



October 31, 2018

Governor Bruce Rauner  
207 Statehouse  
Springfield, IL 62706

Dear Governor Rauner:

Pursuant to Public Act 88-593, as amended, at a meeting held on October 26, 2018, the Board of Trustees of the Judges' Retirement System (JRS) preliminarily certified a State contribution for FY 2020 of \$144,163,000, or 91.853% of projected payroll. Of the \$144,163,000, \$36,363,000 is for the employer's portion of the expected FY 2020 normal cost. The additional \$107,800,00 is due to the unfunded liabilities.

Consistent with Governmental Accounting Standards Board (GASB) Statement No. 67, the JRS Board of Trustees adopted a funding policy, or Actuarially Determined Contribution (ADC) policy in 2015. The ADC provides for annual contributions that are equal to the annual normal cost of benefits earned plus amortization of the unfunded actuarial liability over a 25 year period, as a level percent of payroll. The remaining amortization period is 22 years. The FY 2020 ADC is \$173,706,955, or \$29.5 million higher than the amount calculated under the statutory funding plan.

The ADC is used in financial reporting but will not affect the certified employer contributions to JRS, which is calculated and certified by the Board pursuant to the statutory funding plan.

Attached is the draft FY 2018 actuarial valuation along with the FY 2020 certification letter prepared by the System's actuaries. The actuarial valuation, membership data used in the valuation, and all calculations will be forwarded to the State Actuary for review.

Very truly yours,

A handwritten signature in black ink that reads 'Timothy B. Blair'.

Timothy Blair  
Executive Secretary

cc: Governor Bruce Rauner, Chicago Office  
Susana A. Mendoza, Comptroller  
Andrew Perkins, Governor's Office  
Hans Zigmund, Director, Governor's Office of Management & Budget  
Marc Staley, Governor's Office of Management & Budget  
Bob Steere, Governor's Office of Management & Budget  
Ascha Nickell, Governor's Office of Management & Budget  
John Hollman, Acting House Clerk  
Brad Bolin, Assistant House Clerk.

Tim Anderson, Senate Clerk  
Clayton Klenke, Director, Commission on Government Forecasting & Accountability  
Dan Hankiewicz, Commission on Government Forecasting & Accountability  
Julie Bae, Commission on Government Forecasting & Accountability  
Senate President John Cullerton  
Senate Republican Leader Bill Brady  
Speaker of the House Michael Madigan  
Republican Leader Jim Durkin  
Jessica Basham, Speaker's Office  
Andrew Freiheit, House Republican Staff  
Kristin Richards, Senate President's Office  
Phil Draves, Senate Republican Staff  
Becky Locker, Senate President's Office  
Ozie Goodwin, Senate President's Office  
Noe Chaimongkol, Senate President's Office  
Mark Jarmer, House Democratic Staff  
Mike Mahoney, House Republican Staff  
Joe Sculley, House Republican Staff  
Erik Dillman, Senate Republican Staff  
Nick McNeely, Senate Republican Staff  
Rich Rockwood, Senate Republican Staff  
Joe Miller, House Democratic Staff