



One- On- One Counseling

Here is the 2007 One-on-One Counseling Sessions through August. Please call GARS at 217-785-8500 to schedule an appointment.

March 1

Michael A. Bilandic Building
160 North LaSalle, Suite N-725
Chicago 312-814-5853
1 p.m. - 4:00 p.m.

March 2

Michael A. Bilandic Building
160 North LaSalle, Suite N-725
Chicago 312-814-5853
9 a.m. - 2:30 p.m.

March 16

Vermilion County Courthouse
Danville
10 a.m. - Noon

March 16

Coles County Courthouse
Charleston
2 p.m. - 3 p.m.

March 27-29

State Capitol Building
Springfield
Dates & Times to be Announced

April 20

Williamson County Courthouse
Marion
10:30 a.m. - 12:30 p.m.

April 20

Jefferson County Courthouse
Mt. Vernon
1:30 p.m. - 3 p.m.

May 17

Macon County Courthouse
Decatur
10 a.m. - 11 a.m.

May 17

McLean County Courthouse
Bloomington
2 p.m. - 4 p.m.

May 18

Peoria County Courthouse
Peoria
10:30 a.m. - noon

May 18

Tazewell County Courthouse
Pekin
1:30 p.m. - 3:30 p.m.

June 14

Rock Island County Courthouse
Rock Island
10:30 a.m. - 12:30 p.m.

June 14

Carroll County Courthouse
Mt. Carroll
2 p.m. - 3 p.m.

June 15

Winnebago County Courthouse
Rockford
9:30 a.m. - 11:30 a.m.

July 11

2nd Municipal District
Skokie
11 a.m. - 2 p.m.

July 12

4th Municipal District
Maywood
8:30 a.m. - 11 a.m.

August 2

LaSalle County Courthouse
Ottawa
11:30 a.m. - 2:30 p.m.

August 3

Will County Courthouse
Joliet
9 a.m. - 11 a.m.

August 3

Kankakee County Courthouse
Kankakee
12:30 p.m. - 2:30 p.m.

Visit our website at
www.state.il.us/srs/gars
for information about
your retirement system:
tax information,
a calculator, and FAQ's.

Fiscal Year 2006 Financial Highlights

OPERATIONS

Total revenue includes participant and employer contributions as well as net income from investment activities.

Participant contribution rates are set by statute as a percentage of salary. For fiscal years 2006 and 2005, participant contributions totaled approximately \$1.5 million.

Employer contributions decreased to approximately \$4.2 million in fiscal year 2006 from approximately \$4.7 million in fiscal year 2005. This decrease was due to Public Act 94-0004, which was enacted into law on June 1, 2005. This legislation contained a two-year funding reduction by stipulating that state contributions for fiscal years 2006 and 2007 be based on specific dollar amounts rather than actuarial calculations.

Total expenses include benefit payments, refunds and administrative expenses. During fiscal year 2006, the System paid out approximately \$14.3 million in benefits and refunds, an increase of 6.5% from fiscal year 2005. This increase was mainly due to higher employee salaries on which the benefit payments are based as well as a 3% annual cost of living annuity increase granted each year. The System's total administrative costs represented approximately 2% of total expenses.

INVESTMENTS

By State law, the System's investment function is managed by the Illinois State Board of Investment (ISBI) along with the Judges' and State Employees' Retirement Systems. All investments are accounted for in a commingled ISBI fund.

FINANCIALS (continued on page 3)

Statements of Plan Net Assets June 30, 2006 and 2005 (unaudited)

	2006	2005
ASSETS		
Cash	\$ 3,314,237	\$ 2,220,504
Receivables	28,197	375,087
Investments, at fair value	79,016,741	80,772,801
Equipment, net of acc. depr.	2,737	2,033
Total Assets	82,361,912	83,370,425
Total Liabilities	107,080	97,383
Net assets held in trust for pension benefits	\$ 82,254,832	\$ 83,273,042

Statements of Changes in Plan Net Assets June 30, 2006 and 2005 (unaudited)

	2006	2005
REVENUES		
Contributions:		
Participants	\$ 1,491,811	\$ 1,451,282
Employer	4,175,390	4,675,000
Total Contributions	5,667,201	6,126,282
Investment Income	7,872,989	7,642,461
Total Revenues	13,540,190	13,768,743
EXPENSES		
Benefits	14,065,760	13,363,342
Refunds	187,917	23,200
Administrative	304,723	317,161
Total Expenses	14,558,400	13,703,703
Net Increase/(Decrease)	(1,018,210)	65,040
Net assets held in trust for pension benefits:		
Beginning of year	83,273,042	83,208,002
End of year	\$ 82,254,832	\$ 83,273,042

FINANCIALS (continued from page 2)

The ISBI operates under a strategic investment policy that is reviewed and approved at least every two years. The investment objective of the total portfolio is to maximize the rate of return on investments within a prudent level of risk. To achieve this objective, the ISBI invests in different types of assets and uses multiple managers to ensure diversification.

In fiscal year 2006, investment income continued to reflect the positive direction of the markets.

FUNDING

The System's funding plan requires that state contributions be paid to the System so that by the end of fiscal year 2045, the ratio of net assets to the actuarial accrued liability (funding ratio) will be 90%.

At June 30, 2006, the System's accrued actuarial liability amounted to \$221.7 million. The actuarial value of net assets (at fair value) amounted to \$82.3 million as of the same date, resulting in a funding ratio of 37.1%.

RETIREES: Federal Income Tax Withholding

Monthly GARS benefits are subject to federal income tax withholding. Federal law requires us to ask benefit recipients to complete a W-4P to determine if they want federal income tax withheld from their benefit.

If you fail to inform us of your decision, taxes are withheld from your benefit as a married individual with three exemptions. No withholding is required for a benefit less than \$1,517.00 per month unless you request it.

Tax penalties may be incurred if you do not withhold income taxes and your estimated tax payment is insufficient for the year. You may notify us at any time to change or end your withholding.

GARS Workshop



To help you start planning for your retirement years, we urge you to enroll in the Education for Tomorrow's Choices preretirement workshop.

This free, one-day workshop will be held in Chicago on May 31 and features a certified financial planner to discuss money management and investment strategies.

Other speakers will cover Deferred Compensation, Social Security, insurance and GARS benefits.

Although retirement may be years in the future, this information will help you begin planning for a lifetime of financial security.

Representative Lee Daniels Retires



Representative Lee Daniels, a member of the General Assembly Retirement System (GARS) Board of Trustees, retired after 32 years

as a member of the Illinois House of Representatives.

First elected as a member of the Illinois House in 1974, Daniels was appointed to the GARS Board of Trustees in March 1993, where he continued to serve until his 2007 retirement from the Illinois House.

Soon after his 1993 appointment to the Board, Representative Daniels was unanimously elected Chairman

of the GARS Board of Trustees, a position which he held for more than 12 years.

Born in 1942, Daniels is a lifelong resident of DuPage County. A graduate of the University of Iowa, Daniels earned a law degree from John Marshall Law School. Daniels and his wife Pam have five children and reside in Elmhurst.

The staff of the General Assembly Retirement System thanks Representative Daniels for his years of service as a dedicated member and Chairman of the GARS Board of Trustees. We also wish him many happy and healthy years of retirement.

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Timothy Blair, Acting Executive Secretary

THE BOARD OF TRUSTEES

Representative Kurt M. Granberg, Chairman

Senator James F. Clayborne, Jr.
Vice-Chairman

Senator Don Harmon

Senator Bill Brady

Representative Richard T. Bradley

Representative Philip Collins,
Elected Annuitant

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

This form is to be 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 desiring to change beneficiaries at a later date must complete a new Nomination Beneficiary form. The form on file with the System that 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 one person, as many as you wish, or your estate. If additional space is required, use the reverse side of

this form. 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 acknowledgment will be mailed to the current address on file with GARS. If your address is not current, please contact the Office of the Comptroller.

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

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

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 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 and 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 _____