



The ISBI-Managing Your Money

By William R. Atwood, ISBI Executive Director

The Illinois State Board of Investment (ISBI) was created in 1970 to manage the pension assets of the State Employees' Retirement System, the Judges' Retirement System and the General Assembly Retirement System.

The ISBI is an independent agency whose mission is to achieve an actuarially assumed rate of return (currently 8.5%), while assuming the lowest possible risk and applying the highest standards of ethics and accountability.

The assets under ISBI's authority total approximately \$10.8 billion. These assets are invested in a diversified portfolio of global stocks & bonds, real estate, private equity, and cash.

None of ISBI's assets are invested internally. Instead, they are deployed through the utilization of various money managers and investment advisors. The assets are deposited at ISBI's custodial bank, State Street Bank and Trust Company, the largest such custodian in the world.

ISBI is comprised of a nine-member Board and a staff of investment professionals. Edward Smith is the Board's Chairman, and its Executive Director is William Atwood. There are four committees, including the Audit and Compliance Committee, Hon. Thomas Hoffman, Chair; the Emerging Manager

Your Benefit Statement

Enclosed with this edition of the Solon is your annual Benefit Statement. Your statement only displays the last four numbers of your Social Security number to help protect you from identity theft, which has become one of the most frequent and costly crimes in the U.S.

Your GARS annual benefit statement shows reciprocal service with a retirement benefit estimate available to you at your normal retirement date using the Reciprocal Act. To determine your total benefit, add the projected GARS benefit to the amount from the reciprocal system(s).

Benefit Statements for retirees and survivors are NOT included with this Solon. These statements will be mailed in March, 2006. Only active members receive a statement with this mailing.

If your statement shows reciprocal service but no amount, you probably don't have enough service to use the Reciprocal Act, OR you may have concurrent service with GARS and another system, OR you may not need the service to qualify for the maximum benefit.

You can calculate your maximum benefit by multiplying your current salary by 85%. This will allow you to compare your benefit with the maximum benefit. Although we make every effort to provide you with an accurate benefit estimate, it is only an approximation.

Keep your benefit statement in a safe place along with your Social Security card to avoid the chance of identity theft. If you have questions, contact our office at 217-782-8500.

Committee, Allison Davis, Chair; the Investment Policy Committee, Edward Smith, Chair; and the Executive Committee, which is also chaired by Mr. Smith. Other members of the Board include Jack Mazzotti, Chairman of the State Employees' Retirement System, Hon. Kurt Granberg, Chair of the General Assembly Retirement System; Hon. Judy Baar Topinka, State Treasurer; Ron Powell; Guy Alongi; and one vacancy.

To view the latest financial information from the ISBI, visit our website at: www.state.il.us/srs

Understanding Your Statement

If you are actively employed as a legislator, your annual benefit statement for the year ending June 30, 2005 is enclosed with this copy of *The Solon*. Your statement reflects your salary on July 1, 2005. If you have questions about your statement, call us at 217-782-8500.

At right is a **SAMPLE** statement highlighting the areas where members usually have the most questions.

If you do not agree with the service shown on your statement, contact GARS at 217-782-8500.

If you are purchasing service credit, it will NOT be shown on your statement until it is paid in full.

This is the projected GARS benefit you are eligible to receive, assuming continuous service to normal retirement age. If you have reciprocal service listed below, add the two amounts together to estimate your combined benefit.

This is your accrued benefit estimate, assuming termination of service on the date shown on YOUR statement. Do not add reciprocal service to this amount.

The survivor benefit payable to a spouse is 66 2/3% of the earned benefit, or 10% of your final salary, whichever is greater.

General Assembly Retirement System of Illinois

2101 South Veterans Parkway, P. O. Box 19255, Springfield, IL 62794-9255

Your Annual Benefit Statement has been prepared as of June 30, 2005 using the following information:

Social Security # XXX-XX-3333 Date of Birth
06/21/1944

07228A
JOHN A. DOE
1000 ANY PLACE
ANY TOWN, IL 66666

Member Information

You have **90** months of contributing membership service. This does **not** include service forfeited by taking a refund, or any service credit in a reciprocal retirement system listed below. You have **44.00** months of leadership service. Leadership service can enhance your retirement benefit (see "final salary" on the reverse side).

Your total contributions are **\$50,022.22**. Your fiscal year 2005 contributions (July 1-June 30) are **\$7,611.16**. Your monthly prescribed salary as of July 1, 2005 is **\$4,866.58**. Your final salary is used to compute your retirement benefits.

Retirement Benefits

Retirement benefits are based on service, final salary and age. Normal retirement is age 55 with eight years (96 months) of service. If you continue working to normal retirement age, your estimated monthly retirement benefit will be **\$1,455.00** on 01/01/2005.

Your monthly benefit earned and accrued as of June 30, 2005 is **\$1,383.33**, payable on 07/01/2006.

Disability

You are not currently eligible for disability.

Reciprocal Service

Using the reciprocal act with GARS, you may receive the following monthly benefit(s) at normal retirement age:

ILLINOIS MUNICIPAL RETIREMENT FUND 12.00 \$35.74

Death Benefits

Death benefits are payable to your spouse, children or named beneficiaries, as applicable. Lump sum death benefits are payable to your named beneficiaries if there are no eligible survivor(s) at your date of death. If you wish to change your GARS beneficiaries, a change of beneficiary form is printed in the enclosed *Solon*. GARS BENEFITS ARE SEPARATE FROM YOUR GROUP LIFE INSURANCE COVERAGE. Group life beneficiaries are not included in this statement.

If you die while actively employed, your eligible spouse will receive a monthly income of **\$944.00*** payable at age 50 or earlier if eligible children survive.

Additional amounts are payable for eligible children.

If you die with no qualified survivors, your named beneficiary or estate will receive your total contributions of **\$50,022.22**.

Your current beneficiaries are:

1 - BENEFICIARY 1

2 - BENEFICIARY 2

* This amount is reduced by any Workers Compensation benefits received.

At a Glance

as of June 30, 2005

Member Information

| | |
|-------------------------|-------------|
| Total Months of Service | 90 |
| Leadership Service | 44.00 |
| Total Contributions | \$50,022.22 |

Retirement

| | |
|------------------------------|------------|
| Estimated Retirement Benefit | \$1,455.00 |
| Payable on | 01/01/2005 |

Death

| | |
|--------------------------|----------|
| Surviving Spouse Benefit | \$944.00 |
|--------------------------|----------|

Prescription Drug Program

Effective July 1, 2005, Medco became the administrator for the prescription drug portion of the Quality Care Health Plan, the Managed Care Plans, Health Alliance Illinois, Health-Link OAP and OSF Winnebago. New prescription I.D. cards were mailed the first part of July, 2005. If you didn't receive a new card, contact Medco at 1-800-899-2587. Our group insurance number is 1400.

All maintenance prescriptions should be purchased through the mail order pharmacy or a retail maintenance network pharmacy. If you don't purchase maintenance prescriptions through the mail order or a network retail pharmacy, your copayment will be higher.

Your physician needs to prescribe your maintenance medication in three month intervals. Medco allows you to purchase this 90-day supply for two copayments.

Both the list of maintenance medications and the mail order claim forms are available on the State of Illinois website: www.benefitschoice.il.gov, or by calling Medco direct. If you have questions, call our office at 217-782-8500.

NOTE: If you are not enrolled in one of the above-mentioned health plans, contact your Managed Care Plan for prescription information.



1-on-1 Counseling Schedule

The dates and locations for this year's 1-on-1 counseling sessions are listed below. Although no appointment is necessary, please call 217-782-8500 so we know who will attend and also inform you of any last minute changes.

September 21

Lake County Courthouse
Waukegan
12:30 a.m. - 3:00 p.m.

September 22

DuPage County Courthouse
Wheaton 8:30 - 11:30 a.m.

October 5

Edgar County Courthouse
Paris 10:00 - 11:30 a.m.

October 5

Jefferson County Courthouse
Mt. Vernon 2:00 p.m. - 3:30 p.m.

October 6

Williamson County Courthouse
Marion 8:30 - 11:00 a.m.

November 9

Macon County Courthouse
Decatur 8:30 - 9:30 a.m.

November 9

McLean County Courthouse
Bloomington 11:00 a.m. - 2:00 p.m.

November 10

Peoria County Courthouse
Peoria 9:00 a.m.

GARS Legislation



During the 94th session of the General Assembly, several pension-related bills passed both the House and the Senate that affect GARS members. To read any of these bills in their entirety, visit our website at www.state.il.us/srs.

Below is a brief description of GARS legislation.

Senate Bill 0023 (Public Act 94-0079)
Prohibits investing in or doing business with any company that engages in certain activities in Sudan.

Senate Bill 0027 (Public Act 94-0079)
Reduces the employer contribution to GARS in FY06 & FY07. This shortfall will have to be made up with additional transfers from the Illinois State Board of Investment.

From FY08 through FY10, the state will ramp-up employer contributions so that by 2011, the state will contribute at the rate required by law.

This bill also requires all future GARS benefit increases to be fully-funded by an identified funding source and expire after five years if not reauthorized by law.

Senate Bill 0253 (Public Act 94-0471)
Expands the sum of money emerging investment managers can handle.

Senate Bill 0529 (Public Act 94-0229)
Changes the "Lawful Child" definition in matters of marriage and adoption.

Senate Bill 1446
Defines who would receive a QILDRO, and allows for a division of benefits by percentage.

General Assembly Retirement System of Illinois

2101 South Veterans Parkway, P. O. Box 19255, Springfield, Illinois 62794-9255 • 217-782-8500

MEMBER'S NOMINATION OF BENEFICIARY(IES) FOR DEATH BENEFITS

This form is used to nominate the person or persons to receive any death benefit payable by the General Assembly Retirement System of Illinois. ***This is a legal document which, after preparation, may not be altered in any way by any person.*** A member wanting to change beneficiaries at a later date must complete a new Nomination of Beneficiary form. The form on file with GARS which has the most recent date-located next to the member's signature-will take precedence.

INSTRUCTIONS: Complete this form using ink or typewriter. You may nominate as many as you wish, or your estate. If additional space is required, use additional sheets.

Benefits will be paid on a ***survivor basis in the numerical order*** you indicate. Two or more persons with the same order number will receive equal shares. ***When this beneficiary nomination is accepted by the General Assembly Retirement System, an acknowledgement will be mailed to the current address on file with GARS. If your address is not current, please contact your payroll department to complete a new W-4 form.***

NOTE! Persons nominated as beneficiaries without order numbers will be considered after persons nominated with order numbers. Two or more persons nominated without order numbers will receive equal shares.

EXAMPLE

| Order Number | Name | Address | Relationship |
|--------------|-----------------------|--|----------------|
| <u>1</u> | <u>John A. Doe</u> | <u>123 West Main, Chicago, IL 60601</u> | <u>Father</u> |
| <u>2</u> | <u>Jane B. Doe</u> | <u>123 West Main, Chicago, IL 60601</u> | <u>Mother</u> |
| <u>3</u> | <u>David C. Doe</u> | <u>123 West Main, Chicago, IL 60601</u> | <u>Brother</u> |
| <u>3</u> | <u>Nancy D. Doe</u> | <u>44 South 2nd, Springfield, IL 62708</u> | <u>Sister</u> |
| <u>3</u> | <u>Mary E. Doe</u> | <u>123 West Main, Chicago, IL 60601</u> | <u>Sister</u> |
| <u>4</u> | <u>Frank F. Smith</u> | <u>9876 E. 99th St., Peoria, IL 61605</u> | <u>None</u> |

In the event the member dies while in state service, the benefit will be paid as follows:

1. All the money will be paid to John Doe.
2. If John A. Doe is not living when the member dies, all the money will be paid to Jane Doe.
3. If John and Jane Doe are not living when the member dies, the money will be divided equally among David, Nancy, and Mary Doe. (If only two of these three persons are living when the member dies, each will receive one-half of the money. If only one of these three persons is living when the member dies, he/she will receive all of the money.)
4. If John, Jane, David, Nancy, and Mary Doe are not living when the member dies, all the money will be paid to Frank Smith.
5. If none of the nominated beneficiaries are living when the member dies, all of the money will be paid to the member's estate.

NOMINATED BENEFICIARIES

| Order Number | Name | Address | Relationship |
|--------------|-------|---------|--------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

This form must be witnessed by two people who are not named as beneficiaries.

Member's Signature _____ **Date** _____

Member's Social Security Number _____ **Witness** _____

Member's Address _____ **Address** _____

_____ **Witness** _____

_____ **Address** _____