



**TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

2815 W Washington St | PO Box 19253 | Springfield IL 62794-9253

R. Stanley Rupnik, Executive Director & Chief Investment Officer

<http://www.trsil.org>

877-927-5877 (877-9-ASK-TRS) | FAX: 217-753-0964

October 25, 2022

HAND DELIVERED

The Honorable JB Pritzker  
Governor  
State of Illinois  
207 State House  
Springfield, IL 62706

Anthony Pascente, Acting Director  
Central Management Services  
State of Illinois  
715 William G. Stratton Building  
Springfield, IL 62706

The Honorable Susana Mendoza  
Comptroller  
State of Illinois  
201 State House  
Springfield, IL 62706-1001

Kari Dennison, Deputy Director  
Bureau of Benefits  
Central Management Services  
State of Illinois  
801 South Seventh Street, 6<sup>th</sup> Floor  
Springfield, IL 62706

**RE: Teacher Health Insurance Security (THIS) Fund Certification for FY 2024**

On October 21, 2022, the TRS Board certified **\$65,393,587** as the required FY 2024 state contribution to the Teacher Health Insurance Security Fund.

The Illinois Department of Central Management Services (CMS) notified TRS that the member contribution rate for FY 2024 will remain unchanged from FY 2023 at 0.90 percent.

The certified contribution is the amount needed to match estimated active member contributions to THIS Fund in the coming fiscal year, plus or minus the amount by which TRS over or underestimated active member contributions during the previous fiscal year. For FY 2024, the certified contribution is based on the assumed 0.90 percent member contribution rate, minus \$43,237.321 because actual member contributions for FY 2022 were more than anticipated.

The attached board certification provides more explanation of the certified FY 2024 THIS Fund contribution. An exhibit prepared by the TRS actuaries shows how the certified amount was calculated.

Questions pertaining to this certification should be directed to Amy Z. Reynolds, Director of Research, at 217.814.2272 or [areynolds@trsil.org](mailto:areynolds@trsil.org).

October 25, 2022  
Page 2

Sincerely,

A handwritten signature in black ink, appearing to read "R. Stanley Rupnik". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

R. Stanley Rupnik  
Executive Director &  
Chief Investment Officer

Enclosures (4)

- Certification of board resolution
- Certification of THIS fund methodology adopted by the board
- Exhibit prepared by Segal Consulting showing calculation
- Illinois CMS rate notification letter

**FY 2024 STATE CONTRIBUTION TO THE  
TEACHER HEALTH INSURANCE SECURITY (THIS) FUND**

**Resolved:** To certify \$65,393,587 as the required state contribution to the Teacher Health Insurance Security (THIS) Fund for FY 2024, as presented by Segal Consulting, exhibit B.



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R. Stanley Rupnik  
Executive Director & Chief Investment Officer  
October 21, 2022

## TEACHER HEALTH INSURANCE SECURITY (THIS) FUND CERTIFICATION OF CALCULATION FOR FY 2024

The Board of Trustees of the Teachers' Retirement System resolved during its October 21, 2022 regular meeting to certify a required state contribution to THIS Fund for FY 2024 as statutorily required by 5 ILCS 375 / 6.6 (c).

The FY 2024 certification is based the active member contribution rate, 0.90%, as determined by the Illinois Department of Central Management Services (CMS).

The certified state contribution is the amount needed to match estimated active member contributions to THIS Fund during FY 2024, adjusted by the amount by which TRS overestimated actual active member THIS Fund contributions during FY 2022. The state contribution amount certified for FY 2024 is **\$65,393,587** and was determined by the following procedure.

Segal Consulting, the TRS actuaries, estimate total active member payroll for FY 2024 to be \$12,135,950,790. Their payroll projection is based on the June 30, 2022 actuarial valuation. State agencies' estimated active member payroll of \$65,849,905 is subtracted because state employees covered by TRS do not make THIS Fund contributions. The remaining payroll was \$12,070,100,885. The assumed FY 2024 active member THIS Fund contribution rate of 0.90 percent of pay was applied to the remaining payroll, yielding \$108,630,908.

Public Act 92-0505 required the annual THIS Fund certification to be adjusted by the amount by which TRS over or underestimated actual active member contributions in the preceding fiscal year (5 ILCS 375 / 6.6 (c)). The amount by which TRS overestimated FY 2022 active member contributions was \$43,237,321. This \$43,237,321 was subtracted from the \$108,630,908, resulting in the certified FY 2024 contribution of \$65,393,587. The requirement to correct for over or underestimating active member contributions in the previous fiscal year remains in the TRIP extension act, Public Act 93-0679.

These calculations are shown in the following exhibit.

The Board does not certify other state contributions to THIS Fund because they are not part of the certification requirement described above. In years prior to FY 2007, additional amounts (\$11,000,000 to \$13,000,000 per year) were appropriated to THIS Fund to help pay for benefit equalizations.



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R. Stanley Rupnik  
Executive Director & Chief Investment Officer  
October 21, 2022

## Exhibit B

Teacher Health Insurance Security Fund Contribution Amount to be Certified by the Board for Fiscal Year 2024	Fiscal Year 2024
<b>Expected State Contribution for Fiscal Year 2024 to THIS Fund:</b>	
1. Fiscal Year 2024 membership payroll:	
a. Total	\$ 12,135,950,790
b. Minus members who do not contribute to THIS Fund	(65,849,905)
c. Members who do contribute to THIS Fund	\$ 12,070,100,885
2. Member contribution rate (actual, from CMS)	0.90%
3. Matching State contribution: 1.c. x 2.	\$ 108,630,908
4. Adjustment to THIS Fund for underestimating Fiscal Year 2022 member THIS Fund contributions	(43,237,321)
5. Total THIS Fund State contribution*	\$ 65,393,587

\* This certification does not include other State contributions to THIS Fund, which are not part of the statutory certification requirement.



ILLINOIS

JB Pritzker, Governor

DEPARTMENT OF CENTRAL MANAGEMENT SERVICES

Anthony Pascente, Acting Director

October 11, 2022

R. Stanley Rupnik, Executive Director  
Teachers' Retirement System  
2815 West Washington  
Springfield, IL 62702

Re: FY 2024 Certification Rates

Dear Mr. Rupnik;

Under the statutory authority of section 6.6 State Employees Group Insurance Act of 1971(5 ILCS 375);

(a) Beginning July 1, 1995, all active contributors of the Teachers' Retirement System (established under Article 16 of the Illinois Pension Code) who are not employees of a department as defined in Section 3 of this Act shall make contributions toward the cost of annuitant and survivor health benefits. These contributions shall be at the following rates: until January 1, 2002, 0.5% of salary; beginning January 1, 2002, 0.65% of salary; beginning July 1, 2003, 0.75% of salary; beginning July 1, 2005, 0.80% of salary; beginning July 1, 2007, a percentage of salary to be determined by the Department of Central Management Services by rule, which in each fiscal year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

(a-5) Beginning January 1, 2002, every employer of a teacher (other than an employer that is a department as defined in Section 3 of this Act) shall pay an employer contribution toward the cost of annuitant and survivor health benefits. These contributions shall be computed as follows:

(4) Beginning July 1, 2007, the employer contribution shall be a percentage of each teacher's salary to be determined by the Department of Central Management Services by rule, which in each fiscal year shall not exceed 105% of the percentage of each teacher's salary actually required to be paid in the previous fiscal year.

Please accept this letter as notification that the percentage of salary to be used for FY 2024 for active contributors, effective July 1, 2023, shall be 0.90%. Additionally, the percentage of salary to be used for FY 2024 for employers, effective July 1, 2023, shall be 0.67%. If you have any questions, please feel free to contact Colm Brewer, Benefits CFO at 217-785-1960.

Sincerely,

Anthony Pascente  
Acting Director

cc: Amy Reynolds

715 Stratton Office Building, 401 South Spring Street, Springfield, IL 62706