STATE UNIVERSITIES RETIREMENT SYSTEM

OF ILLINOIS

ACTUARIAL VALUATION COMPLETED AS OF AUGUST 31, 1981

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Introduction

The law governing the State Universities Retirement System requires the Actuary, as the technical advisor to the Board of Trustees to

> ...cause an annual determination to be made by a competent actuary of the liabilities and reserves of the system and an annual determination of the amount and distribution of the required employer contributions. (Chapter 108-1/2, Par. 15-173)

The Wyatt Company, as Actuary, has completed a valuation as of August 31, 1981, based upon membership and financial data compiled by the administrative staff of the System, and the results of the valuation are presented in this report.

This is the first valuation completed by The Wyatt Company as Actuary. In addition to completing the annual valuation, we were also charged with completing the five year experience study required under the law. The results of this experience study are presented in a separate report. The actuarial assumptions used for this valuation reflect the results of that experience study and are described in detail beginning on page 8. The overall effect of the changes in assumptions was to reduce contributions, costs and liabilities.

The actuarial method used for retirement annuities is the same that was used in prior years. For ancillary benefits (including the supplemental annuities), however, the method used is the same as the method used for retirement annuities, as contrasted with prior years when a one-year term method was used. This change resulted in a substantial increase in the actuarial liabilities. The method used also values the projected benefits payable under "Rule 3", the minimum benefit based on accumulated member contributions. This change also increased contribution requirements and liabilities.

There have been no significant benefit changes under the law since the last valuation, thus the only changes affecting the comparative results of the valuations are those described above and the changes in membership data and fund assets. The net effect of the more optimistic assumptions and more conservative cost method was an increase in the costs and liabilities.

The remainder of this report is comprised of the following:

Valuation Results
Descriptions of Actuarial Method and Assumptions
Summary of Plan Provisions

Respectfully submitted,

By ______________________
Lloyd L. Nordstrom
Fellow of the Society of Actuaries

By ______________________
David A. Vaughn
Senior Consultant

By ______________________
Robert L. Barnes
Fellow of the Society of Actuaries

Chicago, Illinois
February 3, 1982

STATE UNIVERSITIES RETIREMENT SYSTEM

Results of Actuarial Valuation Completed as of August 31, 1981

BASIC DATA

1.	Numbers of Members	
	(a) Active	39,181
	(b) Inactive	6,602
	(c) Members Receiving	
	(i) Retirement Annuities	7,127
	(ii) Survivor Annuities	2,050
	(iii) Disability Annuities	988
	(d) Total	55,948
2.	Annual Reported Earnings	$784,733,956
3.	Annual Benefit Payments Currently Being Made:	
	(a) Retirement	$42,121,851
	(b) Survivor	5,358,247
	(c) Disability	6,862,512
	(d) Total	$54,342,610

VALUATION RESULTS

4.	Actuarial Liability (Reserves)	
	(a) For Members Receiving Annuities:	
	(i) Retirement Annuities	$506,094,364
	(ii) Survivor Annuities	41,269,775
	(iii) Disability	49,819,531
	(iv) Total	597,183,670
	(b) For Inactive Members	134,778,461
	(c) For Active Members	1,781,613,276
	(d) Total	$2,513,575,407
5.	Assets (Book Value)	1,124,443,479
6.	Unfunded Actuarial Liability	1,389,131,928

7. Annual Normal Cost

for Year Beginning 9/1/81*	As a Percent of Covered Pay	Amount
(a) Benefits	16.440%	$129,009,745
(b) Expenses	0.370	2,900,000
(c) Total	16.809	$131,909,745
(d) Expected Member Contributions	8.000	62,778,716
(e) Employer Normal Cost	8.809	$69,131,029

8.	"Expense" For Unfunded Actuarial Liability*		
	(a) Interest Only	13.677%	$107,252,658
	(b) 40 Year Amortization	14.382	112,863,487
9.	Total Expense for year Beginning 9/1/81*		
	(a) Normal Cost and Interest	22.477%	$176,383,687
	(b) Normal cost and 40 Year Amortization	23.192	181,994,516

*Notes

1. The percentage figures are based on covered pay of $784,733,956.
2. Percentage figures may not total due to rounding.
3. The contributions have been adjusted for monthly payments.
4. The 40 year amortization period is assumed to begin September 1, 1980.
5. Any "balance sheet accruals" prior to September 1, 1981 are ignored.

FASB #35 - Value of Accrued Benefits

Financial Accounting Standards Board Statement No. 35 sets forth certain standards of financial accounting and reporting for the annual financial statements of a defined benefit pension plan (effective for plan years beginning after December 15, 1980). Although it applies both to plans in the private sector and to plans of state and local governments, it does not require the preparation of financial statements for any plan.

Without implying any application to the System, we have calculated certain actuarial information required under the statement for informational purposes.

Actuarial Present Value of Accumulated Plan Benefits	
Vested Benefits	
Currently Receiving Payments	$597,183,670
Other	1,211,273,836
Total	$1,808,457,506
Non-Vested Benefits	340,202,402
Total	$2,148,659,908
Non-retired members' contributions and interest (the rate credited has varied), included above	$649,843,880

Interest rate used to discount the above values: 8%

Expense for Fiscal Year Ended August 31, 1981

Based on the data provided as of August 31, 1981, a valuation of the System was made as of that date using the assumptions in effect for the year ended August 31, 1981, including a 6% interest assumption. The appropriate expense charge for the fiscal year ended August 31, 1981 has been determined as follows:

1.	Actuarial Liability at 8/31/81	$2,936,814,599
2.	Normal Cost at 8/31/81	130,027,184
3.	Actuarial Liability at 9/1/80: [(1) - (2)]/1.06	2,647,912,656
4.	Assets at 9/1/80 (Book Value)	987,304,732
5.	Unfunded Actuarial Liability: (3) - (4)	1,660,607,924
6.	40 Year Amortization of (5)	110,366,553
7.	Expenses	1,541,004
8.	Employee Contributions	68,822,427
9.	Accrued Employer Expense at 8/31/81: (2) + (6) + (7) - (8)	$173,112,311

APPROPRIATION REQUIREMENTS FOR

FISCAL YEAR SEPTEMBER 1, 1981 - AUGUST 31, 1982

The law governing the System requires that the State shall make contributions to the System, which with employee contributions, investment income and other income of the System

> ...will be sufficient to meet the requirements of this Article in accordance with actuarial determinations. In no event shall the contributions of employers from State appropriations for any fiscal year be less than an amount which when added to contributions from other sources and investment income for that year is sufficient to meet (a) the total accruing normal costs plus interest at the prescribed rate on the unfunded accrued liabilities or (b) the accruing requirements necessary to retain qualified status under Section 401(a) of the United States Internal Revenue Code[1], or any similar provision as successor thereof.
> ([1] 26 U.S.C.A. §401.)

The law defines normal cost as:

> ...the liability for pensions and other benefits which accrues to the system because of the credits earned for service rendered by the participants during the fiscal year and expenses of administering the system.

Section 401(a) of the Internal Revenue Code would require essentially the same contribution as required under (a) above. The cited Section does require a different minimum contribution for private plans. The "40 year amortization" amount shown corresponds to the minimum requirements for private plans upon passage of ERISA. It may also be deemed the minimum amount required as expense pursuant to Accounting Principles Board Opinion No. 8, although any "balance sheet accruals" prior to September 1, 1981 are ignored.

Basis	Required Appropriation
Normal Cost and Interest	$176,383,687
Normal Cost and 40 Year Amortization	181,994,516

ACTUARIAL COST METHOD

An entry age normal cost method is used. Under this method, the projected pensions at retirement age are first determined and the values thereof at the individual member's entry age or hire age are determined. The values so determined are divided by the value at entry age of all future compensation payable to the member to determine the normal cost as a level percentage of covered pay. The normal cost for a particular year is that percentage of covered compensation for the year.

The actuarial liability at any point in time is the value of the projected pensions at that time, less the value of future normal costs.

For ancillary benefits for both active and inactive members, in particular disability benefits, death and survivor benefits, termination benefits and the post-retirement increments, the same procedure as outlined above is followed.

Estimated annual administrative expenses are added to the normal cost.

ACTUARIAL ASSUMPTIONS

Assumption	
Mortality:	1986 Projected Annuity Mortality Table, a table based on experience underlying the 1971 Group Annuity Mortality Table, without margins, with a projection for mortality improvements to 1986, with a 1 year set-back.
Interest:	8% per annum, compounded annually.
Termination:	Illustrative rates of withdrawal from the plan are as follows:

Age	Males	Females
20	0.374	0.524
25	0.249	0.324
30	0.174	0.219
35	0.124	0.154
40	0.073	0.104
45	0.047	0.064
50	0.020	0.038
55	—	0.013

It is assumed that terminated employees will not be rehired.

Salary Increases:	8% per annum, compounded annually.
Disability Rates:	Incidence of disability amongst employees.

Age	Males	Females
20	0.0018	0.0034
25	0.0018	0.0034
30	0.0018	0.0034
35	0.0018	0.0034
40	0.0034	0.0060
45	0.0058	0.0090
50	0.0091	0.0123
55	0.0140	0.0164
60	0.0234	0.0219

5% of disabilities amongst active employees are assumed to be caused by "on-the-job" accidents where a qualifying workers' compensation award is granted. During the first 2 years of service, one quarter of disabilities are assumed to arise as a result of an accident.

Employees receiving a disability allowance are assumed to recover or die in accordance with the following tables.

Age	Rate of Recovery	Rate of Mortality
20	0.256	0.044
25	0.156	0.044
30	0.096	0.044
35	0.056	0.044
40	0.016	0.044
50	--	0.045
60	--	0.053
70	--	0.075
80	--	0.130
90	--	0.240

Retirement Rates: Retirement was assumed to occur at age 62.

Assets: Assets available for benefits are used at book value.

Expenses: As estimated and advised by SURS staff, based on current expenses with an allowance for expected increases.

Marital Status: 85% of employees are assumed to be married.

Spouse's Age: The spouses of eligible employees were assumed to be 3 years younger than the employees.

Remarriage Rates: The surviving spouse of deceased employees are assumed to remarry in accordance with the following table:

Age	Rate of Remarriage	Age	Rate of Remarriage
20	0.144	40	0.028
25	0.094	45	0.018
30	0.059	50	0.010
35	0.040	55	0.004

Children: It is assumed that married members have 2.5 children one year apart in age.

The age of the youngest child of a deceased employee at his date of death is assumed to be as follows:

Age at Death of Employee	Age of Youngest Child
20	2 Years
25	3
30	4
35	5
40	6
45	8
50	10
55	12
60	14

Effective Rate of Interest: The rate of interest credited on member contributions as in effect for the year beginning on the valuation date is assumed to remain in effect until retirement.

Earnings Data: If earnings were not available, the annual salary was assumed to be $16,500.

STATE UNIVERSITIES RETIREMENT SYSTEM

The following is a summary of the provisions of the State Universities Retirement System as in effect on the date of the valuation.

Membership

The System covers faculty and non-academic permanent employees of State Universities and Colleges, Class I Community Colleges, State Scientific Surveys and other related agencies. Participation is compulsory after three years of service but is optional on the hire date or after one or two years of service.

Employees hired after age 68, employed less than 50% full-time or enrolled and attending classes with an employer are ineligible to participate.

Member Contributions

8% of gross earnings. 6-1/2% of the 8% contributions are designated for retirement annuities, 1/2% for automatic annual increases and 1% for survivor benefits.

Interest Credited on Member Contributions

The interest rate credited is fixed by the Board and is currently 8%. For purposes of lump sum payments to former members, the interest rate is 4-1/2%.

Normal Retirement

Members are eligible for normal retirement after 35 years of covered service, after 8 years of covered service and age 60, or after 5 years of covered service and age 62.

The annuity payable is based on the largest of three formulas:

1) The following percentages of "average earnings", the highest earnings for any 4 consecutive years:

a)	For each of the first 10 years of service	1.67%
b)	For each of the next 10 years of service	1.90
c)	For each of the next 10 years of service	2.10
d)	For each year of service over 30	2.30

2) The actuarial equivalent of 2.4 times the accumulated member contributions for retirement annuities (6-1/2% of earnings). The actuarial equivalent assumes a constant annuity payable for life.

3) For each year of service up to a maximum of 30 years, the following monthly amounts based on average earnings:

"Average Annual Earnings"	
Under $3,500	$ 8
3,500 - 4,500	9
4,500 - 5,500	10
5,500 - 6,500	11
Over $6,500	12

For members hired after September 14, 1977, the maximum annuity under (1) or (2) is 75% of average earnings.

Early Retirement

Members are eligible for early retirement after 8 years of service and age 55 but the annuity calculated under formula (1) or (2) above is reduced by 1/2% for each month such retirement precedes age 60.

Disability Retirement

Members with 2 years of covered service who are unable to perform their duties because of illness or any amount of covered service if because of an accident, are eligible for disability retirement after 60 days of disability.

The amount of the disability benefit is as follows:

(1) 50% of basic compensation at disability or 50% of average earnings for the 24 months preceding disability, whichever is greater, payable until the total benefits paid equal 50% of the total earnings in covered service, but in no event after September 1 in the year in which the employee attained age 70.

(2) After cessation of the benefit in (1), members who had 8 years of covered service will receive the normal retirement benefit commencing at or after age 55 (with no reduction for early retirement).

The disability retirement benefit will cease upon death or recovery.

Death Benefits Before Retirement

Upon death of an active member with 1-1/2 years of covered service, or of a former member with 10 years of covered service, the following amounts are paid to the member's survivors:

(1) A refund of retirement contributions (7%) and interest, plus

(2) A lump sum payment of $1,000 plus

(3) A monthly survivors annuity equal to the greater of 50% of the member's accrued normal retirement benefit or the following amounts if greater:

(i) 30% of average earnings to a spouse, child or parent, up to $300 monthly

(ii) 60% of average earnings to a spouse and 1 child, up to $500 monthly.

(iii) 80% of average earnings to a spouse and 2 or more children, up to $500 monthly.

Survivor's benefits are payable until children attain age 18, to a spouse after age 50 and a dependent parent after age 55. The spouse's benefit is payable while children are under 18. If death occurs after termination of employment, the monthly survivors annuity may not exceed 80 percent of the earned retirement annuity.

If there are no dependent survivors, the member did not have necessary service or if the dependent survivors so elect in lieu of any other benefits, the following amounts will be paid.

(1) A refund of all contributions and interest, and

(2) If death occurred in active service, a lump sum payment of $2,500 or, if the beneficiary is a dependent, an amount equal to the member's average annual earnings up to $5,000.

Death Benefits After Retirement

A lump sum benefit of $1,000 is payable to the member's spouse, children or dependent parent. In addition, a survivor's annuity as outlined above is payable. If no survivor annuity is payable, the excess of the member's contributions and interest to retirement over the benefits paid is payable.

Automatic Increases

Retirement benefits are increased annually after retirement by 3% of the original retirement annuity. Note that the increase is not compounded and does not apply to survivor's disability benefits or to retirement benefits prior to the member's 61st birthday.

Termination of Service

A lump sum refund of all member contributions and interest (at 4-1/2%) will be made. If a member has 5 years of covered service and does not apply for a refund, a normal retirement benefit will be payable at age 62.

STATE UNIVERSITIES RETIREMENT SYSTEM
OF ILLINOIS

Actuarial Valuation Completed As Of August 31, 1981

SUPPLEMENTAL REPORT

State Universities Retirement System of Illinois

Actuarial Valuation as August 31, 1981

Introduction

In this report we present the basic results of the actuarial valuation and certain supplemental information which may be helpful to the Board members. This is the first valuation completed by The Wyatt Company. Prior to completing the valuation, we also completed a 5 year experience study. The results of this experience study are presented in a separate report. Based on the results of this experience study, the actuarial assumptions have been changed and the new assumptions have been used for this valuation.

Changes Since Last Valuation

The actuarial cost method used is the same, except for certain ancillary benefits (i.e. death, disability, and the 3% annual pension increment). In prior years, these ancillary benefits for active and inactive members were reserved on a "one year term basis", under which method the full reserves are established at the time the event occurs. This method differed from the method used for pension benefits. We have used the same method for establishing reserves for the ancillary benefits as used for pension benefits.

For the current valuation, we have considered the money purchase formula in the same manner as the regular formula. This procedure has added significantly to the actuarial liability and normal costs. We believe these changes are necessary for the methods used to be deemed acceptable under various guidelines pertaining to actuarial cost methods.

There have been no material changes in benefits since the last valuation, so that the comparable results are affected only by the changes described above and changes in membership data and fund assets. Summarized below are certain important results for both years.

		August 31, 1981	August 31, 1980
1.	Number of Active Members	39,181	39,551
2.	Reported Earnings (Average)	$ 784,733,956 (20,028)	$ 710,095,738 (17,954)
3.	Number of Members Receiving Payments	10,165	10,109
4.	Annual Benefit Payments (Average)	$ 54,342,610 (5,346)	$ 52,959,094 (5,239)
5.	Assets:		
	(a) Book Value	$ 1,124,443,479	$ 987,304,732
	(b) Market Value	932,523,519	891,308,586
6.	State Normal Cost (% Payroll)	8.809%	12.66%
7.	Actuarial Liability (Funded Percentage)	$ 2,513,575,407 (44.7%)	$ 1,866,440,751 (52.9%)
8.	Unfunded Actuarial Liability	$ 1,389,131,933	$ 879,136,019

Appropriation Requirements

The procedures set forth in the Act to determine the annual appropriations do not precisely define the required contribution for a particular fiscal year. For example, if the "normal cost" was defined as a percentage of actual pay, the State's contribution would not be known until the end of the fiscal year when the actual covered pay was known. On the other hand, if the normal cost was defined as a dollar amount based on annualized earnings as of the valuation date, the normal cost would be known upon completion of the valuation. (This procedure is the most common amongst plans.) We recommend that this latter procedure be adopted for the fiscal year beginning September 1, 1981. Following this procedure, the expense requirement would be as indicated, including 40 year amortization of the unfunded actuarial liability from 9/1/80.

For the fiscal year 9/1/81 - 8/31/82	$181,994,516

For the prior fiscal year, we have determined the corresponding expense requirement based on the prior assumptions, census data as of 8/31/81 and revised methods. The expense requirement would be as indicated, including 40 year amortization of the unfunded actuarial liability from 9/1/80.

For the fiscal year 9/1/80 - 8/31/81	$173,112,311

The 1981 fiscal year appropriation is considerably increased over the amount that would have resulted if the methods had not been changed. Based on the prior methods, the appropriation requirements would have been approximately $148,200,000.

For the fiscal year beginning September 1, 1982, the apppropriation requirement has been estimated as follows:

(1) If covered compensation increases 8%	$193,524,998
(2) If covered compensation increases 10%	197,588,204

The basis used to determine the "Alternate standard for minimum reserve requirements of the system" in prior years is not, in our opinion, appropriate as a measure of pension expense. We believe that basis excluded any recognition of the survivors' benefits or supplemental annuities that would become payable in the future to present annuitants. Furthermore, that basis recognized a liability for non-retired members only to the extent of the accumulated amount of such members' contributions.

Funded Status - An Alternate View

The Board has gauged the funded status of the System by examining the ratio of assets to the actuarial liability. FASB #35 requires an alternate approach, details of which are shown in Table 3. The following outlines a third alternative that may be useful to the Board in assessing the financial status of the System at September 1, 1981.

1.	Assets	$ 1,124,443,479
2.	Value of benefits for members and survivors receiving payments	597,183,670
3.	Assets available for non-retired members: (1) - (2)	527,259,809
4.	Value of benefits for terminated members	134,778,461
5.	Assets available for active members: (3) - (4)	392,481,348
6.	Value of accrued benefits for active employees	1,416,697,777
7.	Accumulated contributions and interest for non-retired employees	649,843,880

In other words, the funds available for active members, $392 million, amount to only 60.4% of active members contributions (and interest) and only 27.7% of the value of accrued benefits for active employees.

Conversion Factors

The factors used to determine the annuity that is the actuarial equivalent of the members' accumulated contributions (and the State's portion thereof) assume that the annuity is a constant amount payable for the members' lifetime. In other words, the conversion factors give no recognition to the substantial value of the survivors' benefits or the supplemental annuities. The additional member contributions required for these two ancillary benefits cover only a portion of the cost thereof. If the actuarial equivalent factors recognized the value of the ancillary benefits, even giving credit for the additional member contributions required, the conversion factors would produce annuities approximately 10 - 25% less than the current approach.

We suggest that the Board review the provisions of the Act and confirm that the present procedures are appropriate.

The remainder of the report is comprised of the following:

Table 1 - Results of Actuarial Valuation

2 - Fifteen Year Projection

3 - Value of Accumulated Benefits (FASB #35)

Respectfully Submitted,

By ______________________
Lloyd L. Nordstrom
Fellow of the Society of Actuaries

By ______________________
Robert L. Barnes
Fellow of the Society of Actuaries

By ______________________
David A. Vaughn
Senior Consultant

Chicago, Illinois
February 2, 1982

Table 1

STATE UNIVERSITIES RETIREMENT SYSTEM

OF ILLINOIS

RESULTS OF ACTUARIAL VALAUTION AS OF AUGUST 31, 1981

MEMBER DATA

1)	Number of Members		
	a)	Active	39,181
	b)	Members Receiving Annuities	
		i) Retirement	7,127
		ii) Survivor	2,050
		iii) Disability	988
	c)	Other Inactive Members	6,602
	d)	Total	55,948
2)	Annual Reported Earnings		$784,733,956
3)	Annual Annuity Payments Currently Being Made:		
		i) Retirement	$42,121,851
		ii) Survivor	5,358,247
		iii) Disability	6,862,512
		iv) Total	$54,342,610

Table 1
Page 2

VALUATION RESULTS

4. Actuarial Liability for Members Receiving Annuities

a)	Retirement	$ 506,094,364
b)	Survivors	41,269,775
c)	Disability	49,819,531
d)	Total	597,183,670

5. Actuarial Liability for Inactive Members — 134,778,461

		Normal Cost	Actuarial Liability
6.	Active Members		
a)	Pension Benefits	$ 53,673,592	$ 1,152,171,621
b)	Cost-of-Living Adjustments	11,089,042	234,905,938
c)	Death Benefits (excludes refunds)	11,046,228	164,773,578
d)	Disability		
i)	Accidental	1,137,728	8,022,961
ii)	Ordinary	16,790,548	170,702,498
iii)	Total	17,928,276	178,725,459
e)	Withdrawals and Refunds	35,272,607	51,036,680
f)	Expenses	2,900,000	-
g)	Total Actives	131,909,745	1,781,613,276
7.	Totals	131,909,745	2,513,575,407
8.	Assets		1,124,443,479
9.	Unfunded Actuarial Liability		1,389,131,928
10.	Expected Employee Contributions	62,778,716	-
11.	Annual Normal Cost To Be Provided by the State	69,131,029	

Rate = R ÷ #7 x16.809 = ret

RET = 4.834
COLA = .913
DIS = 2.285
SURV = .408
ADMIN EX = .369
8.809

Table 1
Page 3

ANNUAL EXPENSE*

		Percent of Pay	Amount
12.	"Forty Year Amortization"		
a)	Normal Cost	8.809%	$69,131,029
b)	Contribution towards Unfunded	14.382	112,863,487
c)	Total	23.192	181,994,516
13.	"Interest Only Funding"		
a)	Normal Cost	8.809	$69,131,029
b)	Interest on Unfunded	13.667	107,252,658
c)	Total	22.477	176,383,657

* All figures have been adjusted by the appropriate interest factor for monthly contributions.

Table 2

STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS

FIFTEEN YEAR PROJECTION OF COSTS AND LIABILITIES
(Assuming state contributions continue on current basis)
(All dollar amounts in Billions)

	Fiscal Year Ending 8/31							
	1982	1983	1984	1985	1986	1987	1992	1997
BASIC DATA								
1. Numbered Active Members	39,181	39,181	39,181	39,181	39,181	39,181	39,181	39,181
2. Annual Compensation	.794	.858	.926	1.003	1.080	1.167	1.714	2.519
3. Annual Benefit Payments & Administrative Expenses*	.073	.083	.095	.109	.123	.139	.234	.360
VALUATION RESULTS								
4. Actuarial Liability (Retired Lives Reserves)	2.514	2.776	3.070	3.357	3.675	4.013	6.110	8.954
5. Assets (Book)	1.124	1.244	1.402	1.578	1.773	1.990	3.472	5.908
6. Unfunded Actuarial Liability (Funded Percentage)	1.390	1.532	1.668	1.779	1.902	2.023	2.638	3.046
7. Annual Normal Cost								
a) Total	.132	.144	.156	.168	.182	.196	.289	.425
b) Less Employee Contributions	.063	.069	.074	.080	.086	.093	.137	.202
c) Balance	.069	.075	.082	.088	.096	.103	.152	.223
(% Payroll)	(8.8%)	(8.7%)	(8.9%)	(8.8%)	(8.9%)	(8.8%)	(8.9%)	(8.9%)
8. State Contribution	.046	.079	.095	.109	.123	.139	.234	.360
(% Payroll)	(5.8%)	(9.2%)	(10.3%)	(10.9%)	(11.4%)	(11.9%)	(13.7%)	(14.3%)
FASB #35								
9. Value of Accrued Benefits	2.149	2.393	2.659	2.916	3.202	3.526	5.399	7.956
(Funded Percentage)	(52.3%)	(52.0%)	(52.7%)	(54.1%)	(55.4%)	(56.4%)	(64.3%)	(74.3%)

* Expenses estimated at 2.9 million for fiscal year ended 8/31/82; increasing by 10% per annum thereafter.

Table 3

STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS

ACTUARIAL PRESENT VALUE OF ACCUMULATED PLAN BENEFITS
AT AUGUST 31, 1981
(FASB #35)

	Vested	Non-Vested	Total
1. Participants Currently Receiving Payments	$ 597,183,670	-	$ 597,183,670
2. Inactive Members	134,778,461	-	134,778,461
3. Active Members			
a) Pension Benefits	734,544,281	$12,198,139	746,742,420
b) Cost-of-Living Adjustments	146,232,444	5,221,423	151,453,867
c) Death Benefits (excludes refunds)	-	133,786,864	133,786,864
d) Disability			
i) Accidental	-	10,062,335	10,062,335
ii) Ordinary	-	159,532,032	159,532,032
iii) Total	-	169,594,367	169,594,367
e) Withdrawals and Refunds	195,718,650	19,401,609	215,120,259
f) Total Actives	1,076,495,375	340,202,402	1,416,697,777
4. Grand Total	1,808,457,506	340,202,402	2,148,659,908
5. Non-retired Member Contributions and Interest (included in above)			
a) Active	595,265,104		
b) Inactive	54,578,776		
c) Total	649,843,880		