



October 28, 2024

Governor JB Pritzker
207 Statehouse
Springfield, IL 62706

Dear Governor Pritzker:

Pursuant to Public Act 88-593, as amended, at a meeting held on October 25, 2024, the Board of Trustees of the Judges' Retirement System (JRS) preliminarily certified an FY 2026 State contribution of \$151,882,000, or 95.899% of projected payroll. Of the \$151,882,000, \$26,621,000 is for the employer's portion of the expected FY 2026 normal cost and \$125,261,000 is due to the unfunded liabilities.

Consistent with Governmental Accounting Standards Board (GASB) Statement No. 67, the JRS 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 25-year period, as a level percent of payroll. The remaining amortization period is 16 years. The FY 2026 ADC is \$183,688,306, or \$31.8 million higher than the amount calculated under the statutory funding plan.

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

Attached is the draft FY 2024 actuarial valuation along with the FY 2026 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,

A handwritten signature in black ink that reads 'Timothy B. Blair'.

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
Lynn Patton, Governor's Office of Management & Budget
Cory Burris, Governor's Office of Management & Budget
John Hollman, House Clerk
Brad Bolin, Assistant House Clerk.
Tim Anderson, Secretary of the Senate

Scott Kaiser, Assistant Secretary of the Senate
Clayton Klenke, Director, Commission on Government Forecasting & Accountability
Dan Hankiewicz, Commission on Government Forecasting & Accountability
Julie Bae, Commission on Government Forecasting & Accountability
Zachary Hollinshead, Commission on Government Forecasting & Accountability
Senate President Don Harmon
Senate Republican Leader John Curran
Speaker of the House Emmanuel “Chris” Welch
House Republican Leader Tony McCombie
Tiffany Moy, Speaker's Office
Andrew Freiheit, House Republican Staff
Ashley Jenkins-Jordan, Senate President's Office
Brian Burian, Senate Republican Staff
Aaron Holmes, Senate President's Office
Jonathan Peebles, Senate President's Office
Madeline McCune, House Democratic Staff
Joe Sculley, House Republican Staff
Scott Hurrelbrink, Senate Republican Staff
Rich Rockwood, Senate Republican Staff
John Webb, House Democratic Staff