



## GARS Tier 2 Legislation

Governor Quinn signed Public Act 96-0889 into law on April 14, 2010 creating a “second-tier” of benefits for future members of the General Assembly Retirement System.

The most significant changes include increasing the minimum retirement age for future members and reducing the benefit formula for future members to 3% of final average salary.

**THIS LEGISLATION ONLY AFFECTS GARS MEMBERS ELECTED OR APPOINTED AFTER DECEMBER 31, 2010. OTHER MEMBERS OF GARS ARE NOT AFFECTED BY THIS LEGISLATION!**

### Benefit Changes Include:

- In order to qualify for a retirement benefit, a member must be 67 years old with 8 years of service. A member could retire at age 62 with 8 years of service, but with a reduction in benefits of one-half of one percent per month for each month the member is under age 67.
- Calculates the retirement benefit on a maximum salary of \$106,800. This amount increases annually by three percent or the Consumer Price Index, whichever is less.
- Increases the original retirement benefit annually by three percent or the Consumer Price Index, whichever is less.

- Changes the restrictions on retired members who go to work **full-time** for an employer covered by a reciprocal pension system. Pension payments would be suspended during this time.
- Increases the number of months used to calculate the final average rate of pay to the highest 96 months of the last ten years of service. Tier 2 pensions are no longer based on final rate of pay.



## Civil Unions and GARS Benefits

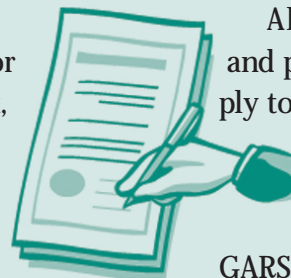
Public Act 96-1513 (SB 1716) created the Illinois Religious Freedom Protection and Civil Union Act. Effective June 1, 2011, this new state law provides civil unions not only for couples of the same sex, but for couples of the opposite sex as well.

The Act provides parties to a civil union are “entitled to the same legal obligations, responsibilities, protections and benefits as are afforded or recognized by the law of Illinois to spouses, whether

they derive from statute, administrative rules, policy, common law, or any other source of civil or criminal law.”

All current statutes, rules and policies that currently apply to married GARS members and spouses will now apply to couples in a civil union.

GARS staff is revising and updating rules, policies and related materials to reflect the new Civil Unions Act. You may contact our office at 217-782-8500 for additional information.



# One- On- One Counseling

The 2011 One-on-One counseling sessions will be held through July at the locations below. If you would like to schedule an appointment with Jayne Waldeck during a visit to your city, contact the Court Administrator at that specific location.

## March 8

DuPage County Courthouse  
Wheaton in the morning

## March 9

Kane County Courthouse  
St. Charles in the morning

## March 30

Adams County Courthouse  
Quincy in the morning

## April 12 & 13

Cook County, Bilandic Building  
Chicago

## April 20

Lake County Courthouse  
Waukegan 11 a.m.

## April 21

McHenry County Courthouse  
Woodstock in the morning

## April 29

McDonough County Courthouse  
Macomb 11:30 a.m.

## May 3

Vermilion County Courthouse  
Danville in the morning

Coles, Clark, Edgar Counties  
Charleston in the afternoon

## June 1

Macon County Courthouse  
Decatur in the morning

McLean County Courthouse  
Bloomington in the afternoon

## June 17

Williamson County Courthouse  
Marion in the morning

Jefferson County Courthouse  
Mt. Vernon in the afternoon

## June 28

Peoria County Courthouse  
Peoria in the morning

Tazewell County Courthouse  
Pekin in the afternoon

## July 12

Rock Island County Courthouse  
Rock Island in the morning

Carroll County Courthouse  
Mt. Carroll in the afternoon

## July 13

Winnebago County Courthouse  
Rockford in the morning

# Retiring in 2011?

**Q: How soon should I request an application for a GARS pension?**

A: Within 30 days before your retirement, you should contact GARS to request a pension application.

**Q: Can I set up an appointment with a GARS representative to calculate my benefits?**

A: We recommend you request a pension estimate first. You can also set up an appointment with Jayne Waldeck during one of the 1-on-1 Counseling sessions in your area to discuss your benefits (see 1-on-1 schedule), or she can meet with you at the Capitol during session.

## GARS Board of Trustees

The Board of Trustees is responsible for the operations of GARS. Six members are appointed by the Governor and one GARS retiree is elected by his peers.

Chairman Senator James Clayborne

Vice-Chairman Representative Mark Beaubien

Senator Don Harmon

Senator William Brady

Representative Kevin McCarthy

Representative Dan Reitz

Retired Representative Philip Collins



Keep your mailing address current! Failure to do so could result in not receiving important notices from GARS. We strive to provide our members with fast and efficient service. Correct mailing addresses are essential in meeting this goal.

# FY10 Numbers

## OPERATIONS



Fiscal year 2010 participant contributions decreased by 1.0% over the fiscal year 2009 amount. This was due to a decrease in optional service purchases.

Employer contributions increased to \$10.4 million in fiscal year 2010 from \$8.9 million in fiscal year 2009. This increase was the result of the state's funding plan.

During fiscal year 2010, the System paid out approximately \$17.0 million in benefits and refunds, an increase of 6.7% from fiscal year 2009.

## 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. The fiscal year 2010 investment income directly reflects the positive returns in the U.S. equity, international equity, fixed income, and private equity 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 the actuarial value of assets to the actuarial liability (funding ratio) will be 90%.

At June 30, 2010, the System's accrued actuarial liability amounted to \$251.8 million. The actuarial value of assets amounted to \$66.2 million as of the same date, resulting in a funding ratio of 26.3%.

## Statements of Plan Net Assets June 30, 2010 and 2009

	2010	2009
<b>ASSETS</b>		
Cash	\$ 3,099,436	\$ 3,705,657
Receivables	50,015	3,777,472
Investments, at fair value	51,638,586	47,693,753
Securities lending collateral with State Treasurer	1,143,000	-
Equipment, net of acc. depr.	1,867	1,695
<b>Total Assets</b>	<b>55,932,904</b>	<b>55,178,577</b>
<b>Total Liabilities</b>	<b>1,241,748</b>	<b>86,452</b>
<b>Net assets held in trust for pension benefits</b>	<b>\$ 54,691,156</b>	<b>\$ 55,092,125</b>

## Statements of Changes in Plan Net Assets June 30, 2010 and 2009

	2010	2009
<b>ADDITIONS</b>		
Contributions:		
Participants	\$ 1,680,603	\$ 1,697,575
Employer	10,411,274	8,856,422
<b>Total Contributions</b>	<b>12,091,877</b>	<b>10,553,997</b>
Investment Income (Loss)	4,770,533	(14,662,285)
<b>Total Additions (Deductions)</b>	<b>16,862,410</b>	<b>(4,108,288)</b>
<b>DEDUCTIONS</b>		
Benefits	16,769,032	15,857,219
Refunds	222,094	71,589
Administrative	272,253	276,722
<b>Total Deductions</b>	<b>17,263,379</b>	<b>16,205,530</b>
<b>Net Decrease</b>	<b>(400,969)</b>	<b>(20,313,818)</b>
<b>Net assets held in trust for pension benefits:</b>		
Beginning of year	55,092,125	75,405,943
End of year	\$ 54,691,156	\$ 55,092,125

**General Assembly Retirement System of Illinois**

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

**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 of 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.

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.

**INSTRUCTIONS:** Complete this form using ink or typewriter. You may nominate one person, as many as you wish, or your estate. Benefits will be paid on a survivor basis in the numerical

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

**In the event a member dies with no qualified survivor eligible for a monthly annuity, the lump sum death benefit will be paid as follows:**

- All the money will be paid to John Doe.
- If John Doe is not living when the member dies, all the money will be paid to Jane Doe.
- 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.)
- If John, Jane, David, Nancy, and Mary Doe are not living when the member dies, all the money will be paid to Frank Smith.
- 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 \_\_\_\_\_