



Keep your Member Services contact information up to date to receive the latest news, announcements or deadlines by email, text or call.

## Your benefit statement

Enclosed with this SERS-O-GRAM is your current benefit statement. This statement contains detailed information about your SERS benefits as of March 31, 2017.

If you have questions, call us at 217-785-7444.

## Moved recently? Update your address.

Updating your address is easy. Fill out Member Change of Address/ Member Information Form 501 and mail it to us or email it to [sers@srs.illinois.gov](mailto:sers@srs.illinois.gov).

You can find Form 501 on our website under the Forms link.

## Are you familiar with the Member Services website?

Log on to [memberservices.srs.illinois.gov](http://memberservices.srs.illinois.gov) to access many helpful features, such as:

- Account information
- Address changes
- Annual benefit statements
- Beneficiary information
- SERS Publications
- Workshop schedules and registration information

Log in using your Illinois Public ID information.

Don't have an Illinois Public ID? When you access the Member Services website, you will be automatically directed to a login page. Click "Create a new account," and you can register for one.

## IRS Required minimum distributions

The Internal Revenue Code (IRC) requires inactive members of SERS who reach age 70½ to either take a refund of contributions or apply for a monthly retirement benefit, if eligible. Failure to do so may result in a 50% tax penalty. If you are still an inactive SERS member upon reaching age 70½, you will be notified and required to either apply for a refund of your employee contributions or a retirement annuity. Failure to respond will result in the system processing a refund of your employee contributions.

### What does this mean for you?

If you don't plan on returning to State employment or to employment covered by a reciprocal system, you may want to consider applying for a refund now if you're not vested, as refunds are always your employee contributions only, without interest. In other words, the value of your refund will not increase. Similarly, if you are vested, at least age 60 and don't plan on returning to State employment, you should apply for a monthly benefit. Unlike Social Security, there is no advantage in waiting to start your SERS benefit.

Please note that SERS recently notified all inactive members who are required to take a refund or apply for a monthly benefit. If you turned age 70½ prior to December 31, 2016 and did not receive a letter from SERS regarding your required minimum distribution options, please call 217-785-7157.

## Experienced a life change?

Did you get married – or maybe divorced? Have a new baby? It might be time to update your beneficiaries on file.

You can find your current elections in the Beneficiary Information section of your statement; and don't forget other places that might need updating also – like your SERS benefits, group life insurance and deferred compensation plans.

Check out our Member Services website  
[memberservices.srs.illinois.gov](http://memberservices.srs.illinois.gov)



## FY 2016 Financials

### Funding

As of the end of Fiscal Year 2016, the total SERS actuarial liability increased to \$45.5 billion, up from \$40.7 billion at the end of the previous fiscal year. This resulted in a reduction in the funded ratio from 36.2% at June 30, 2015 to 34.4% at June 30, 2016.

### Operations

Total FY 2016 contributions to SERS amounted to \$2.1 billion, with \$1.9 billion contributed by the State of Illinois and \$256.2 million contributed by Active SERS members. The System experienced a loss in investment income for Fiscal Year 2016 reflecting the overall market conditions at the time. The increase in benefits paid during FY 2016, reflects the overall increase in the number of retirees and in those choosing to retire.

### FY 2018 and beyond

At the July 2016 Board of Trustees meeting, the Board along with the System's consulting actuaries, reviewed several actuarial assumptions used to determine the required annual state contribution that is ultimately certified by the Board of Trustees. On the recommendation of the actuaries, the Trustees voted to reduce the investment return assumption from 7.25% annually to 7.00% annually and adjust the mortality tables to provide for projected generational mortality improvements. Finally, an assumption was adopted to reflect SERS members on average establish 4.5 months of optional service credit at the time of retirement.

The assumption changes will increase the required annual state contribution to SERS beginning in FY 2018. The actuaries estimate that the assumption changes will add \$320 million to the required contribution for SERS.

For more information, the FY 2016 SERS Comprehensive Financial Report (CAFR) and the FY 2016 Actuarial Valuations can be found at [srs.illinois.gov/SERS/annreports\\_sers.htm](http://srs.illinois.gov/SERS/annreports_sers.htm).

## Fiduciary net position

	FY 2016	FY 2015
<b>Assets</b>		
Cash	\$ 300,328,830	\$ 170,646,589
Receivables	86,542,095	128,747,086
Investments (fair value)	14,741,054,632	14,967,254,053
Securities lending collateral (state treasurer)	64,256,000	64,779,000
Capital assets, net	6,938,949	5,272,553
<b>Total assets</b>	<b>\$ 15,199,120,506</b>	<b>\$ 15,336,699,281</b>
<b>Total liabilities</b>	<b>\$ 160,592,356</b>	<b>\$ 77,832,709</b>
<b>Net position</b>	<b>\$ 15,038,528,150</b>	<b>\$ 15,258,866,572</b>

## Changes in fiduciary net position

	FY 2016	FY 2015
<b>Revenues</b>		
Contributions		
Member	\$ 256,198,172	\$ 266,139,156
Employer	1,882,243,268	1,804,319,356
Total contributions	2,138,441,440	2,070,458,512
Investment income, net	(125,442,932)	681,377,052
<b>Total revenues</b>	<b>\$ 2,012,998,508</b>	<b>\$ 2,751,835,564</b>
<b>Expenses</b>		
Benefits	\$ 2,190,501,203	\$ 2,034,858,435
Refunds	26,708,730	23,128,975
Administrative	16,126,997	16,547,823
<b>Total expenses</b>	<b>\$ 2,233,336,930</b>	<b>\$ 2,074,535,233</b>
Net increase/(decrease)	(220,338,422)	677,300,331
Net position – restricted for pension benefits (beginning of year)	15,258,886,572	14,581,566,241
<b>Net position – restricted for pension benefits (end of year)</b>	<b>\$ 15,038,548,150</b>	<b>\$ 15,258,886,572</b>

