



The Panel

January 2005

Judges' Retirement System of Illinois

Fiscal Year 2004 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 2004, participant contributions totaled \$13.7 million, a 6.3% increase from fiscal year 2003. Employer contributions increased to approximately \$178.6 million in fiscal year 2004 from \$31.4 million in fiscal year 2003.

This increase was primarily due to additional employer contributions of \$142 million received from the sale of General Obligation bonds by the State of Illinois.

Total expenses include benefit payments, refunds and administrative expenses. During fiscal year 2004, the System paid out approximately \$61.4 million in benefits and refunds, an increase of 7.1% from fiscal year 2003.

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.

One- On- One Counseling

We will be holding one-on-one counseling sessions in the following locations for the remainder of fiscal year 2005. 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 16

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

February 17

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

April 20

Morgan County Courthouse
Jacksonville
8:30 a.m. - 9:30 a.m.

April 20

McDonough County Courthouse
Macomb
11 a.m. - 1 p.m.

April 27

6th Municipal District
Markham
10:30 a.m. - 12:30 p.m.

April 27

5th Municipal District
Bridgeview
1:30 a.m. - 3:30 p.m.

April 28

3rd Municipal District
Rolling Meadows
8:30 a.m. - 11 a.m.

May

State Capitol
Springfield
Dates & times to be announced

June 15

Montgomery County Courthouse
Hillsboro
9 - 10 a.m.

June 15

Madison County Courthouse
Edwardsville
11:30 a.m. - 2:30 p.m.

June 16

St. Clair County Courthouse
Belleville
8:30 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 16.4% investment return for fiscal year 2004 compared to an investment return of 0.3% for fiscal year 2003.

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, 2004, the System's accrued actuarial liability amounted to \$1.156 billion. The actuarial value of net assets (at fair value) amounted to \$534.6 million as of the same date, resulting in a funding ratio of 46.2%.

CIGNA will begin mailing new ID cards to members in the Quality Care Health Plan this month. These cards will have a unique alpha-numeric number replacing the current SSN-based number to comply with the recently passed "Consumer Fraud & Deceptive Business Practices Act." Members with questions should call CIGNA Member Services at the toll-free number shown on their ID card.

Statements of Plan Net Assets June 30, 2004 and 2003

	2004	2003
ASSETS		
Cash	\$ 13,326,833	\$ 7,324,152
Receivables	536,406	5,362,571
Investments, at fair value	521,372,992	317,541,091
Equipment, net of acc. deprec.	<u>1,704</u>	<u>2,306</u>
Total Assets	<u>535,237,935</u>	<u>330,230,120</u>
Total Liabilities		
	<u>658,112</u>	<u>176,560</u>
Net assets held in trust for pension benefits	<u>\$534,579,823</u>	<u>\$ 330,053,560</u>

Statements of Changes in Plan Net Assets June 30, 2004 and 2003

	2004	2003
REVENUES		
Contributions:		
Participants	\$ 13,720,911	\$ 12,904,997
Employer	<u>178,593,095</u>	<u>31,440,103</u>
Total Contributions	<u>192,314,006</u>	<u>44,345,100</u>
Investment Income/(Loss)	<u>74,012,814</u>	<u>(226,117)</u>
Total Revenues	<u>266,326,820</u>	<u>44,118,983</u>
EXPENSES		
Benefits	60,912,895	56,714,562
Refunds	439,575	582,469
Administrative	<u>448,087</u>	<u>427,686</u>
Total Expenses	<u>61,800,557</u>	<u>57,724,717</u>
Net Increase/(Decrease)	204,526,263	(13,605,734)
Net assets held in trust for pension benefits:		
Beginning of year	<u>330,053,560</u>	<u>343,659,294</u>
End of year	<u>\$ 534,579,823</u>	<u>\$ 330,053,560</u>

Honoring Those Who Have Fallen

It has always been our intent to keep our membership aware of current affairs related to JRS. In order to do this, the following is a list of Illinois judges who died during 2004.

	<i>Date of Death</i>	<i>Date of Death</i>	<i>Date of Death</i>
Walter Clark	1-02-04	Wendell Durr	4-23-04
Arthur Strong	1-17-04	Robert Hunt	5-01-04
Edwin Douglas	1-19-04	Wayne Dyer	5-05-04
Leonard Hoffman	1-24-04	Robert G. Mackey	5-07-04
John J. Lyons	2-07-04	Lester McCurrie	5-10-04
William S. White	2-16-04	Thomas Smoker	5-10-04
Rex Meilinger	2-23-04	John Daily	5-15-04
Francis Mahon	3-18-04	C. Glenn Stevens	5-18-04
Claude Davis	3-24-04	Peyton Kunce	6-08-04
William South	3-29-04	Laverne Dixon	8-10-04
William McGlynn	4-10-04	John DeLaurenti	8-28-04
Bruce Fawell	4-21-04	Bill Slater	9-02-04
James Traina	4-21-04	David A. Youck	10-12-04
		Paul Preston	12-16-04
		Earl Arkiss	12-27-04

Retiree's Corner

Federal Income Tax Withholding Notice

Monthly JRS benefits are subject to federal income tax withholding. Federal law requires us to ask benefit recipients to complete a W-4P to determine if they want federal income tax withheld from their benefit.

If you fail to inform us of your decision, taxes are withheld as a married individual with three exemptions. No withholding is required for a benefit less than \$1,467.01 per month unless you request it.

Tax penalties may be incurred if you do not withhold income taxes and your estimated tax payment is insufficient for the year.

You may notify us at any time to change or end your withholding.

Annuitant & Survivor Annual Statements

JRS will be mailing the annuitant and survivor annual benefit statements in March. This statement shows the history of your JRS benefit and details all of your deductions, including a breakdown of your current group insurance coverage and premiums.

It also contains information about monthly survivor and/or lump sum death benefits that may be payable from your account. Your JRS beneficiaries are also contained in your statement.

If you wish to change your beneficiary(ies), please contact us as soon as possible so that these changes can be included in your upcoming statement.

JRS Workshops

To help you start planning for your retirement years, we urge you to enroll in the Education for Tomorrow's Choices preretirement workshop.

This free, one-day workshop will be held in Chicago on **May 26** and features a certified financial planner to discuss money management and investment strategies.

Other speakers will cover Deferred Compensation, Social Security, insurance and JRS benefits.

Although retirement may be years in the future, this information will help you begin planning for a lifetime of financial security.

We are also planning two seminars downstate if there is enough interest. If you are interested in attending these workshops, call us at 217-782-8500.



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

The Ease of Direct Deposit

Why not choose the convenience of Direct Deposit instead of waiting for your retirement benefit in the mail? With Direct Deposit, your benefit is automatically deposited into the bank account of your choice.



We have received more complaints about late mail deliveries of pension checks than any other issue. Over 85% of our annuitants and survivors choose to direct deposit their monthly benefit payment.

Direct Deposited benefits are deposited earlier than having it mailed to your home. Your first two payments are mailed to your home, then all future payments are electronically deposited into your bank account on the 19th of each month.

You don't receive a payment stub for each Direct Deposit payment. Instead, the Comptroller's office will issue an earnings statement when the net amount of your benefit changes due to an annual increase, a tax withholding change, or any other authorized deduction change.

To enroll, or if you have questions, call us at 217-782-8500.

 The **Panel** is published
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