



The Panel

January 2004

Judges' Retirement System of Illinois

Fiscal Year 2003 Financial Highlights

Operations

Total revenue includes participant and employer contributions as well as net income from investment activities. Participant contribution rates are set by statute as a percentage of salary.

For fiscal year 2003, participant contributions totaled \$12.9 million, a 3.3% increase from fiscal year 2002. Employer contributions increased to approximately \$31.4 million in fiscal year 2003 from \$27.5 million in fiscal year 2002. This increase was based on the contributions required by the State's funding plan.

Total expenses include benefit payments, refunds and administrative expenses.

During fiscal year 2003, the System paid out approximately \$57.3 million in benefits and refunds, an increase of 7.8% from fiscal year 2002. This increase was mainly due to an increase in the number of retirees and higher participant salaries on which the payments are based. The System's total administrative costs represented less than 1% of total expenses.

FINANCIALS (continued on page 2)

One- On- One Counseling

We will be holding one-on-one counseling sessions in the following locations for the remainder of fiscal year 2004. If you would like to talk with our staff during a visit to your area, call us at 217-782-8500 or contact the Court Administrator at the location we're visiting.

February 4, 5, 6

Judges Education Conference
Hyatt Regency Hotel
151 East Wacker Drive
Chicago

1 p.m. - 4 p.m. (Feb. 4)

9 a.m. - 4 p.m. (Feb. 5)

8 a.m. - 10 a.m. (Feb. 6)

February 18

Michael A. Bilandic Building
160 North LaSalle, Suite N-725
Chicago
312-814-5853
9:30 a.m. - 4 p.m.

February 19

Michael A. Bilandic Building
160 North LaSalle, Suite N-725
Chicago
312-814-5853
8:30 a.m. - 11:30 a.m.

March 31, April 1, 2

Judges Education Conference
Hyatt Regency Hotel
151 East Wacker Drive
Chicago

1 p.m. - 4 p.m. (Mar. 31)

9 a.m. - 4 p.m. (Apr. 1)

8 a.m. - 10 a.m. (Apr. 2)

April 29

2nd Municipal Dist. Courthouse
Skokie
11 a.m. - 2 p.m.

April 30

4th Municipal Dist. Courthouse
Maywood
8:30 a.m. - 11 a.m.

May

State Capitol
Springfield
Dates & times to be announced

June 17

Macon County Courthouse
Decatur
9 - 11 a.m.

June 17

Piatt County Courthouse
Monticello
Noon - 1:30 p.m.

June 18

Champaign County Courthouse
Champaign
9 a.m. - 11 a.m.

FINANCIALS (continued from page 1)

Investments

By State law, the System's investment function is managed by the Illinois State Board of Investment (ISBI) along with the General Assembly and State Employees' Retirement Systems. All investments are accounted for in a commingled ISBI fund.

The ISBI operates under a strategic investment policy that is reviewed and approved at least every two years. The investment objective of the total portfolio is to maximize the rate of return on investments within a prudent level of risk. To achieve this objective, the ISBI invests in different types of assets and uses multiple managers to ensure diversification.

As a result of the recovering world equity markets, the ISBI reported a near even break in investment return for fiscal year 2003 compared to a negative investment return of 6.9% for fiscal year 2002.

Funding

The System's funding plan requires that state contributions be paid to the System so that by the end of fiscal year 2045, the ratio of net assets to the actuarial accrued liability (funding ratio) will be 90%.

At June 30, 2003, the System's accrued actuarial liability amounted to \$1.076 billion. The actuarial value of net assets (at fair value) amounted to \$330.1 million as of the same date, resulting in a funding ratio of 30.7%.

SRS on the Web

Internet: <http://www.state.il.us/srs>

E-Mail: ser@mail.state.il.us

Statements of Plan Net Assets June 30, 2003 and 2002

	2003	2002
ASSETS		
Cash	\$ 7,324,152	\$ 6,593,476
Receivables	5,362,571	4,718,760
Investments, at fair value	317,541,091	332,424,596
Equipment, net of acc. deprec.	<u>2,306</u>	<u>3,131</u>
Total Assets	<u>330,230,120</u>	<u>343,739,963</u>
Total Liabilities		
	<u>176,560</u>	<u>(80,669)</u>
Net assets held in trust for pension benefits	<u>\$330,053,560</u>	<u>\$ 343,659,294</u>

Statements of Changes in Plan Net Assets June 30, 2003 and 2002

	2003	2002
REVENUES		
Contributions:		
Participants	\$ 12,904,997	\$ 12,487,303
Employer	<u>31,440,103</u>	<u>27,532,000</u>
Total Contributions	<u>44,345,100</u>	<u>40,019,303</u>
Investment (Loss)	<u>(226,117)</u>	<u>(24,493,880)</u>
Total Revenues	<u>44,118,983</u>	<u>15,525,423</u>
EXPENSES		
Benefits	56,714,562	52,822,314
Refunds	582,469	353,163
Administrative	<u>427,686</u>	<u>424,233</u>
Total Expenses	<u>57,724,717</u>	<u>53,599,710</u>
Net (Decrease)	<u>(13,605,734)</u>	<u>(38,074,287)</u>
Net assets held in trust for pension benefits:		
Beginning of year	<u>343,659,294</u>	<u>381,733,581</u>
End of year	<u>\$ 330,053,560</u>	<u>\$ 343,659,294</u>

Release of Personal Information

The Board of Trustees of the Judges Retirement System has always considered member information to be private and confidential. We only release member information if the member authorizes it or someone uses the Freedom of Information Act.

The Board has agreed to let a member authorize the release of their address and telephone number to fellow judges. Below is the authorization you can complete and return to us. We will keep it on file, and provide your address and telephone number to other judges upon request.

I, Judge _____ do hereby give my permission
for JRS to provide other judges with my address and telephone number upon request.

Signature

Date

Workshop for Benefit Recipients

We are again joining the State Employees' Retirement System (SERS) in offering a workshop for anyone who is receiving a benefit from JRS. This workshop is called Myths & Realities of Retirement (MRR).

This free, one-day seminar covers entitlements, group insurance, and estate & financial planning. There also is a group discussion about the changes taking place within the insurance industry.

All benefit recipients should attend this workshop every two years to keep abreast of all the changes taking place. There are two MRR workshops in 2004: February 24 in Chicago, and March 25 in Springfield. If you are interested in attending, please call us at 217-782-8500. As always, guests are welcome.

Limiting Contributions

The Judges' Retirement System is initiating a program to notify all judges when they become eligible to limit their retirement contributions. In order to qualify, you must be age 60 with enough reciprocal service to receive the 85% retirement maximum.

JRS will notify all of our members the month before they become age 60 of this election option, and also furnish them with the election form. If you feel you qualify to limit your retirement contributions but have not been notified, contact JRS at 217-782-8500.

 The **Panel** is published by the **Judges' Retirement System of Illinois**

P. O. Box 19255
2101 S. Veterans Parkway
Springfield, Illinois 62794-9255
217-782-8500

Chicago Office:
State of Illinois Building
160 N. LaSalle, Suite N725
Chicago, Illinois 60601
312-814-5853

Robert V. Knox, Executive Secretary

BOARD OF TRUSTEES

Justice **Thomas Hoffman**, Chairman

Justice **John Bowman**, Vice-Chair

Chief Justice **Mary Ann McMorro**

Chief Judge **Timothy Evans**

State Treasurer **Judy Barr Topinka**



Printed on Recycled Paper
Printed by the Authority of the
State of Illinois • 2100 • 1/04