



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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R. Stanley Rupnik, Executive Director & Chief Investment Officer

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877-927-5877 (877-9-ASK-TRS) | FAX: 217-753-0964

October 25, 2024

HAND DELIVERED

The Honorable JB Pritzker
Governor
State of Illinois
207 State House
Springfield, IL 62706

Raven DeVaughn, Director
Central Management Services
State of Illinois
715 William G. Stratton Building
Springfield, IL 62706

The Honorable Susana Mendoza
Comptroller
State of Illinois
201 State House
Springfield, IL 62706-1001

Kari Wolfe, Deputy Director
Bureau of Benefits
Central Management Services
State of Illinois
801 South Seventh Street, 6th Floor
Springfield, IL 62706

RE: Teacher Health Insurance Security (THIS) Fund Certification for FY 2026

On October 25, 2024, the TRS Board certified **\$123,195,074** as the required FY 2026 state contribution to the Teacher Health Insurance Security Fund.

The Illinois Department of Central Management Services (CMS) notified TRS that the member contribution rate for FY 2026 will remain unchanged from FY 2025 at 0.90 percent.

The certified contribution is the amount needed to match estimated active member contributions to THIS Fund in the coming fiscal year, plus or minus the amount by which TRS over or underestimated active member contributions during the previous fiscal year. For FY 2026, the certified contribution is based on the assumed 0.90 percent member contribution rate, plus \$4,649,165 because actual member contributions for FY 2024 were more than anticipated.

The attached board certification provides more explanation of the certified FY 2026 THIS Fund contribution. An exhibit prepared by the TRS actuaries shows how the certified amount was calculated.

Questions pertaining to this certification should be directed to Amy Z. Reynolds, Director of Research, at 217.814.2272 or areynolds@trsil.org.

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Sincerely,

A handwritten signature in black ink, appearing to read 'R. Stanley Rupnik', with a long horizontal stroke extending to the right.

R. Stanley Rupnik
Executive Director &
Chief Investment Officer

Enclosures (4)

- Certification of board resolution
- Certification of THIS fund methodology adopted by the board.
- Exhibit prepared by Segal Consulting showing calculation.
- Illinois CMS rate notification letter

**FY 2026 STATE CONTRIBUTION TO THE
TEACHER HEALTH INSURANCE SECURITY (THIS) FUND**

Resolved: To certify \$123,195,074 as the required state contribution to the Teacher Health Insurance Security (THIS) Fund for FY 2026, as presented by Segal Consulting, exhibit B.



R. Stanley Rupnik
Executive Director & Chief Investment Officer
October 25, 2024

TEACHER HEALTH INSURANCE SECURITY (THIS) FUND CERTIFICATION OF CALCULATION FOR FY 2026

The Board of Trustees of the Teachers' Retirement System (TRS) resolved during its October 25, 2024 regular meeting to certify a required state contribution to THIS Fund for FY 2026 as statutorily required by 5 ILCS 375 / 6.6 (c).

The FY 2026 certification is based on the active member contribution rate, 0.90%, as determined by the Illinois Department of Central Management Services (CMS).

The certified state contribution is the amount needed to match estimated active member contributions to Teachers Health Insurance Security (THIS) Fund during FY 2026, adjusted by the amount by which TRS underestimated actual active member THIS Fund contributions during FY 2024. The state contribution amount certified for FY 2026 is \$123,195,074 and was determined by the following procedure.

Segal Consulting, the TRS actuaries, estimate total active member payroll for FY 2026 to be \$13,247,933,643. Their payroll projection is based on the June 30, 2024 actuarial valuation. State agencies' estimated active member payroll of \$76,165,992 is subtracted because state employees covered by TRS do not make THIS Fund contributions. The remaining payroll is \$13,171,767,651. The assumed FY 2026 active member THIS Fund contribution rate of 0.90 percent of pay was applied to the remaining payroll, yielding \$118,545,909.

Public Act 92-0505 requires the annual THIS Fund certification to be adjusted by the amount by which TRS over or underestimated actual active member contributions in the preceding fiscal year (5 ILCS 375 / 6.6 (c)). The amount by which TRS underestimated FY 2024 active member contributions was \$4,649,165. This \$4,649,165 was added to the \$118,545,909 resulting in the certified FY 2026 contribution of \$123,195,074. The requirement to correct for over or underestimating active member contributions in the previous fiscal year remains in the TRIP extension act, Public Act 93-0679. Calculations are shown in exhibit B.



R. Stanley Rupnik
Executive Director & Chief Investment Officer
October 25, 2024

**Teacher Health Insurance Security (THIS) Fund
Contribution Amount to be Certified by the Board**

Fiscal Year 2026

Expected State Contribution to THIS Fund	
• Membership payroll	
– Total	\$13,247,933,643
– Less members who do not contribute to THIS Fund	(76,165,992)
– Members who do contribute to THIS Fund	13,171,767,651
• Member contribution rate (actual, from CMS)	0.90%
• Matching state contribution	\$118,545,909
• Adjustment to underestimating fiscal year 2024 THIS Fund member contributions	4,649,165
• Total THIS Fund state contribution¹	123,195,074

¹ This certification does not include other state contributions to THIS Fund, which are not part of the statutory certification requirement