

December 16, 2020

The Honorable J B Pritzker  
Governor of the State of Illinois  
207 State House  
Springfield, Illinois 62706

Re: Certification of Required State Contribution to the State Universities Retirement System for State Fiscal Year 2022

Dear Governor Pritzker:

As required by 40 ILCS 5/15-165, the Board of Trustees of the State Universities Retirement System has certified that \$2,101,279,000 is the total net required State contribution for State Fiscal Year 2022. An official certification and a copy of the actuarial recommendation upon which the certification is based are enclosed.

The State Actuary has reviewed the actuarial assumptions used in the State Universities Retirement System's 2020 actuarial valuation. The State Actuary has concluded that the assumptions are reasonable for the June 30, 2020 valuation. Additionally, the State Actuary has verified the arithmetic used in the calculations made by the State Universities Retirement System's actuary to develop the required State contribution.

Please note that the actuarial valuation results recommend an actuarially determined funding policy that funds the normal cost of the plan, as well as an amortization payment that would seek to pay the total unfunded accrued liability over a closed period to attain 100% funding by 2045 (24 years remaining in the actuarial valuation as of June 30, 2020) or earlier. The current statutory contribution does not comply with this recommendation. Underfunding the System creates a risk that, ultimately, benefit obligations cannot be met from the trust. While State statute governs funding policy, it is important to highlight the differences between the current statutory appropriation and the recommended actuarially determined funding policy so that potential risks and additional ramifications of underfunding are fully understood.

The Board of Trustees has received and agrees with all the proposed recommendations of the State Actuary.

Sincerely,



Martin Noven  
Executive Director

Encl: Certification  
Actuarial Valuation Report

cc: The Honorable Don Harmon, President of the Senate  
The Honorable Michael J. Madigan, Speaker of the House of Representatives  
The Honorable William E. Brady, Senate Republican Leader  
The Honorable Jim Durkin, House Republican Leader  
The Honorable Susana Mendoza, Comptroller, State of Illinois  
Mr. Joe Butcher, Illinois Office of the Auditor General  
Ms. Ginger Ostro, Executive Director, Illinois Board of Higher Education  
Dr. Brian Durham, Executive Director, Illinois Community College Board  
Mr. Clayton Klenke, Executive Director, Commission on Government Forecasting &  
Accountability