

October 30, 2019

Governor JB Pritzker
207 Statehouse
Springfield, IL 62706

Dear Governor Pritzker:

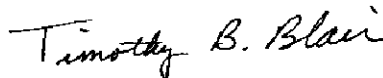
Pursuant to Public Act 88-593, as amended, at a meeting of the Board of Trustees of the General Assembly Retirement System (GARS) held on October 25, 2019, the Board preliminarily certified an FY 2021 State contribution of \$27,299,000, or 277.973% of projected payroll. Of the \$27,299,000, \$1,868,000 is for the employer's portion of the expected FY 2021 normal cost. The remaining \$25,431,000 is due to the unfunded liabilities.

Consistent with Governmental Accounting Standards Board (GASB) Statement No. 67, the GARS 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 20-year period, as a level percent of payroll. The remaining amortization period is 16 years. The FY 2021 ADC is \$34,432,777, or \$7,133,777 higher than the amount calculated under the statutory funding plan.

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

Attached is the draft FY 2019 actuarial valuation along with the FY 2021 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,



Timothy Blair
Executive Secretary

cc: Governor JB Pritzker, Chicago Office
Susana A. Mendoza, Comptroller
Alexis Sturm, Director, Governor's Office of Management & Budget
Marc Staley, Governor's Office of Management & Budget
Bob Steere, Governor's Office of Management & Budget
Thomas Reitz, Governor's Office of Management & Budget
John Hollman, 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
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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
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Rich Rockwood, Senate Republican Staff
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