

Occupational death. The rate of incidence of these claims was below the expectancy according to the standard in use in an evaluation of the effect of these risks among the employees comprising the membership of the System.

Non-occupational disability. Only members with at least 5 years of credited service who are under age 65 are qualified for the non-occupational disability benefit. The number of these claims has fluctuated during recent years due principally to (a) the normal increase in incidents as a result of a larger membership and (b) to personnel policies of the several State departments. Claim payments increased during the year approximately 16%.

Withdrawal benefits—refunds. It is noted that an increase occurred in refund payments both in number and amount in the case of State employees withdrawing from service. For the fiscal year under review, a total of 6,794 requests for refunds were processed involving payments aggregating \$8,517,066 compared to 6,210 for the 1969 fiscal year with refund payments amounting to \$8,199,796. The number of withdrawals from the System exceeded the rates of separation assumed in the actuarial functions used for our valuation and cost calculations. It is noted that approximately 73% of the refund payments were made to employees having completed less than 5 years of service.

Financing the System. A check of the normal cost rate for the State of Illinois indicates that the rate of 6.4% of payroll for fiscal year 1971 is reasonably adequate in meeting the accruing cost for future service of the members of the System. The rate for fiscal year 1972 has been determined to be 5.54% of payroll. The rate, however, may have to be revised if certain amendatory changes of the law of a substantive character presently under consideration are enacted into law.

General. The report presents pertinent facts pertaining to the condition of the System and the results of its operation for the 1970 fiscal year. It is hoped that the systematic plan of financing the System's obligations providing for current budgeting on a departmental basis will be maintained according to the rates certified by the board of trustees. This is the method conceived by the Pension Laws Commission and constitutes the only sound approach to the problem of financing pensions to insure a stable and financially sound financial structure for the Retirement System.

A. A. Weinberg
Consulting Actuary

**AUDITORS' REPORT
AND
FINANCIAL STATEMENTS
JUNE 30, 1970**

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, 1970 and the related statement of income, expenditures and changes in reserve balances for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

As more extensively described in Notes 1 and 2 of the Notes to Financial Statements, the accompanying statements of the System Trust Fund 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 Trust Fund in accordance with generally accepted accounting principles.

In our opinion, the financial statements mentioned above present fairly the individual assets, liabilities and reserves shown on the statement of assets, liabilities and reserves of the System Trust Fund of State Employees' Retirement System of Illinois at June 30, 1970 and the income and expenditures and changes in reserve balances of the System Trust Fund for the year then ended 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
Certified Public Accountants

Springfield, Illinois
April 19, 1971

**STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
SYSTEM TRUST FUND**

STATEMENT OF ASSETS, LIABILITIES AND RESERVES

JUNE 30, 1970

ASSETS

Cash		\$ 2,868,729
Receivables:		
Members' Contributions	\$ 2,025,677	
Contributions by employers	2,999,645	
Allowances from other systems	4,826	
Cancellation of benefits	34,031	5,064,179
Investments, at amortized cost (Notes 3 and 4):		
Equity in State Employees' Investment Fund of Illinois State Board of In- vestment		265,117,967
Total Assets		<u><u>\$ 273,050,875</u></u>

LIABILITIES AND RESERVES

Liabilities:		
Benefits Payable	\$ 291,549	
Refunds Payable	282,439	
Total Liabilities		\$ 573,988
Reserves (Notes 2 and 5):		
Members' contributions	\$ 144,124,835	
Interest accumulations	16,157,616	
Annuitants' death benefits	8,005,729	
Retired members' supplemental annuity	3,632,810	
Automatic annuity increase	2,273,712	
Contingent general	98,282,185	
Total Reserves		272,476,887
Total Liabilities and Reserves		<u><u>\$ 273,050,875</u></u>

The Notes to Financial Statements are an integral part of this statement.

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
SYSTEM TRUST FUND
STATEMENT OF INCOME, EXPENDITURES and CHANGES IN RESERVE BALANCES
Year Ended June 30, 1970

Allocated To

	Total	Members' Contributions	Interest Accumulations	Annuities/Death Benefits	Retired Members' Supplementary Annuity	Automatic Annuity Increases	Contingent General
Income:							
Contributions by members	\$ 28,755,429	\$ 22,445,108			\$ 313,874	\$ 996,447	\$30,369,702
Contributions by employers	30,369,702						
Contributions from State of Illinois from appropriations made directly to State Employees' Retirement System of Illinois	1,700,000					1,275,000	425,000
Interest income:							
On investments	13,322,444						13,322,444
From members	29,402						29,402
Total Income	\$ 69,176,977	\$ 22,445,108			\$ 313,874	\$ 2,271,447	\$44,146,548
Expenditures:							
Benefits:							
Service retirement allowance ...	\$ 13,865,992						\$13,865,992
Death benefit after retirement ..	98,604						98,604
Ordinary death	1,472,241	\$ 1,071,485					400,756
Accidental death	287,866	32,431					255,435
Ordinary disability	1,848,618						1,848,618
Accidental disability	108,046						108,046
Survivors' annuity	2,808,614						2,808,614
Widows' annuity	958,185						958,185
Retired members' supplementary annuity increase	276,886				\$ 276,886		
Reversionary annuity	10,142						10,142
Refunds	8,517,066	8,517,066					
Total Expenditures	\$ 30,252,210	\$ 9,620,982			\$ 276,886		\$20,354,392
Excess of income over expenditures	\$ 38,924,767	\$ 12,824,126			\$ 37,088	\$ 2,271,447	\$23,792,156

Reserve transfers (Note 5) :				
Interest credited to members' accounts, net of interest on accounts of members who retired or received refunds during the year . . .		\$ 1,396,547		\$ (1,396,547)
Transfer accumulated contributions of members who retired during the year, net of accumulated contributions of annuitants who resumed employment, to contingent general reserve				5,706,978
Transfer to adjust annuitants' death benefit reserve to an amount representing the excess of annuitants' contributions over payments made. Contributions credited to members' accounts during periods of temporary disability	\$ (5,706,978)		\$ 1,406,980	(1,406,980)
Interest income in excess of 4% of average investments at June 30, 1970	281,298		\$ 2,265	(283,563)
Reserve transfers, net				(3,595,772)
Net increase in reserves for the year . . .	\$ 38,924,767	\$ 1,396,547	\$ 1,406,980	\$ (975,834)
Reserve balances, beginning	233,552,120	\$ 1,396,547	\$ 1,406,980	\$22,816,322
Reserve balances, ending (Notes 1, 2, and 5)	\$272,476,887	\$144,124,835	\$ 8,005,729	\$98,282,185
		14,761,069	6,598,799	75,465,863
				\$ 2,278,712
				\$ 2,278,712

The Notes to Financial Statements are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

Note 1. Method of Accounting

The State Employees' Retirement System of Illinois follows the practice of recording in its accounts of the System Trust Fund 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 benefits provided for by the Illinois Pension Code. Accordingly, the accompanying financial statements also do not include the unrecorded benefits actuarially accrued. (Also see Note 5). Expenditures for benefits are included on the basis of those actually paid which are applicable to the year ended June 30, 1970, 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 assets, liabilities, members contributions reserve, interest accumulations reserve, income and expenditures 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 are made by each department or other agency with employees covered by the System on the basis of a percentage of their total compensation (6.2% for year ended June 30, 1970). This percentage is determined by the actuary annually in accordance with the provision 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, 1969, the latest date on which a determination had been completed as of April 19, 1971. The amount reported by the actuary as of June 30, 1969 is shown in the following summary:

	<i>1969</i>
Reserve requirements as shown by the actuarial balance sheet..	\$ 503,132,139
Net present assets of the System (equal to the reserves as shown on the books of the System)	233,552,120
	<hr/>
Unfunded accrued liability and unfunded obligation of the State of Illinois as reported by the actuary	\$ 269,580,019
	<hr/> <hr/>

The actuaries report that the total reserve requirements as shown above represent the actuarially determined total accrued liability for all annuities and benefits for both present and retired members for service rendered.

As of June 30, 1969, the actuarial determinations are being made utilizing a 4% interest assumption whereas in the prior period the assumed rate had been 3-1/2%.

Note 3. Investments

At the close of business on June 30, 1970, State Employees' Retirement System of Illinois transferred all of its investments and the accrued income thereon to the Illinois State Board of Investment. This transfer was made in accordance with the provisions of Article 22A of the Illinois Pension Code which created the Illinois State Board of Investment, and granted it authority to manage, invest and reinvest the reserves, funds, assets, securities and monies of any pension fund as provided in the Article. The State Employees' Retirement System of Illinois was required by provisions of this statute to transfer all of its investments prior to July 1, 1970. Subsequent to June 30, 1970, all funds available for investment are to be transferred periodically to the Illinois State Board of Investment.

The investments and accrued income transferred at June 30, 1970 were credited to the State Employees' Investment Fund of the Illinois State Board of Investment. The equity in State Employees' Investment Fund is included in the accompanying balance sheet at the same value as the underlying investments and accrued income transferred had been carried. The System had consistently carried U.S. Government securities and corporate bonds at amortized cost. Article 22A, Section 114 of the Illinois Pension Code, governing the Illinois State Board of Investment, provides that "in the management of pension funds the board . . . (2) shall carry assets of all funds at amortized cost of book value as to fixed income securities and original cost as to common and preferred stock or other equity property. Each investment initially transferred to the Board by a pension fund shall be similarly valued except that the board may elect to place such value on any investment conditionally in which case the amount of any later realization of such asset in cash that is in excess of or is less than the amount so credited shall be credited or charged to the fund that made the transfer . . .".

Section 112 of Article 22A provides that ". . . No adjustment shall be made in investment valuations for ordinary current market price fluctuations; but reserves may be provided for possible losses." Accordingly, the Illinois State Board of Investment is accounting for investments received by transfer at amortized cost (or cost) to the transferring system, and has provided an allowance to adjust to market values on all investments except U. S. Treasury bills which are being carried at cost.

Based on information reported by the Illinois State Board of Investment, the market value of investments of the System at June 30, 1970, was \$206,367,715. Based on the reports of the Illinois State Board of Investment through the quarter ended December 31, 1970, no investment transferred by State Employees' Retirement System of Illinois at June 30, 1970 had been sold. Therefore, no gains or losses had been realized to that date on investments transferred.

Note 4. Operating Policies of the Illinois State Board of Investment

A. Operating Expenses

Article 22A, Section 114 of the Illinois Pension Code provides that the Board shall charge each pension fund, whose investments it is administering, with its share of all expenses of the Board on a quarterly basis, in proportion to the value of the investments held for the respective funds at the beginning of the quarter, or on any other equitable formula.

B. Commingling of Assets

The statute provides that the Board may, for investment purposes, commingle all or a part of the invested assets of one or more pension funds under its jurisdiction. Subsequent to June 30, 1970, the Board established the Illinois Equity Fund to be used for the purpose of making commingled investments for the Funds.

Note 5. Reserves

Members' Contributions:

The amounts represent the cumulative refundable portion of contributions since January 1, 1944 by members not yet retired. Members covered by coordination with the Federal Social Security Act contribute at a rate of 2-1/2% for a service retirement allowance and 1/2% for a widow's annuity or survivor's annuity. Members not so covered contribute at a rate of 6% for a service retirement allowance and 1% for a widow's annuity or survivor's annuity, except State Police and certain fire-fighters who contribute at the rate of 7% for a service retirement allowance.

Interest Accumulations:

At the end of each fiscal year, interest at the rate of 2% is computed on the beginning balance of the member's account and credited to this reserve. This amount is not refundable to the member.

Annuitants' Death Benefits:

The balance represents an allocation from the contingent general reserve of an amount equal to the excess of accumulated contributions, including contributions for automatic annuity in-

crease, at the time of retirement over cumulative annuity payments made to the respective dates for individual annuitants who have not yet received retirement benefits equal to their accumulated contributions.

Retired Members' Supplemental Annuity:

Legislation enacted by the 76th General Assembly provided for an increase of 1-1/2% of the original monthly retirement allowance multiplied by the number of years in retirement for each annuitant meeting the conditions specified in the Act. This increase was effective January 1, 1970 or on the January 1, nearest his 65th birthday whichever is later. The Act also provided for additional annual increases to these annuitants in an amount equal to 1-1/2% of the original retirement allowance. In order to qualify for this increase in benefits, eligible members were required to make a one-time qualifying payment as specified by statute. The statute further provided that "The additional amounts necessary to finance this increase shall be provided from interest earnings of the System over and above a rate of 4% per annum."

Automatic Annuity Increase:

Legislation enacted by the 76th General Assembly provided for an automatic annual increase of 1-1/2% in the amount of retirement annuity of members completing creditable service and retiring on or after December 31, 1969 and meeting certain other requirements specified in the Act. This legislation further provided that members must contribute 1/2% of their salary to be credited to this reserve, and that the State must make a contribution equal to that amount. For the year ended June 30, 1970, the State appropriated \$1,275,000 for their share based on the estimated amount of such contributions. The contributions by members credited to this reserve are refundable subject to the conditions specified by statute. Payments from this reserve are to begin January 1, 1971.

Contingent General:

The balance of this reserve is available for future benefit payments not specifically provided for in other reserves. The sources of revenue and the types of benefits paid are shown in the accompanying statements.

Note 6. Social Security Contribution Fund

The State Employees' Retirement System of Illinois also administers the Social Security Contribution Fund which receives money from participating political subdivisions and from employing State agencies for transmittal to the Social Security Administration. Because this activity is not a part of the System Trust Fund, it is not reflected in the accompanying financial statements.

Note 7. Administrative Costs and Expenses

Administrative costs and expenses of State Employees' Retirement System of Illinois are paid from appropriations by the General Assembly for that purpose and, accordingly, are not included in the financial statements of the System Trust Fund.

**Auditor General
State of Illinois
Springfield, Illinois**

The following Schedule is not an integral part of the basic financial statements of the System Trust Fund of the State Employees' Retirement System of Illinois, but is presented for supplementary analysis purposes. This Schedule has been subjected to the applicable audit procedures we performed in our examination of the related basic financial statements of the System Trust Fund and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

**McGladrey, Hansen, Dunn &
Company
Certified Public Accountants**

**Springfield, Illinois
April 19, 1971**

APPROPRIATIONS BY THE GENERAL ASSEMBLY SCHEDULE OF APPROPRIATIONS, EXPENDITURES AND BALANCES LAPSED Fifteen Months Ended September 30, 1970

	<i>Appropriations</i>	<i>Voucher Expenditures Year Ended June 30, 1970</i>	<i>Unexpended Balance June 30, 1970</i>	<i>Voucher Expenditures Three Months Ended September 30, 1970</i>	<i>Voucher Expenditures Fifteen Months Ended September 30, 1970</i>	<i>Balances Lapsed September 30, 1970</i>
Administrative costs and expenses, general (S.B. 1196):						
Personal service	\$ 265,203	\$ 229,747	\$ 35,456	\$ 9,765	\$ 239,512	\$ 25,691
Contribution to State Employees' Retirement System	16,443	18,898	2,545	14,606	14,508	1,940
Contribution to social security	6,365	3,989	2,376	217	4,206	2,169
Contractual services	57,000	55,159	1,841	1,657	56,816	184
Electronic data processing	175,000	136,208	38,792	13,438	149,646	25,354
Travel	4,000	1,579	2,421	229	1,808	2,192
Commodities	3,000	2,099	901	660	2,749	251
Equipment	4,000	3,167	833	775	3,942	58
Printing	10,000	8,522	1,478	866	7,168	2,832
Contingencies	1,000	654	1,000	79	733	1,000
Operation of automotive equipment	1,000	17,730	31,270	12,088	29,818	1,267
Administrative expense of social security for State Employees	49,000	17,730	31,270	12,088	29,818	19,182
Total administrative costs and expenses, general	\$ 592,011	\$ 467,752	\$ 124,259	\$ 43,149	\$ 510,901	\$ 81,110
Administrative costs and expenses, Social Security Unit (S.B. 1196):						
For administrative expenses of the Social Security Unit (S.B. 1196)	93,000	58,735	34,265	3,572	62,307	30,693
Total administrative costs and expenses	\$ 685,011	\$ 526,487	\$ 158,524	\$ 46,721	\$ 573,208	\$ 111,803
Payments of additional contributions and costs to the Social Security Contribution Fund to meet obligations where existing appropriations to employing State Agencies may be insufficient (S. B. 1196)	500,000	41,825	458,175	47,659	39,484	410,516
Total appropriations (S.B. 1196)	\$1,200,011	\$ 568,312	\$ 631,699	\$ 94,380	\$ 662,692	\$ 537,319
Appropriations for use by the System in meeting the State's cost of changes provided for in the amendments to the Illinois Pension Code, Act of 1969:						
S.B. 255	\$ 27,500	\$ 27,500			\$ 27,500	
S.B. 256	25,000	25,000			25,000	
S.B. 257	42,500	42,500			42,500	
S.B. 258	1,276,000	1,276,000			1,276,000	
S.B. 259	320,000	320,000			320,000	
S.B. 260	10,000	10,000			10,000	
Total	\$1,700,000	\$1,700,000			\$1,700,000	
Total	\$2,900,011	\$2,268,312	\$ 631,699	\$ 94,380	\$2,362,692	\$ 537,319

APPENDIX A

**Schedule of Investments and Accrued Income
Transferred from the State Employees' Retirement
System to Illinois State Board of Investment
as of June 30, 1970**

**SCHEDULE OF INVESTMENTS AND ACCRUED INCOME
 TRANSFERRED TO ILLINOIS STATE BOARD OF INVESTMENT AS OF JUNE 30, 1970**

U. S. GOVERNMENT SECURITIES Description	Interest Rate	Maturity Date	Maturity Value	Amortized Cost	Accrued Income
Treasury Bonds	4½ %	11/15/1973	\$ 3,200,000.00	\$ 3,190,812.04	\$ 16,500.00
	4½ %	11/15/1973	1,506,000.00	1,503,569.15	7,765.31
	4½ %	11/15/1973	5,965,000.00	5,830,724.77	30,757.03
Treasury Bonds	3½ %	11/15/1974	2,041,000.00	2,020,853.05	9,886.10
	3½ %	11/15/1974	1,200,000.00	1,226,099.83	5,812.50
	3½ %	11/15/1974	1,500,000.00	1,533,201.97	7,265.63
	3½ %	11/15/1974	2,750,000.00	2,772,065.13	13,320.32
	3½ %	11/15/1974	1,000,000.00	997,198.82	4,843.75
Treasury Bonds	4%	2/15/1980	3,050,000.00	3,026,400.93	45,497.23
	4%	2/15/1980	1,325,000.00	1,284,451.58	19,765.19
	4%	2/15/1980	1,900,000.00	1,899,606.67	28,342.54
Treasury Bonds	3½ %	11/15/1980	1,600,000.00	1,604,951.56	7,000.00
Treasury Bonds	3¼ %	6/15/1983- 1978	600,000.00	609,540.70	799.18
	3¼ %	6/15/1983- 1978	400,000.00	415,665.75	532.79
	3¼ %	6/15/1983- 1978	1,000,000.00	1,039,621.92	1,331.97
	3¼ %	6/15/1983- 1978	1,250,000.00	1,307,199.33	1,664.96
	3¼ %	6/15/1983- 1978	1,000,000.00	1,041,458.35	1,331.97
	3¼ %	6/15/1983- 1978	750,000.00	772,873.01	998.98
	3¼ %	6/15/1983- 1978	1,000,000.00	1,030,794.71	1,331.97
	3¼ %	6/15/1983- 1978	2,400,000.00	2,396,712.87	3,196.72

Treasury Bonds	3 ¼ %	5/15/1985	4,000,000.00	3,994,800.11	16,250.00
Treasury Bonds	4 ¼ %	5/15/1985- 1975	1,000,000.00	1,002,975.20	5,312.50
Treasury Bonds	4 ¼ %	5/15/1985- 1975	2,070,000.00	1,995,449.09	10,996.88
Treasury Bonds	3 ½ %	2/15/1990	1,000,000.00	957,047.98	13,052.49
Treasury Bonds	3 ½ %	2/15/1990	6,199,000.00	6,271,936.78	80,912.36
Treasury Bonds	3 ½ %	2/15/1990	16,239,000.00	15,877,420.21	211,959.31
Treasury Bonds	4 ¼ %	8/15/1992- 1987	9,900,000.00	9,927,475.75	156,909.52
Treasury Bonds	4 ¼ %	8/15/1992- 1987	2,850,000.00	2,877,753.93	45,170.92
Treasury Bonds	4 ¼ %	8/15/1992- 1987	4,000,000.00	4,018,340.24	63,397.79
Treasury Bonds	4 ¼ %	8/15/1992- 1987	2,700,000.00	2,709,276.32	42,793.50
Treasury Bonds	4 ¼ %	8/15/1992- 1987	4,000,000.00	4,008,506.15	63,397.79
Treasury Bonds	4 %	2/15/1993- 1988	4,300,000.00	4,306,210.21	64,143.64
Treasury Bonds	4 ½ %	5/15/1994- 1989	8,800,000.00	8,836,187.97	45,375.00
Treasury Bonds	3 ½ %	11/15/1998	1,400,000.00	1,247,746.71	6,125.00
Treasury Bills		9/17/1970	4,500,000.00	4,353,817.50	82,125.00
Treasury Bills		9/30/1970	2,500,000.00	2,397,576.39	59,072.22

**SCHEDULE OF INVESTMENTS AND ACCRUED INCOME
 TRANSFERRED TO ILLINOIS STATE BOARD OF INVESTMENT AS OF JUNE 30, 1970—Continued**

<i>U. S. GOVERNMENT SECURITIES Description</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Maturity Value</i>	<i>Amortized Cost</i>	<i>Accrued Income</i>
Treasury Bills		10/01/1970	1,500,000.00	1,452,681.66	22,861.67
Treasury Bills		10/22/1970	2,500,000.00	2,414,204.17	31,022.22
Treasury Bills		10/22/1970	1,000,000.00	969,559.45	8,531.11
Treasury Bills		12/03/1970	1,000,000.00	965,875.00	5,062.50
Treasury Bills		9/17/1970	4,500,000.00	4,427,083.13	11,513.19
Treasury Bills		9/24/1970	1,500,000.00	1,475,012.92	1,647.50
Total U. S. Government securities and accrued interest thereon				<u>\$ 121,990,739.01</u>	<u>\$ 1,255,576.25</u>

**SCHEDULE OF INVESTMENTS AND ACCRUED INCOME
 TRANSFERRED TO ILLINOIS STATE BOARD OF INVESTMENT AS OF JUNE 30, 1970—Continued**

<i>Corporate Bonds Description</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Maturity Value</i>	<i>Amortized Cost</i>	<i>Accrued Income</i>
American Telephone & Telegraph Co., thirty-two year debentures	4½ %	2/01/1994	\$ 1,000,000.00	\$ 833,380.13	\$ 19,270.83
American Telephone & Telegraph Co., thirty-two year debentures	4¾ %	11/01/1992	500,000.00	423,494.40	3,958.33
The Anaconda Co., debentures	6½ %	11/15/1993	2,000,000.00	1,990,181.13	22,083.33
Appalachian Power Co., 1st mortgage bonds ..	8½ %	10/01/1999	1,000,000.00	1,014,828.48	21,250.00
Baltimore Gas & Electric Co., 1st refunding mortgage sinking fund	7 %	12/15/1998	2,000,000.00	2,019,653.77	11,666.67
Associates Investment Co., bonds	4½ %	10/01/1983	1,500,000.00	1,250,874.71	16,875.00
The Bell Telephone Co. of Pennsylvania, forty-year debentures	6¾ %	5/01/2008	1,500,000.00	1,500,000.00	16,875.00
Beneficial Finance Co., debenture bonds	6¾ %	8/01/1994	1,500,000.00	1,500,000.00	42,187.50
Bethlehem Steel Corporation, debentures	9 %	5/15/2000	2,000,000.00	2,000,000.00	22,500.00
Carolina Power & Light Co., 1st mortgage bonds	6 %	10/01/1998	2,000,000.00	2,035,706.33	34,375.00
Chesapeake & Potomac Telephone Co. of Maryland, forty-year debentures	6½ %	10/01/2008	2,000,000.00	2,004,424.95	33,125.00
Chesapeake & Potomac Telephone Co. of Virginia, forty-year debentures	6¾ %	5/01/2008	2,000,000.00	1,970,887.86	22,500.00
Chesapeake & Potomac Telephone Co., (Washington, D. C.), forty-year debentures	7 %	2/01/2009	1,500,000.00	1,473,913.93	43,750.00
Chesapeake & Potomac Telephone Co. of West Virginia, debentures	7¼ %	5/01/2009	2,000,000.00	2,012,967.82	24,166.66
C.I.T. Finance Corporation, debentures	4½ %	9/01/1984	1,500,000.00	1,201,080.73	22,500.00
The Cleveland Electric Illuminating Co., 1st mortgage bonds	7½ %	1/15/1990	1,200,000.00	1,215,871.76	39,187.50
Colombia Gas System, Inc., debentures	4½ %	5/01/1989	1,500,000.00	1,220,108.79	11,562.50
Columbus & Southern Ohio Electric Co., 1st mortgage bonds	9 %	12/01/1999	1,000,000.00	1,010,400.00	7,500.00
Commercial Credit Co., notes	4½ %	8/01/1985	500,000.00	408,388.60	9,375.00
Commercial Credit Co., notes	4¾ %	9/15/1987	1,000,000.00	844,748.59	14,218.75

**SCHEDULE OF INVESTMENTS AND ACCRUED INCOME
 TRANSFERRED TO ILLINOIS STATE BOARD OF INVESTMENT AS OF JUNE 30, 1970—Continued**

CORPORATE BONDS <i>Description</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Maturity Value</i>	<i>Amortized Cost</i>	<i>Accrued Income</i>
Commonwealth Edison Co., 1st mortgage, Series Z	6¼ %	2/01/1998	1,500,000.00	1,509,825.45	39,062.50
The Connecticut Light & Power, 1st and re- funding mortgage bonds, Series V	8¾ %	1/01/2000	1,500,000.00	1,515,895.01	65,625.00
Consolidated Natural Gas Co., debentures	8¼ %	11/01/1994	1,000,000.00	977,655.26	13,750.00
Consumer Power Co., 1st mortgage bonds	6¾ %	5/01/1998	1,500,000.00	1,532,736.85	17,187.50
Consolidated Edison Co. of New York, Inc., 1st and refunding mortgage bonds, Series M	4¼ %	10/01/1986	500,000.00	400,697.75	5,312.50
Consolidated Edison Co. of New York, Inc., 1st and refunding mortgage bonds, Series W	4¾ %	10/01/1992	500,000.00	400,955.03	5,468.75
Consolidated Edison Co. of New York, Inc., 1st and refunding mortgage bonds, Series S	5 %	12/01/1990	500,000.00	441,896.74	2,083.33
Continental Oil Co., sinking fund debentures ..	4½ %	5/01/1991	1,500,000.00	1,223,669.93	11,250.00
The Dayton Power & Light Co., 1st mortgage bonds	6¾ %	6/15/1998	1,500,000.00	1,511,832.89	4,218.75
The Dayton Power & Light Co., 1st mortgage bonds	8¼ %	10/01/1999	500,000.00	500,000.00	10,312.50
The Detroit Edison Co., general and refunding mortgage bonds, Series S	6.40 %	10/01/1998	2,000,000.00	1,983,375.37	32,000.00
Diamond State Telephone Co., 7% forty-year debentures	7 %	12/01/2008	2,000,000.00	2,026,674.15	11,666.66
Duke Power Co., 1st and refunding mortgage bond	6¾ %	2/01/1998	1,500,000.00	1,510,906.46	39,843.75
Duquesne Light Co., 1st mortgage bonds	6¾ %	2/01/1998	1,500,000.00	1,514,545.74	39,843.75
El Paso Electric Co., 1st mortgage bonds	6¾ %	5/01/1998	1,500,000.00	1,500,000.00	16,875.00
Florida Power Corp., 1st mortgage bonds	7 %	11/01/1998	2,000,000.00	2,049,811.65	23,333.33
General American Transportation Corp., equipment trust certificates (Series 65) ..	6.95 %	1/15/1989	1,500,000.00	1,500,000.00	47,781.25
General Motors Acceptance Corp., bonds	6¼ %	8/01/1988	1,500,000.00	1,467,933.90	39,062.50
General Telephone Co. of California, 1st mort- gage bonds (Series T)	6¾ %	12/01/1997	500,000.00	498,778.49	2,812.50

General Telephone Co. of California, 1st mortgage bonds, Series T	6 3/4 %	12/01/1997	1,000,000.00	993,817.15	5,625.00
General Telephone Co. of Florida, 1st mortgage bonds, Series M	8 %	3/01/2000	2,000,000.00	1,994,609.36	57,500.00
General Telephone Co. of Indiana, Inc., 1st mortgage bonds	6 %	8/01/1998	1,500,000.00	1,490,823.57	39,843.75
Gulf States Utilities Co., 1st mortgage bonds, Series A	6 3/4 %	10/01/1998	900,000.00	911,441.80	15,187.50
Gulf States Utilities Co., 1st mortgage bonds ..	8 1/2 %	2/01/2000	500,000.00	500,000.00	17,708.33
Household Finance Corp., debentures	4 1/2 %	7/01/1991	1,500,000.00	1,154,415.91	33,750.00
Houston Lighting & Power Co., 1st mortgage bonds, Series A	6 3/4 %	4/01/1998	1,500,000.00	1,514,996.42	25,312.50
Illinois Bell Telephone Co., 1st mortgage bonds, Series J	8 %	6/01/2005	1,500,000.00	1,529,756.01	10,000.00
Illinois Power Co., 1st mortgage bonds	6 3/4 %	10/01/1998	2,000,000.00	2,024,775.22	33,750.00
Kansas City Power & Light Co., 1st mortgage bonds	6 3/4 %	4/01/1998	1,500,000.00	1,514,577.28	25,312.50
Kentucky Utilities Co., 1st mortgage bonds, Series I	8 3/4 %	4/01/2000	2,000,000.00	2,008,374.10	43,750.00
Louisville Gas & Electric, 1st mortgage bonds.	6 3/4 %	6/01/1998	2,000,000.00	2,024,786.46	11,250.00
Michigan Bell Telephone Co., thirty-seven year debenture	6 %	2/01/2005	2,000,000.00	2,001,632.00	53,125.00
Natural Gas Pipeline Co. of America, 1st mortgage bonds	6 3/4 %	8/01/1987	1,000,000.00	990,684.38	28,125.00
Natural Gas Pipeline Co. of America, 1st mortgage pipeline bonds	6 3/4 %	8/01/1987	500,000.00	511,798.92	14,062.50
New England Telephone & Telegraph Co., forty year debentures	6 %	9/01/2008	2,000,000.00	1,994,216.11	42,500.00
New Jersey Bell Telephone Co., forty year debentures	6 5/8 %	4/01/2008	1,500,000.00	1,505,141.06	24,843.75

**SCHEDULE OF INVESTMENTS AND ACCRUED INCOME
 TRANSFERRED TO ILLINOIS STATE BOARD OF INVESTMENT AS OF JUNE 30, 1970—Continued**

<i>CORPORATE BONDS</i> <i>Description</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Maturity Value</i>	<i>Amortized Cost</i>	<i>Accrued Income</i>
New York State Electric & Gas Corp., 1st mortgage bonds	6½ %	9/01/1998	1,500,000.00	1,519,433.27	32,500.00
New York Telephone Co., refunding mortgage bonds, Series R	7½ %	3/01/2009	2,000,000.00	1,976,039.97	50,000.00
Niagara Mohawk Power Corp., general mortgage bonds	6½ %	8/01/1998	2,000,000.00	2,018,404.67	54,166.66
Northwestern Bell Telephone Co., thirty-nine year debentures	6¼ %	1/01/2007	1,500,000.00	1,483,401.04	46,875.00
Northern Illinois Gas Co., 1st mortgage bonds	6¼ %	6/01/1993	1,449,000.00	1,449,000.00	8,150.62
Northern Indiana Public Service Co., 1st mortgage bonds, Series P	6½ %	10/01/1998	2,000,000.00	2,051,558.84	34,375.00
Northern States Power Co., 1st mortgage bonds	8 %	10/01/1999	1,000,000.00	961,749.21	20,000.00
The Ohio Bell Telephone Co., forty year debentures	6¼ %	7/01/2008	1,500,000.00	1,505,540.92	50,625.00
Oklahoma Gas & Electric Co., 1st mortgage bonds	6 %	1/01/1998	1,500,000.00	1,500,000.00	47,812.50
Pacific Gas & Electric Co., 1st and refunding mortgage bonds, Series QQ	6 %	6/01/2000	1,500,000.00	1,500,000.00	8,281.25
Pacific Northwest Bell Telephone Co., forty year debentures	7¼ %	8/01/2009	2,000,000.00	2,000,000.00	64,583.33
The Pacific Telephone & Telegraph Co., thirty-five year debentures	6½ %	7/01/2003	2,000,000.00	2,007,718.34	65,000.00
Panhandle Eastern Pipeline Co., debentures ..	7¼ %	1/01/1989	2,000,000.00	2,000,000.00	72,500.00
Pennsylvania Power & Light Co., 1st mortgage bonds	6¼ %	11/01/1997	1,000,000.00	1,019,333.10	11,250.00
Philadelphia Electric Co., bonds	6½ %	3/01/1993	1,500,000.00	1,500,000.00	32,500.00
Potomac Electric & Power Co., 1st mortgage bonds	6 %	2/15/2003	1,500,000.00	1,525,771.45	37,265.63

Public Service Co. of Colorado, 1st mortgage bonds	7/01/1998	1,500,000.00	1,515,253.62	50,625.00
Public Service Co. of New Mexico, 1st mortgage bonds	4/01/1999	2,000,000.00	1,988,051.33	36,250.00
Public Service Electric & Gas Co., 1st and re-funding mortgage bonds	9/01/1990	500,000.00	429,492.07	7,916.67
Public Service Electric & Gas Co., 1st and re-funding mortgage bonds	8/01/1988	500,000.00	425,793.23	9,635.42
San Diego Gas & Electric Co., bonds, Series J	12/01/1998	2,000,000.00	2,000,000.00	11,666.67
South Carolina Electric & Gas Co., 1st and re-funding mortgage bonds	9/01/1998	1,500,000.00	1,500,000.00	32,500.00
Southern California Edison Co., bonds, Series W	2/15/1993	1,500,000.00	1,504,469.09	35,859.38
Standard Oil Co. of New Jersey, debentures ..	7/15/1998	1,500,000.00	1,519,464.58	44,687.50
Sinclair Oil Corp., sinking fund debentures ..	12/15/1988	1,500,000.00	1,274,737.05	2,875.00
South Central Bell Telephone Co., debentures..	11/01/1999	2,000,000.00	2,006,196.73	22,916.66
Southern Indiana Gas & Electric Co., 1st mortgage bonds	8/01/1998	1,500,000.00	1,524,669.24	39,843.75
Southern Counties Gas Co. of California, 1st mortgage bonds, Series F	5/01/1995	1,000,000.00	1,000,000.00	15,833.33
Southern New England Telephone Co., debenture bonds	6/01/2004	2,000,000.00	1,961,508.44	12,916.67
Southwestern Bell Telephone Co., forty year debentures	6/01/2008	2,000,000.00	2,014,284.39	11,250.00
Southwestern Electric Power Co., Series K ...	12/01/1999	1,000,000.00	1,005,000.00	7,500.00
Standard Oil Co. (Indiana), sinking fund debentures	10/01/1983	1,500,000.00	1,314,738.24	16,875.00
Union Electric Co., 1st mortgage bonds	4/01/1998	1,500,000.00	1,537,111.49	26,250.00
Union Oil Co. of California, debentures	6/01/1998	2,000,000.00	1,987,869.23	11,041.66

**SCHEDULE OF INVESTMENTS AND ACCRUED INCOME
 TRANSFERRED TO ILLINOIS STATE BOARD OF INVESTMENT AS OF JUNE 30, 1970—Continued**

CORPORATE BONDS <i>Description</i>	<i>Interest Rate</i>	<i>Maturity Date</i>	<i>Maturity Value</i>	<i>Amortized Cost</i>	<i>Accrued Income</i>
Union Tank Car Co., equipment trust certificates (Series 3)	6½ %	3/15/1988	1,600,000.00	1,578,856.58	30,333.33
Virginia Electric & Power Co., 1st and re-funding mortgage bonds, Series W	7½ %	1/01/1999	2,000,000.00	2,018,313.40	71,250.00
Western Massachusetts Electric Co., 1st mortgage bonds, Series I	9¾ %	6/01/2000	1,000,000.00	1,009,955.33	7,812.50
Wisconsin Power & Light Co., 1st mortgage bonds, Series L	6¼ %	8/01/1998	2,000,000.00	1,968,754.86	52,083.33
Wisconsin Public Service Corp., 1st mortgage bonds	7¼ %	4/01/1999	2,000,000.00	1,988,051.33	36,250.00
Wisconsin Telephone Co., thirty-six year debentures	6¼ %	8/01/2004	1,500,000.00	1,500,000.00	39,062.50
Total corporate bonds and accrued income thereon				<u>\$ 139,254,469.44</u>	<u>\$ 2,617,181.83</u>
Total investments and accrued income thereon				<u>\$ 261,245,208.45</u>	<u>\$ 3,872,758.08</u>

APPENDIX B
Statistical and Claims Data

TABLE 1. MEMBERSHIP BY DEPARTMENTS
JUNE 30, 1970

<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	54	41	95	.15
02	Lieutenant Governor	4	4	8	.01
03	Secretary of State	1,449	1,790	3,239	4.96
04	Auditor of Public Accounts	60	98	158	.24
05	Treasurer	41	39	80	.12
06	Attorney General	226	117	343	.53
07	Public Instruction	157	239	396	.61
08	Courts	164	288	452	.69
09	State Officers	182	101	283	.43
10	Aeronautics	24	17	41	.06
11	Agriculture	425	154	579	.89
12	Conservation	659	137	796	1.22
13	Finance	56	82	138	.21
14	Insurance	97	73	170	.26
15	Labor	1,241	1,754	2,995	4.59
16	Children & Family Services	546	1,272	1,818	2.79
17	Mines and Minerals	50	17	67	.10
18	Audits	4	1	5	.01
19	Financial Institutions	64	34	98	.15
20	Public Health	504	703	1,207	1.85
21	Law Enforcement	1,811	237	2,048	3.14
22	Mental Health	6,548	12,498	19,046	29.19
23	Public Works & Buildings	6,121	761	6,882	10.55
24	Registration and Education	117	139	256	.39
25	Revenue	436	664	1,100	1.69
26	Business & Economic Development..	27	24	51	.08
27	General Services	402	133	535	.82
28	Personnel	116	345	461	.71
29	Corrections	2,692	777	3,469	5.32
30	Civil Service Commission	5	4	9	.01
31	Commerce Commission	98	89	187	.29
32	Liquor Control Commission	14	15	29	.04
33	Public Aid	570	1,748	2,318	3.55
34	Veterans' Commission	70	84	154	.24
35	State Militia	153	30	183	.28
45	Local Governmental Affairs	43	35	78	.12
50	Miscellaneous Agencies	1,413	732	2,145	3.29
	Inactives	7,617	5,708	13,325	20.42
	Totals	34,260	30,984	65,244	100.00

**TABLE 2. NUMBER OF MEMBERS AND TOTAL SALARIES AT
JUNE 30, 1970
CLASSIFIED BY AGE AND SEX**

Male Members

<i>Age at June 30, 1970</i>	<i>Number of Members</i>	<i>Aggregate Annual Salary Rate</i>	<i>Age at June 30, 1970</i>	<i>Number of Members</i>	<i>Aggregate Annual Salary Rate</i>
16	20	\$ 116,844	50	642	\$ 5,733,060
17	19	130,560	51	614	5,549,220
18	25	116,640	52	674	6,138,324
19	64	370,524	53	661	5,589,372
			54	728	6,163,644
20	122	670,572			
21	186	1,020,240	55	696	5,780,436
22	242	1,357,140	56	753	6,548,988
23	311	1,942,332	57	768	6,465,276
24	463	3,241,464	58	819	6,746,568
			59	866	7,215,348
25	387	2,859,924			
26	453	3,583,668	60	827	6,946,092
27	514	4,385,520	61	768	6,523,848
28	527	4,643,412	62	783	6,502,164
29	500	4,448,040	63	653	5,258,484
			64	619	5,021,844
30	486	4,341,588			
31	522	4,812,840	65	528	4,452,000
32	500	4,727,784	66	425	3,397,080
33	441	4,008,240	67	319	2,541,648
34	543	5,431,824	68	273	2,213,544
			69	246	1,950,636
35	495	4,921,596			
36	463	4,684,200	70	226	1,815,540
37	477	5,020,716	71	183	1,416,732
38	464	4,806,336	72	148	1,148,820
39	509	5,190,684	73	127	936,060
			74	92	686,220
40	510	5,338,056			
41	480	4,901,268	75	72	556,596
42	541	5,422,644	76	47	267,636
43	591	5,850,240	77	49	427,332
44	587	5,939,112	78	44	283,584
			79	31	199,152
45	592	5,937,024			
46	619	6,243,936	80 and over	105	551,376
47	629	6,485,508			
48	623	6,023,220			
49	685	6,497,112			
				<u>28,376</u>	<u>\$ 250,497,432</u>
Members having uncompleted Membership Records				5,884	39,452,808
Totals				<u>34,260</u>	<u>\$ 289,950,240</u>

**TABLE 3. NUMBER OF MEMBERS AND TOTAL SALARIES AT
JUNE 30, 1970**

CLASSIFIED BY AGE AND SEX

Female Members

<i>Age at June 30, 1970</i>	<i>Number of Members</i>	<i>Aggregate Annual Salary Rate</i>	<i>Age at June 30, 1970</i>	<i>Number of Members</i>	<i>Aggregate Annual Salary Rate</i>
16	11	\$ 55,704	50	674	\$ 4,499,640
17	7	23,604	51	672	4,494,648
18	16	64,452	52	724	4,830,264
19	104	495,528	53	694	4,565,700
			54	735	4,907,280
20	402	2,040,300			
21	489	2,592,852	55	746	4,874,712
22	488	2,596,128	56	773	5,100,984
23	575	3,200,832	57	754	5,028,348
24	664	4,258,584	58	726	4,831,440
			59	709	4,747,800
25	568	3,795,084			
26	550	3,771,288	60	704	4,548,108
27	546	3,737,052	61	574	3,768,888
28	512	3,433,524	62	586	3,735,240
29	415	2,945,508	63	495	3,235,260
			64	408	2,660,124
30	386	2,743,272			
31	394	2,802,456	65	348	2,277,312
32	399	2,708,292	66	278	2,035,764
33	361	2,446,992	67	218	1,580,376
34	355	2,452,596	68	202	1,396,896
			69	161	1,149,744
35	357	2,387,736			
36	348	2,368,680	70	184	1,200,576
37	385	2,540,016	71	115	737,388
38	349	2,312,712	72	119	789,240
39	394	2,813,868	73	81	529,608
			74	73	467,640
40	436	2,962,464			
41	459	3,124,860	75	61	347,304
42	464	3,236,448	76	33	181,644
43	557	3,829,152	77	46	263,016
44	545	3,686,424	78	34	214,044
			79	17	100,752
45	562	3,778,080			
46	589	3,957,432	80 and over	57	277,356
47	609	4,085,892			
48	653	4,396,224			
49	681	4,653,972		26,631	\$ 175,675,104
Members having uncompleted Membership Records				4,353	24,594,288
Totals				30,984	\$ 200,269,392

**TABLE 4. NUMBER OF MEMBERS AT JUNE 30, 1970
CLASSIFIED BY LENGTH OF SERVICE**

<i>Length of Service at June 30, 1970 (Years)</i>	<i>Number</i>		<i>Total</i>
	<i>Male</i>	<i>Female</i>	
Less than 1 year	7,932	3,919	11,851
1.....	4,155	5,109	9,264
2.....	2,977	3,872	6,849
3.....	2,127	2,898	5,025
4.....	1,909	2,131	4,040
5.....	1,860	1,871	3,731
6.....	1,490	1,389	2,879
7.....	1,312	917	2,229
8.....	1,465	860	2,325
9.....	958	667	1,625
10.....	777	557	1,334
11.....	830	511	1,341
12.....	1,011	600	1,611
13.....	596	634	1,230
14.....	547	628	1,175
15.....	476	536	1,012
16.....	435	448	883
17.....	381	382	763
18.....	308	333	641
19.....	273	256	529
20.....	309	231	540
21.....	303	182	485
22.....	202	195	397
23.....	214	206	420
24.....	177	174	351
25.....	131	119	250
26.....	70	118	188
27.....	66	104	170
28.....	115	174	289
29.....	184	202	386
30.....	110	118	228
31.....	115	97	212
32.....	70	85	155
33.....	105	95	200
34.....	54	65	119
35.....	42	52	94
36.....	39	47	86
37.....	41	53	94
38.....	21	31	52
39.....	10	15	25
40.....	21	29	50
41.....	9	12	21
42.....	7	13	20
43.....	7	5	12
44.....	1	7	8

**TABLE 4. NUMBER OF MEMBERS AT JUNE 30, 1970
CLASSIFIED BY LENGTH OF SERVICE—Continued**

<i>Length of Service at June 30, 1970 (Years)</i>	<i>Number</i>		<i>Total</i>
	<i>Male</i>	<i>Female</i>	
45.....	7	6	13
46.....	1	2	3
47.....	4	6	10
48.....	1	3	4
49.....	...	5	5
50.....	...	3	3
51.....	1	5	6
52.....	1	2	3
53.....	1	2	3
54.....	1	1	2
56.....	...	2	2
59.....	1	...	1
Totals	34,260	30,984	65,244

**TABLE 5. SERVICE RETIREMENT ANNUITANTS CLASSIFIED
BY AGE AT JUNE 30, 1970**

Male

<i>Age at June 30, 1970</i>	<i>Number</i>	<i>Annual Payments</i>
57.....	1	\$ 3,356.88
58.....	2	7,247.16
59.....	6	21,664.08
60.....	40	83,199.84
61.....	98	193,472.40
62.....	101	241,258.68
63.....	128	249,027.84
64.....	173	431,682.72
65.....	193	472,724.88
66.....	236	506,725.20
67.....	237	475,484.28
68.....	215	498,156.60
69.....	251	529,635.84
70.....	229	470,339.16
71.....	244	519,304.32
72.....	249	498,187.68
73.....	196	391,870.44
74.....	229	437,956.20
75.....	200	358,513.32
76.....	178	335,335.44
77.....	147	276,953.40
78.....	139	226,733.64
79.....	123	196,834.80
80.....	114	191,935.92
81.....	91	143,136.00
82.....	76	119,506.20
83.....	59	99,530.40
84.....	43	60,735.24
85.....	40	58,413.48
86.....	28	37,479.60
87.....	27	39,834.96
88.....	15	15,861.24
89.....	9	9,497.16
90.....	8	7,434.48
91.....	3	4,924.20
92.....	4	3,508.56
93.....	2	1,269.96
94.....	1	506.64
98.....	1	920.88
Totals	4,136	\$ 8,220,159.72

Average Age — 71.67 years; Average Allowance — \$1,987.95.

**TABLE 6. SERVICE RETIREMENT ANNUITANTS CLASSIFIED
BY AGE AT JUNE 30, 1970**

Female

<i>Age at June 30, 1970</i>	<i>Number</i>	<i>Annual Payments</i>
51.....	1	\$ 4,022.76
54.....	1	1,999.32
55.....	1	1,930.32
56.....	4	8,106.36
57.....	5	8,558.52
58.....	3	6,318.84
59.....	8	17,881.08
60.....	29	63,148.08
61.....	78	139,308.84
62.....	83	138,232.92
63.....	117	195,121.44
64.....	112	210,905.52
65.....	173	297,506.40
66.....	219	423,946.44
67.....	224	391,233.96
68.....	229	406,787.04
69.....	196	326,050.92
70.....	229	372,930.36
71.....	196	315,408.84
72.....	226	302,059.32
73.....	210	332,772.84
74.....	211	306,103.80
75.....	222	333,123.72
76.....	191	275,368.92
77.....	167	249,258.36
78.....	158	233,745.84
79.....	122	175,551.36
80.....	121	156,739.68
81.....	98	127,728.60
82.....	106	151,238.52
83.....	72	90,166.08
84.....	64	75,723.96
85.....	50	58,393.08
86.....	40	47,165.40
87.....	20	19,761.24
88.....	17	19,841.40
89.....	15	13,604.28
90.....	6	5,622.36
91.....	9	6,698.52
92.....	5	4,166.52
94.....	1	1,105.80
95.....	3	2,137.32
98.....	1	427.56
Totals	4,043	\$ 6,317,902.44

Average Age — 72.38 years; Average Allowance — \$1,562.68.

**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	—	5
51	—	1
53	1	4
54	—	5
55	5	15
56	9	10
57	14	14
58	8	26
59	15	25
60	616	628
61	266	255
62	282	240
63	259	249
64	229	211
65	536	490
66	344	289
67	281	281
68	254	226
69	197	210
70	212	214
71	135	139
72	107	133
73	82	103
74	67	76
75	70	50
76	44	50
77	34	29
78	23	26
79	20	13
80	9	10
81	4	3
82	5	7
83	3	—
84	1	1
85	3	3
86	—	1
89	1	—
Totals	4,136	4,043

Average Age at Retirement

Males—65.68

Females—65.63

**TABLE 8. WIDOW ANNUITANTS CLASSIFIED BY AGE
AT JUNE 30, 1970**

<i>Age</i>	<i>Number</i>	<i>Annual Payments</i>
41	1	\$ 305.04
45	2	2,281.44
48	1	422.04
50	3	8,350.32
51	2	1,325.64
53	4	2,546.88
54	1	384.12
55	9	17,032.20
56	4	2,649.24
57	12	17,868.12
58	12	11,831.64
59	17	13,586.88
60	9	12,978.96
61	21	22,328.16
62	20	24,684.48
63	28	34,236.12
64	25	29,958.72
65	32	23,660.64
66	37	32,466.96
67	47	48,572.52
68	50	41,523.48
69	39	36,899.76
70	60	64,802.88
71	49	59,049.60
72	69	52,486.92
73	49	38,042.04
74	50	44,710.68
75	55	48,552.12
76	57	42,220.56
77	48	33,931.92
78	36	26,522.28
79	40	23,820.60
80	37	23,914.56
81	22	13,362.96
82	32	21,332.16
83	33	20,062.56
84	20	13,507.44
85	9	5,905.20
86	9	4,905.96
87	4	2,672.40
88	5	2,303.28
89	2	648.96
90	2	861.96
92	1	497.52
93	1	469.56
94	1	325.32
Totals	1,067	\$930,802.80

**TABLE 9. SURVIVORS' ANNUITY BENEFICIARIES CLASSIFIED
BY AGE AT JUNE 30, 1970**

<i>Age</i>	<i>Number</i>	<i>Annual Payment</i>
Under 18 (Children)	79	\$ 89,782.80
27	1	2,612.16
29	1	2,041.92
30	1	3,000.00
31	3	7,615.08
33	1	3,000.00
34	3	8,547.84
35	2	4,671.00
36	3	9,000.00
37	1	2,549.76
38	7	21,000.00
39	5	15,000.00
40	6	16,609.44
41	9	25,516.80
42	2	6,000.00
43	6	15,921.00
44	5	15,000.00
45	8	24,000.00
46	9	23,208.96
47	9	26,173.56
48	6	15,000.00
49	11	32,927.76
50	12	33,334.44
51	5	15,000.00
52	9	24,603.48
53	8	23,058.96
54	8	19,674.48
55	24	55,647.48
56	54	98,619.48
57	56	99,852.48
58	66	121,873.92
59	60	105,234.72
60	71	120,154.20
61	59	98,780.40
62	65	113,306.04
63	86	135,775.44
64	68	103,833.96
65	78	129,705.00
66	67	107,949.60
67	57	91,340.88
68	71	105,032.04
69	47	70,897.80
70	73	103,620.24
71	48	74,097.12
72	44	64,485.36
73	38	60,115.68
74	31	39,638.76

**TABLE 9. SURVIVORS' ANNUITY BENEFICIARIES CLASSIFIED
BY AGE AT JUNE 30, 1970—Continued**

<i>Age</i>	<i>Number</i>	<i>Annual Payment</i>
75	36	51,219.72
76	26	35,818.32
77	18	28,761.84
78	21	34,114.44
79	20	32,722.56
80 and over	42	65,111.04
Totals	1,546	\$2,632,557.96

**TABLE 10. NUMBER OF DEATHS AMONG MEMBERS PRIOR
TO RETIREMENT—AGE AND SERVICE DATA—
FISCAL PERIOD JULY 1, 1969 TO JUNE 30, 1970**

<i>By Age at Death</i>	<i>Male</i>	<i>Female</i>	<i>Total</i>
18-24 incl.	6	2	8
25-29 incl.	3	1	4
30-34 incl.	2	2	4
35-39 incl.	10	2	12
40-44 incl.	10	6	16
45-49 incl.	33	8	41
50-54 incl.	40	7	47
55-59 incl.	78	15	93
60-64 incl.	61	19	80
65-69 incl.	42	13	55
70 and over	42	20	62
Totals	327	95	422

<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	165	47	212	50.24%
6 years or over	162	48	210	49.73%
	327	95	422	

**TABLE 11. NUMBER OF DEATHS PRIOR TO RETIREMENT
CLASSIFIED BY CAUSES OF DEATHS—
JULY 1, 1969 TO JUNE 30, 1970**

<i>Cause of Death</i>	<i>Number</i>
Diseases of the Heart, Blood Vessels and Kidneys:	
Heart Disease	194
Apoplexy	29
Nephritis	4
Cancer and Tumor	87
Pneumonia and Influenza	46
Liver Disease	1
Diseases of the Digestive Tract, Including Ulcers of the Stomach and Duodenum and Appendicitis	
Automobile Accidents	7
Other Violent Deaths — Including War Deaths	8
All Other Causes	25
Causes Unknown	7
	14
Total	422

<i>Classified by Types of Benefits</i>	
Ordinary Death (Nonoccupational)	202
Accidental Death (Occupational)	11
Survivors' Annuity	200
Widows' Annuity	9
Total	422

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> 1970	1969
18-19 incl.	135	115
20-24 incl.	883	1,110
25-29 incl.	1,121	1,080
30-34 incl.	711	660
35-39 incl.	583	501
40-44 incl.	539	522
45-49 incl.	598	493
50-54 incl.	595	457
55-59 incl.	598	388
60-64 incl.	457	352
65-69 incl.	357	290
70 and over	217	176
Totals	<u>6,794</u>	<u>6,210</u>

By Length of Service

Less than 1 year	806	838
1 year	1,692	1,646
2 years	1,101	1,054
3 years	703	780
4 years	646	485
5 years and over	1,846	1,407
Totals	<u>6,794</u>	<u>6,210</u>

**TABLE 13. SERVICE RETIREMENT ALLOWANCE CLAIMS
JULY 1, 1969 TO JUNE 30, 1970**

Summary by Departments

<i>Code No.</i>	<i>Name of Department</i>	<i>Year Ended June 30</i>	
		<i>1970</i>	<i>1969</i>
01	Governor	4	1
03	Secretary of State	38	30
04	Auditor of Public Accounts	3	1
05	Treasurer	1	1
06	Attorney General	11	10
07	Public Instruction	5	5
08	Courts	1	6
09	State Officers	13	13
10	Aeronautics	—	1
11	Agriculture	23	12
12	Conservation	27	13
13	Finance	4	4
14	Insurance	5	9
15	Labor	75	66
16	Children and Family Services	25	36
17	Mines and Minerals	6	1
18	Audits	1	—
19	Financial Institutions	2	3
20	Public Health	34	15
21	Law Enforcement	36	64
22	Mental Health	346	285
23	Public Works and Buildings	250	186
24	Registration and Education	6	9
25	Revenue	39	34
27	General Services	20	14
28	Personnel	4	3
29	Corrections	38	25
31	Commerce Commission	5	5
32	Liquor Control Commission	—	4
33	Public Aid	37	55
34	Veterans' Commission	—	2
35	State Militia	19	11
45	Local Governmental Affairs	1	—
50	Miscellaneous Agencies	30	17
	Totals	1109	941

**TABLE 14. WIDOWS' ANNUITY CLAIMS
JULY 1, 1969 TO JUNE 30, 1970**

Summary by Departments

<i>Code No.</i>	<i>Name of Department</i>	<i>Year Ended June 30 1970</i>	<i>1969</i>
03	Secretary of State	3	1
04	Auditor of Public Accounts	1	—
05	Treasurer	1	—
06	Attorney General	1	—
08	Courts	—	1
09	State Officers	2	1
11	Agriculture	1	4
12	Conservation	3	1
13	Finance	1	—
14	Insurance	—	1
15	Labor	5	3
16	Children and Family Services	2	1
19	Financial Institutions	1	—
20	Public Health	1	—
21	Law Enforcement.....	17	9
22	Mental Health	27	23
23	Public Works and Buildings	29	20
24	Registration and Education	—	1
25	Revenue	4	3
28	Personnel	1	—
29	Corrections	1	3
31	Commerce Commission	2	2
33	Public Aid	3	—
35	State Militia	1	1
50	Miscellaneous Agencies	—	1
	Totals	107	76

**TABLE 15. SURVIVORS' ANNUITY CLAIMS
JULY 1, 1969 TO JUNE 30, 1970**

Summary by Departments

<i>Code No.</i>	<i>Name of Department</i>	<i>Year Ended June 30</i>	
		<i>1970</i>	<i>1969</i>
01	Governor	—	1
03	Secretary of State	25	21
04	Auditor of Public Accounts	—	1
05	Treasurer	1	—
06	Attorney General	5	1
07	Public Instruction	2	1
08	Courts	—	1
09	State Officers	5	5
11	Agriculture	6	8
12	Conservation	3	3
13	Finance	—	1
14	Insurance	2	2
15	Labor	18	29
16	Children and Family Services	7	5
17	Mines and Minerals	1	1
19	Financial Institutions	2	2
20	Public Health	6	4
21	Law Enforcement	27	42
22	Mental Health	90	79
23	Public Works and Buildings	32	58
24	Registration and Education	—	1
25	Revenue	9	13
26	Business and Economic Development	1	—
27	General Services	7	4
28	Personnel	1	1
29	Corrections	12	6
31	Commerce Commission	—	2
32	Liquor Control Commission	2	—
33	Public Aid	6	12
34	Veterans' Commission	1	1
35	State Militia	2	5
50	Miscellaneous Agencies	11	18
	Totals	284	328

**TABLE 16. ORDINARY DEATH CLAIMS
JULY 1, 1969 TO JUNE 30, 1970**

Summary by Departments

<i>Code No.</i>	<i>Name of Department</i>	<i>Year 1970</i>	<i>Ended June 30 1969</i>
03	Secretary of State	24	17
04	Auditor of Public Accounts	—	1
06	Attorney General	4	4
07	Public Instruction	1	2
08	Courts	—	1
09	State Officers	2	3
11	Agriculture	4	3
12	Conservation	2	2
14	Insurance	3	1
15	Labor	12	20
16	Children and Family Services	4	3
17	Mines and Minerals	2	—
19	Financial Institutions	1	1
20	Public Health	5	5
21	Law Enforcement	16	15
22	Mental Health	59	74
23	Public Works and Buildings	24	28
24	Registration and Education	—	1
25	Revenue	3	6
26	Business and Economic Development	1	1
27	General Services	4	—
28	Personnel	1	—
29	Corrections	10	5
31	Commerce Commission	—	1
32	Liquor Control Commission	1	—
33	Public Aid	4	8
34	Veterans' Commission	1	—
35	State Militia	4	3
50	Miscellaneous Agencies	10	13
	Totals	202	218

**TABLE 17. ACCIDENTAL DEATH CLAIMS
JULY 1, 1969 TO JUNE 30, 1970**

Summary by Departments

<i>Code No.</i>	<i>Name of Department</i>	<i>Year Ended June 30 1970</i>	<i>1969</i>
15	Labor	1	1
16	Children and Family Services	1	—
21	Law Enforcement	2	—
22	Mental Health	2	1
23	Public Works and Buildings	2	5
25	Revenue	2	—
50	Miscellaneous Agencies	1	—
	Totals	11	7

**TABLE 18. ORDINARY DISABILITY CLAIMS
JULY 1, 1969 TO JUNE 30, 1970**

Summary by Departments

<i>Code No.</i>	<i>Name of Department</i>	<i>Year Ended June 30</i>	
		<i>1970</i>	<i>1969</i>
03	Secretary of State	4	5
04	Auditor of Public Accounts	1	—
05	Treasurer	1	—
06	Attorney General	1	1
07	Public Instruction	2	2
09	State Officers	1	—
11	Agriculture	2	3
12	Conservation	2	2
13	Finance	—	1
14	Insurance	1	—
15	Labor	38	50
16	Children and Family Services	12	7
17	Mines and Minerals	1	—
19	Financial Institutions	1	—
20	Public Health	7	16
21	Law Enforcement	10	17
22	Mental Health	209	188
23	Public Works and Buildings	13	34
24	Registration and Education	2	—
25	Revenue	9	6
27	General Services	9	6
28	Personnel	3	—
29	Corrections	6	6
33	Public Aid	8	6
35	State Militia	—	2
50	Miscellaneous Agencies	4	7
	Totals	347	359

**TABLE 19. ACCIDENTAL DISABILITY CLAIMS
JULY 1, 1969 TO JUNE 30, 1970**

Summary by Departments

<i>Code No.</i>	<i>Name of Department</i>	<i>Year Ended June 30</i>	
		<i>1970</i>	<i>1969</i>
03	Secretary of State	1	—
16	Children and Family Services	1	1
20	Public Health	—	1
21	Law Enforcement	1	4
22	Mental Health	89	73
23	Public Works and Buildings	37	55
29	Corrections	2	4
33	Public Aid	—	1
50	Miscellaneous Agencies	2	—
	Totals	133	139

**TABLE 20. DEATH BENEFITS AFTER RETIREMENT
JULY 1, 1969 TO JUNE 30, 1970**

Summary by Departments

<i>Code No.</i>	<i>Name of Department</i>	<i>Year Ended June 30</i>	
		<i>1970</i>	<i>1969</i>
03	Secretary of State	—	5
04	Auditor of Public Accounts	—	1
09	State Officers	3	1
14	Insurance	—	1
15	Labor	2	4
16	Children and Family Services	1	3
20	Public Health	1	2
21	Law Enforcement	2	3
22	Mental Health	15	10
23	Public Works and Buildings	3	2
24	Registration and Education	1	—
25	Revenue	—	3
29	Corrections	1	1
31	Commerce Commission	1	1
32	Illinois Liquor Control Commission	1	—
33	Public Aid	2	5
35	Illinois State Militia	2	—
50	Miscellaneous Agencies	2	1
	Totals	37	43

APPENDIX C
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. It explains the general provisions applicable to the majority of employees. Special contribution rates and 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% 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 CO-ORDINATED 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 1½ years of creditable service from any cause other than occupational injuries or diseases. If a member enters or reenters State service after July 19, 1961, the benefits are effective when he has made contributions for at least 1½ years subsequent to that date.

If death occurs while 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 1½ years of contributing membership service.

AMOUNT OF SURVIVORS' BENEFITS. The survivors' benefits consist of: (a) a single sum payment of \$1,000.00, divided pro rata among the beneficiaries entitled thereto; and (b) a 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 ½ 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 \$200.00 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.

IF THE DISABLED MEMBER WAS COORDINATED WITH SOCIAL SECURITY AS A STATE EMPLOYEE, THE ORDINARY DISABILITY BENEFIT FROM THE SYSTEM IS REDUCED BY THE AMOUNT OF DISABILITY PAYABLE UNDER SOCIAL SECURITY.

DEATH BENEFIT—DEATH BEFORE RETIREMENT. Upon death of a member from any cause other than occupational injuries or diseases, 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 ½ 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:

	<i>Per Cent of Salary</i>
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

DATE DUE

A member named system			of the above-
The systems must meet the involved.			more systems
Two available			PLAN TWO are namely:
PLAN each retirement pays a percentage in such compensation			member's retirement, computes and credit earned average final
PLAN where retirement allowance account that system allowance systems to be applied			benefit is provided under all required by the last retirement allowance compensation in the retirement plan retirement plan had been used. PLAN TWO is
(a) retirement			benefit in the last 4 years;
(b) system for be made			benefit on to the last payment is to
The coordination covered by alternative for	GAYLORD		covered by co-service credits under the alter-

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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.