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MONTHLY BRIEFING
For the Month Ended: NOVEMBER 2025

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SPECIAL PENSION BRIEFING

STATE RETIRMENT SYSTEMS OVERVIEW

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The Commission has reviewed the State-funded retirement systems' FY 2025 preliminary actuarial reports, which were issued prior to November 1st, pursuant to P.A. 97-0694, the State Actuary Law. Under the State Actuary Law, the systems must annually submit a proposed certification for the following fiscal year prior to November 1st of the current calendar year. The State Actuary then must issue a preliminary report concerning the systems' proposed certification by January 1st. The State Actuary's report must identify any recommended changes in actuarial assumptions based upon the review of the retirement systems' actuarial assumptions.

Using the actuarial (smoothed) value of assets, the total unfunded liabilities of the State systems totaled $144.6 billion on June 30, 2025, led by the Teachers' Retirement System (TRS), whose unfunded liabilities amounted to $83.1 billion. As the largest of the State systems, TRS accounts for approximately 57.5% ($83.1 billion) of the total unfunded liabilities of the five State systems combined.

The State Employees' Retirement System (SERS) had unfunded liabilities of $31.0 billion, approximately 21.4% of the total unfunded liabilities of the five systems, followed by the State Universities Retirement System (SURS) with unfunded liabilities of $28.5 billion, which represents 19.7% of the total unfunded liabilities. Table 1 provides a summary of the financial condition of each of the five State retirement systems, showing their respective liabilities and assets as well as their accumulated unfunded liabilities and funded ratios.

TABLE 1

Summary of Financial Condition FY 2025				
State Retirement Systems Combined				
Assets at Actuarial Value / With Asset Smoothing (P.A. 96-0043)				
($ in Millions)				
System	Accrued Liability	Actuarial Assets	Unfunded Liability	Funded Ratio
TRS	$159,123.5	$76,053.6	$83,069.9	47.8%
SERS	$58,352.3	$27,381.0	$30,971.3	46.9%
SURS	$53,931.9	$25,383.3	$28,548.6	47.1%
JRS	$3,176.9	$1,460.4	$1,716.4	46.0%
GARS	$363.2	$96.2	$267.1	26.5%
TOTAL	**$274,947.9**	**$130,374.6**	**$144,573.3**	**47.4%**

A more realistic valuation of the true financial position of the State retirement systems would be based upon the market value of the assets, as shown in Table 2 below. Utilizing the market value of assets, the combined unfunded liabilities of the State systems totaled $143.5 billion on June 30, 2025. TRS, whose unfunded liabilities amounted to $81.9 billion, represents approximately 57.1% of the combined total unfunded balance. Table 2 provides a summary of the financial condition of each of the five State retirement systems, showing their respective liabilities and assets as well as their accumulated unfunded liabilities and funded ratios.
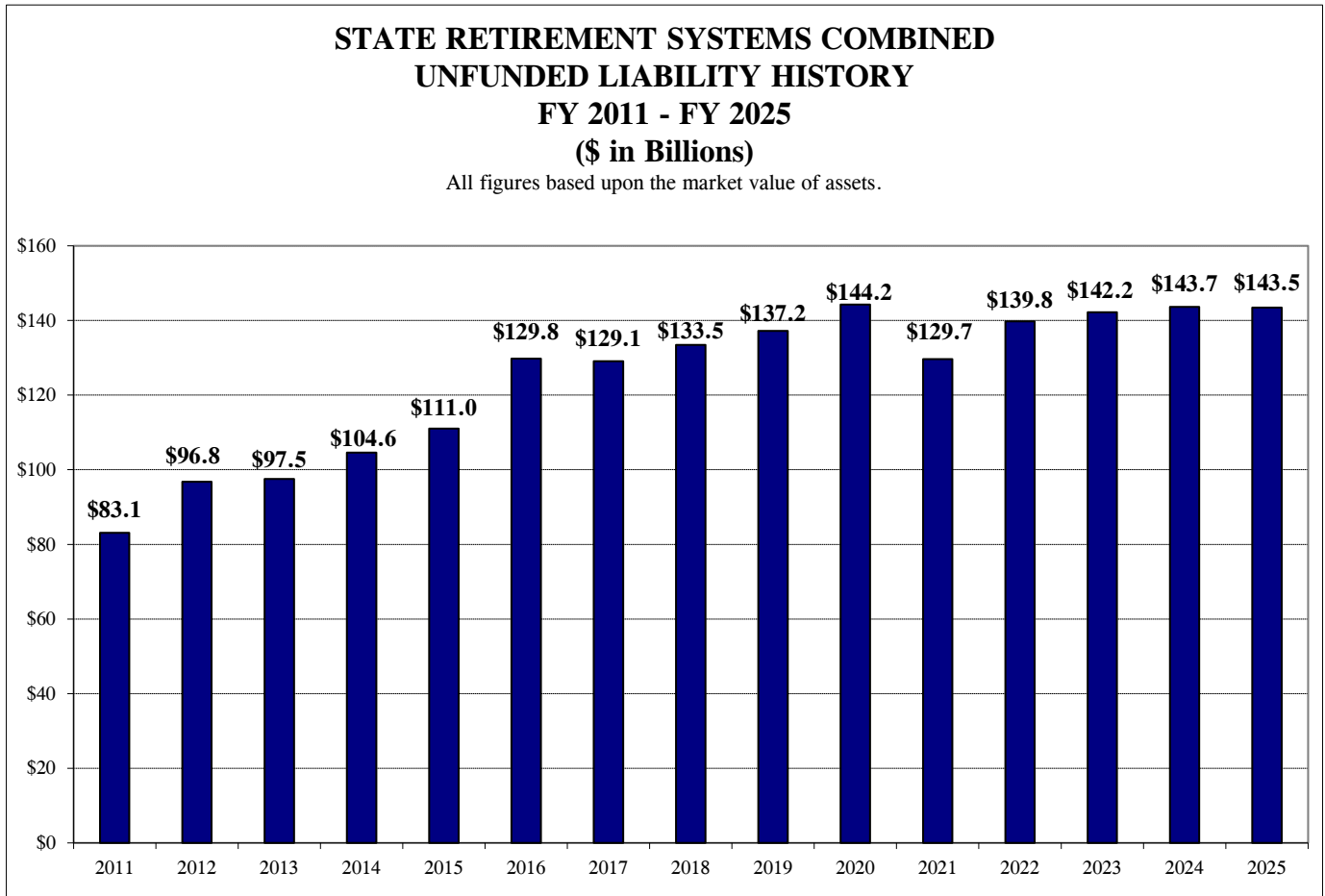
TABLE 2

Summary of Financial Condition FY 2025 State Retirement Systems Combined Assets at Market Value / Without Asset Smoothing (P.A. 96-0043)			
($ in Millions)			
System	Accrued Liability	Market Assets	Unfunded Liability	Funded Ratio
TRS	$159,123.5	$77,263.3	$81,860.2	48.6%
SERS	$58,352.3	$27,620.0	$30,732.3	47.3%
SURS	$53,931.9	$25,031.1	$28,900.8	46.4%
JRS	$3,176.9	$1,469.3	$1,707.6	46.2%
GARS	$363.2	$97.4	$265.9	26.8%
TOTAL	**$274,947.9**	**$131,481.1**	**$143,466.8**	**47.8%**

The funded ratios of the respective systems may be compared to the aggregate funded ratio. The combined funded ratios based on the actuarial and market value of assets for FY 2025 were 47.4% and 47.8%, respectively, as shown in Tables 1 and 2 (the 15-year history of the systems' cumulative funded ratio is shown in Chart 6). While the General Assembly Retirement System (GARS) had the poorest funded ratio, the funded ratios of the other four pension systems ranged from 46.0% to 48.6%.

Chart 1 on the following page shows a 15-year history of the cumulative unfunded State pension liability and is based upon calculations performed by the retirement systems' actuaries using the *market value* of assets for all years, including FY 2025. Overall, the aggregate unfunded liability has grown significantly over the past 15 years from $83.1 billion in FY 2011 to $143.5 billion in FY 2025.

Since the enactment of P.A. 88-0593 in FY 1996—commonly known as the 1995 funding law, which created the 50-year funding policy that governs annual required State pension contributions—the primary driver behind the growth in the combined unfunded liability has been actuarially insufficient State contributions determined under the current pension funding policy in P.A. 88-0593. As the actuaries for the State retirement systems have noted in their respective annual actuarial valuation reports, the funding plan under P.A. 88-0593 produces employer (State) contributions that are typically below what is considered actuarially adequate. As a result, the aggregate State contributions have historically not been sufficient to stop the growth in the combined unfunded liabilities, even under a hypothetical scenario in which all other actuarial assumptions were met. (Table 5 in a later section compares the statutory State contributions with Actuarially Determined Contributions (ADC).) Hence, there is a distinction between contributions that are statutorily sufficient and contributions that are considered actuarially sufficient. The annual reports of the State Actuary have noted this distinction as well. Further details on the main factors affecting the unfunded liability can be found in Charts 4 and 5.

CHART 1

STATE RETIREMENT SYSTEMS COMBINED
UNFUNDED LIABILITY HISTORY
FY 2011 - FY 2025
($ in Billions)
All figures based upon the market value of assets.

Year	Amount
2011	$83.1
2012	$96.8
2013	$97.5
2014	$104.6
2015	$111.0
2016	$129.8
2017	$129.1
2018	$133.5
2019	$137.2
2020	$144.2
2021	$129.7
2022	$139.8
2023	$142.2
2024	$143.7
2025	$143.5

Over the recent five-year period, the unfunded liability on the market value of assets has increased from $129.7 billion in FY 2021 to $143.5 billion in FY 2025. In FY 2021, the unfunded liability saw a significant improvement, due in large part to exceptional investment returns across all systems. However, it has gradually risen again since then. Poor investment performances—below 0% on a market value basis from all systems in FY 2022—added upward pressure on the unfunded liability, and higher-than-projected salary increases across all five systems in FY 2023 also contributed to an increase as well. In FY 2024, the unfunded liability rose slightly to $143.7 billion, nearing its previous peak again. While all systems achieved investment returns above their assumed rates of return on a market value basis, which helped contain the growth of the unfunded liability, it was not enough to prevent it from increasing. Changes in actuarial assumptions by TRS and SURS were among the main factors contributing to the increase, as well as to higher-than-assumed salary increases from all five systems.

In FY 2025, the combined unfunded liability slightly decreased to $143.5 billion—a less common occurrence over the past 15 years—marking only the fourth decline during this period, with the other three occurring in FY 2011, FY 2017, and FY 2021 (and the sixth decline since the 1996 funding plan began). Although the decline was modest—approximately $200 million, or 0.1%—it is still a positive development to note.

Details on the factors affecting the change in the actuarial unfunded liability in FY 2025 can be found in Chart 4.

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CHART 2

UNFUNDED LIABILITY HISTORY BY SYSTEM
FY 2011 - FY 2025
($ in Billions)
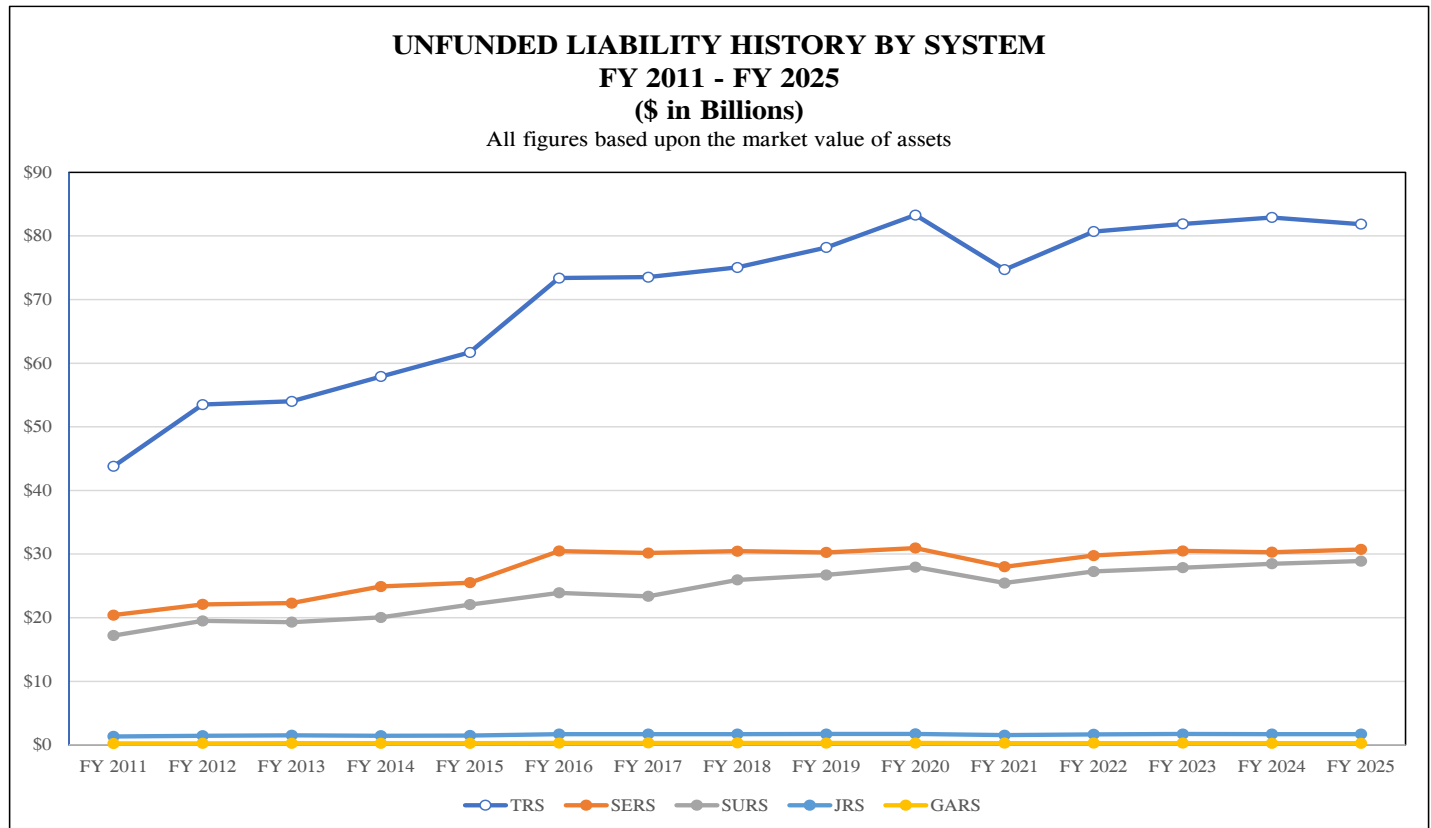All figures based upon the market value of assets

Chart 2 above presents the unfunded liability history of the five systems over the last 15 years. As shown, the three largest systems, TRS, SERS, and SURS, make up the majority of the aggregate unfunded liability. Due in part to TRS having the largest portfolio of the "Big 3" systems, TRS's changes in unfunded liability tend to be greater in nominal terms than those of the other Big 3 systems. One of the steepest rises in the TRS trend line can be seen in FY 2012 and FY 2016 as TRS reduced its assumed investment rate by 0.5% in each respective year. On the other hand, the steepest decline in the TRS line occurred in FY 2021 thanks to an exceptionally strong investment return of 25.5% on a market value basis. TRS's market value unfunded liability fell slightly to $81.9 billion in FY 2025 from $82.9 billion in FY 2024.

Table 3 below shows the historical changes in the investment return assumptions for each of the five State systems. All five systems left their respective investment return rate assumptions unchanged in FY 2025 (TRS at 7.00%; SERS at 6.75%; and SURS, JRS, and GARS at 6.50%). TRS has used its 7.0% assumed investment return rate since FY 2016, while SERS, JRS, and GARS last updated their rates in FY 2019. SURS most recently updated its investment return assumption in FY 2021.

TABLE 3

System	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
10-Year Historical Change in Investment Rate Assumptions										
TRS	7.00%									
SERS	7.00%				6.75%					
SURS	7.25%		6.75%			6.50%				
JRS	6.75%			6.50%						
GARS	6.75%			6.50%						

NOTE: The years associated with investment rate assumption changes above reflect the actuarial valuation year, not the fiscal year in which the State contribution was calculated using the new rate.

CHART 3

STATE FUNDED RETIREMENT SYSTEMS
FY 2025 Rate of Return on Investments
Actuarially Assumed Rate of Return:
TRS - 7.00%, SERS - 6.75%, SURS - 6.50%, JRS - 6.50%, GARS - 6.50%
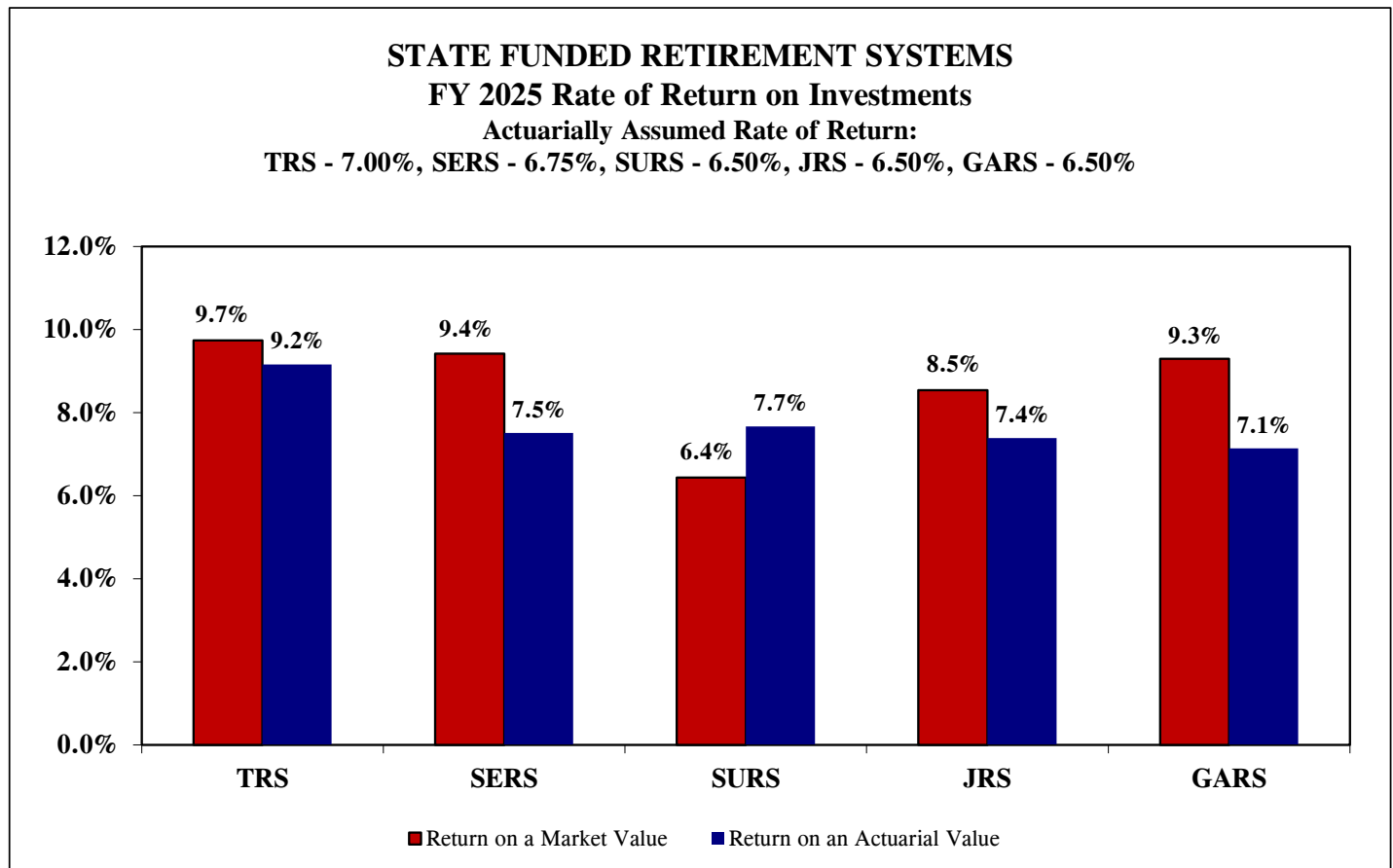
Chart 3 above presents investment returns experienced by each of the systems in FY 2025 based upon both the actuarial (smoothed) value, shown in blue, and market value, depicted in red. As indicated by the red bars, all systems except SURS achieved market returns of at least 8.5% in FY 2025, while SURS earned a relatively lower return of 6.4%. On an actuarial value-of-assets basis, however, all five systems exceeded their assumed investment return, resulting in actuarial investment gains.

Actuarial investment gains or losses, if any, are recognized gradually under the asset smoothing method, which spreads annual investment fluctuations over a period of five years. This asset smoothing was

implemented beginning with the FY 2009 actuarial valuation reports of the State systems with the adoption of P.A. 96-0043, which took effect on July 15, 2009.

Chart 4 below outlines the factors that have caused the FY 2025 unfunded liability to change.

CHART 4
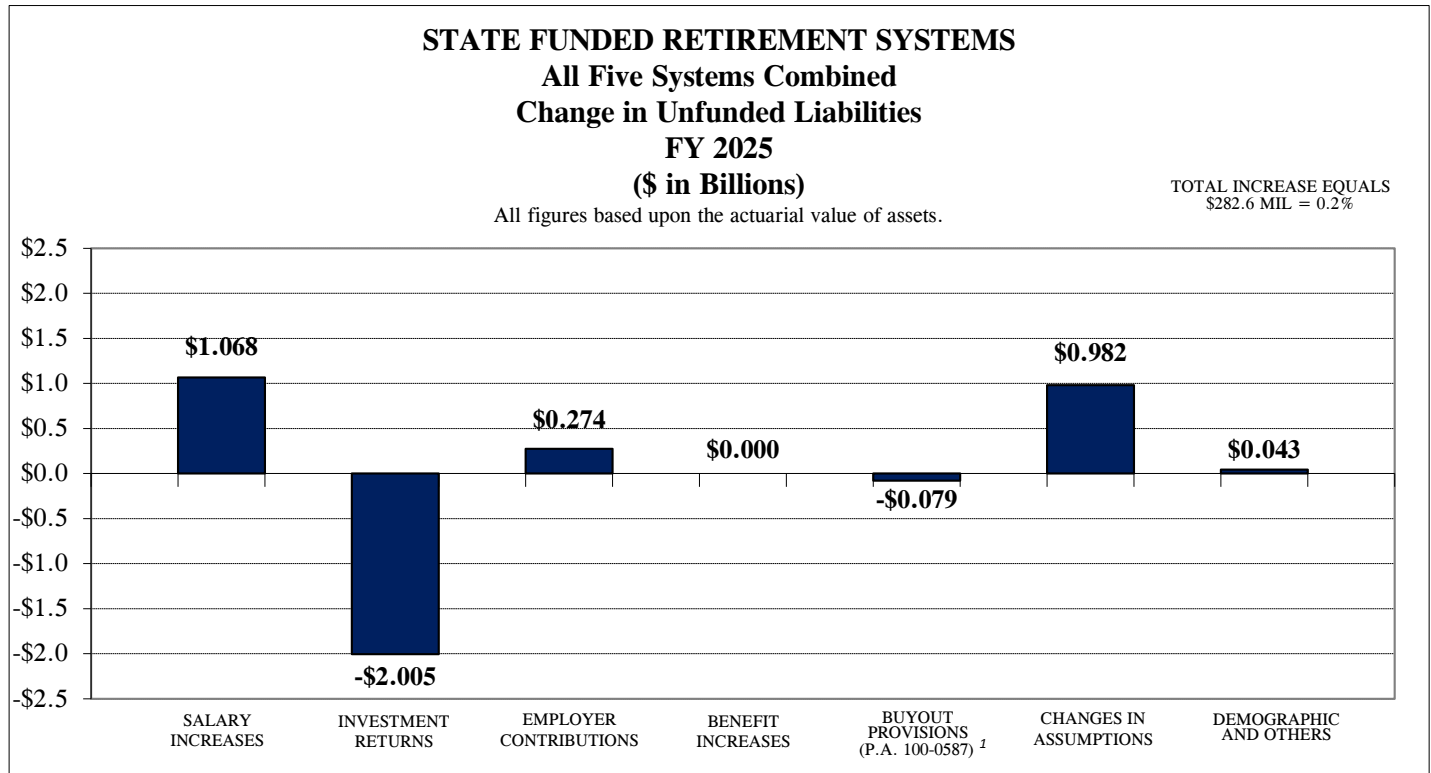
STATE FUNDED RETIREMENT SYSTEMS
All Five Systems Combined
Change in Unfunded Liabilities
FY 2025
($ in Billions)
All figures based upon the actuarial value of assets.

TOTAL INCREASE EQUALS
$282.6 MIL = 0.2%

$1.068	-$2.005	$0.274	$0.000	-$0.079	$0.982	$0.043
SALARY INCREASES	INVESTMENT RETURNS	EMPLOYER CONTRIBUTIONS	BENEFIT INCREASES	BUYOUT PROVISIONS (P.A. 100-0587) [1]	CHANGES IN ASSUMPTIONS	DEMOGRAPHIC AND OTHERS

[1] *P.A. 100-0587, effective June 4, 2018, created the two voluntary Accelerated Pension Benefit Payment Programs (the pension buyout programs) for TRS, SURS, and SERS. P.A. 101-0010, effective June 5, 2019, extended the buyout programs by three more years to June 30, 2024. P.A. 102-0718, effective May 5, 2022, extended the programs further, until June 30, 2026. While SERS did not report FY 2025 data from the buyout programs, TRS reported an actuarial gain of $68.3 million, and SURS reported an actuarial gain of $10.7 million in FY 2025.*

As shown in Chart 4, the combined unfunded actuarial liability increased in FY 2025 by $282.6 million (0.2%) —a very small increase, representing the second-smallest year-over-year (Y/Y) increase among all years in which the combined unfunded liability rose during the 30-year period reviewed since FY 1996. Over this period, the unfunded liability decreased four times; when including those four years of decline, the FY 2025 change ranks as the sixth-smallest Y/Y change overall.

The two primary contributors to the FY 2025 increase were higher-than-assumed salary increases ($1.068 billion) and changes in actuarial assumptions ($982 million), which together increased the unfunded liability by $2.050 billion. While all five systems experienced salary increases above their assumptions, SERS and TRS accounted for most of the actuarial loss, with SERS contributing $573.9 million and TRS contributing $399.4 million. Regarding assumptions changes, only SERS, JRS, and GARS updated their economic and demographic assumptions—including inflation rates, general payroll increases rates, and retirement rates, among others. SERS also updated its assumed participation rate in the total buyout program from 3% to 4%. Of the $982 million attributable to assumption changes across these three systems, $963.2 million (98%) came from SERS, largely reflecting the significantly larger size of SERS relative to JRS and GARS.

However, the increase in the unfunded liability was largely offset by $2.005 billion in actuarial investment gains, resulting in a modest net increase. As mentioned earlier, all five systems experienced actuarial investment gains in FY 2025, with TRS accounting for $1.519 billion (76%) of the total.

Chart 5 below shows the change in the unfunded liability since the 50-year funding policy established by the 1995 funding law was implemented.

CHART 5
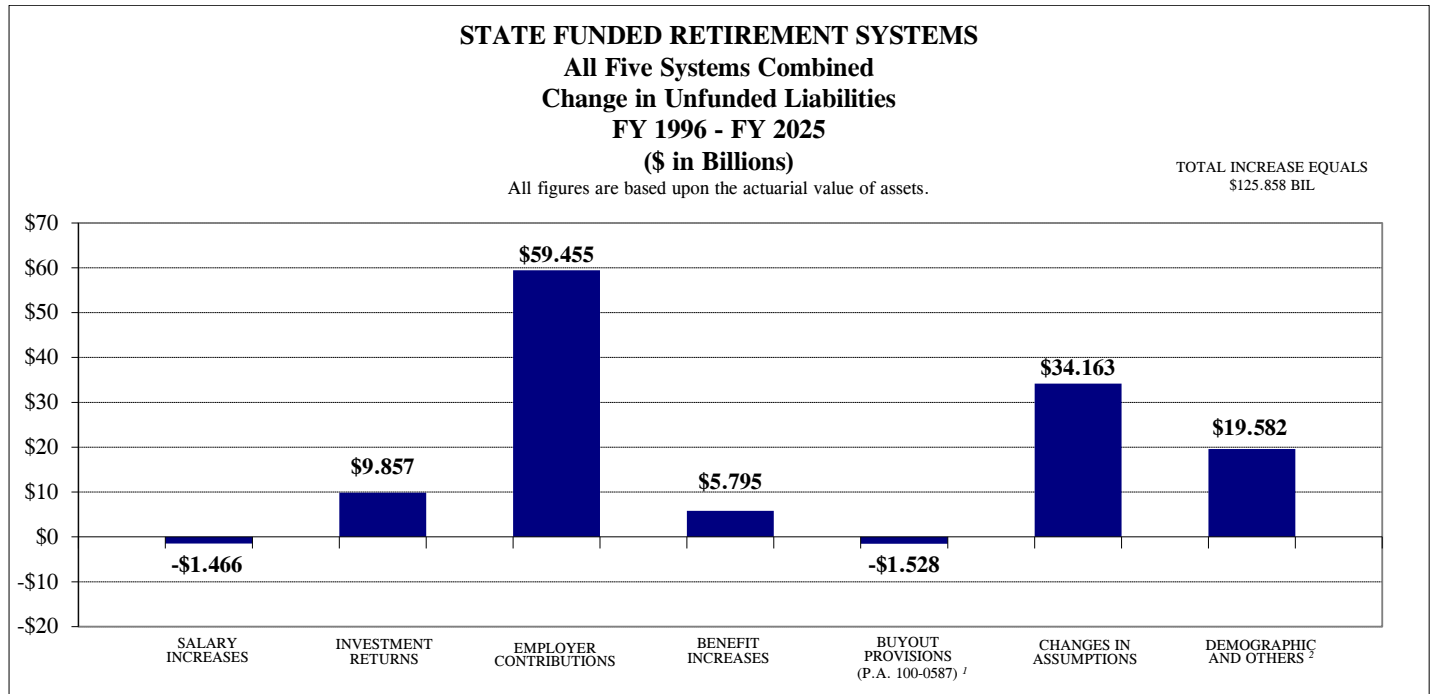
STATE FUNDED RETIREMENT SYSTEMS
All Five Systems Combined
Change in Unfunded Liabilities
FY 1996 - FY 2025
($ in Billions)
All figures are based upon the actuarial value of assets.

TOTAL INCREASE EQUALS
$125.858 BIL

Category	Value
SALARY INCREASES	-$1.466
INVESTMENT RETURNS	$9.857
EMPLOYER CONTRIBUTIONS	$59.455
BENEFIT INCREASES	$5.795
BUYOUT PROVISIONS (P.A. 100-0587) [1]	-$1.528
CHANGES IN ASSUMPTIONS	$34.163
DEMOGRAPHIC AND OTHERS [2]	$19.582

[1] *P.A. 100-0587, effective June 4, 2018, created the two voluntary Accelerated Pension Benefit Payment Programs (the pension buyout programs) for TRS, SERS, and SURS. P.A. 101-0010, effective June 5, 2019, extended the buyout programs by three more years to June 30, 2024. P.A. 102-0718, effective May 5, 2022, extended the programs further, until June 30, 2026. As of the FY 2025 valuation, TRS reported a total gain of $878.9 million, SERS reported a total gain of $580.6 million, and SURS reported a total gain of $68.7 million.*

From FY 1996 through FY 2025, the unfunded liability increased by $125.9 billion, reaching $144.6 billion. As noted earlier, actuarially insufficient State contributions have been the largest driver of this increase, accounting for approximately 47.2% of the total increase. Changes in actuarial assumptions contributed an additional $34.2 billion (27.1%). Demographic and other experience factors, as well as investment returns falling short of assumptions, have also added to the increase in unfunded liability over time.

On the other hand, the "Big 3" systems' buyout programs and salary-increase experience have reduced the unfunded liability by $1.528 billion and $1.466 billion, respectively. Although higher-than-assumed salary increases have generated actuarial losses in the most recent six years—particularly during FY 2023 through FY 2025— the cumulative effect since FY 1996 has resulted in a net actuarial gain.

It is worth noting that as the State approaches the later years of the 50-year funding schedule (with FY 2025 marking year 30), statutory contributions may affect the unfunded liability differently than they have in the past. In recent years, some systems have reached contribution levels close to, or above, the amount needed to prevent increases in the unfunded liability. In these systems, actuarial losses associated with State contributions have generally not been observed in recent valuations.

Specifically, SERS, JRS, and GARS have experienced actuarial gains from employer (State) contributions, meaning their actual State contributions have been sufficient to cover both the normal cost and the interest on the unfunded liability—a pattern that differs from historical experience. SERS experienced these gains from FY 2022 through FY 2025; JRS from FY 2021 through FY 2025; and GARS from FY 2020 through FY 2025. However, actuarial losses from TRS and SURS offset these gains, resulting in net actuarial losses from State contributions across the combined five systems, including in FY 2025.

The State Actuary's most recent report (December 2024) also reflects this emerging pattern, noting that "*the State Mandated Method [the State's current funding plan] will soon enter a period in which the contribution amount it produces may be reasonable even though the overall methodology is not.*" The State Actuary's report based on the FY 2025 valuations is scheduled to be released by January 1, 2026, as required under the State Actuary Law.

CHART 6

STATE FUNDED RETIREMENT SYSTEMS COMBINED
Funded Ratio
FY 2011 - FY 2025
All figures based upon the market value of assets.

Fiscal Year	Funded Ratio
2011	43.3%
2012	39.0%
2013	41.1%
2014	42.9%
2015	41.9%
2016	37.6%
2017	39.8%
2018	40.2%
2019	40.3%
2020	39.0%
2021	46.6%
2022	43.8%
2023	44.6%
2024	46.1%
2025	47.8%
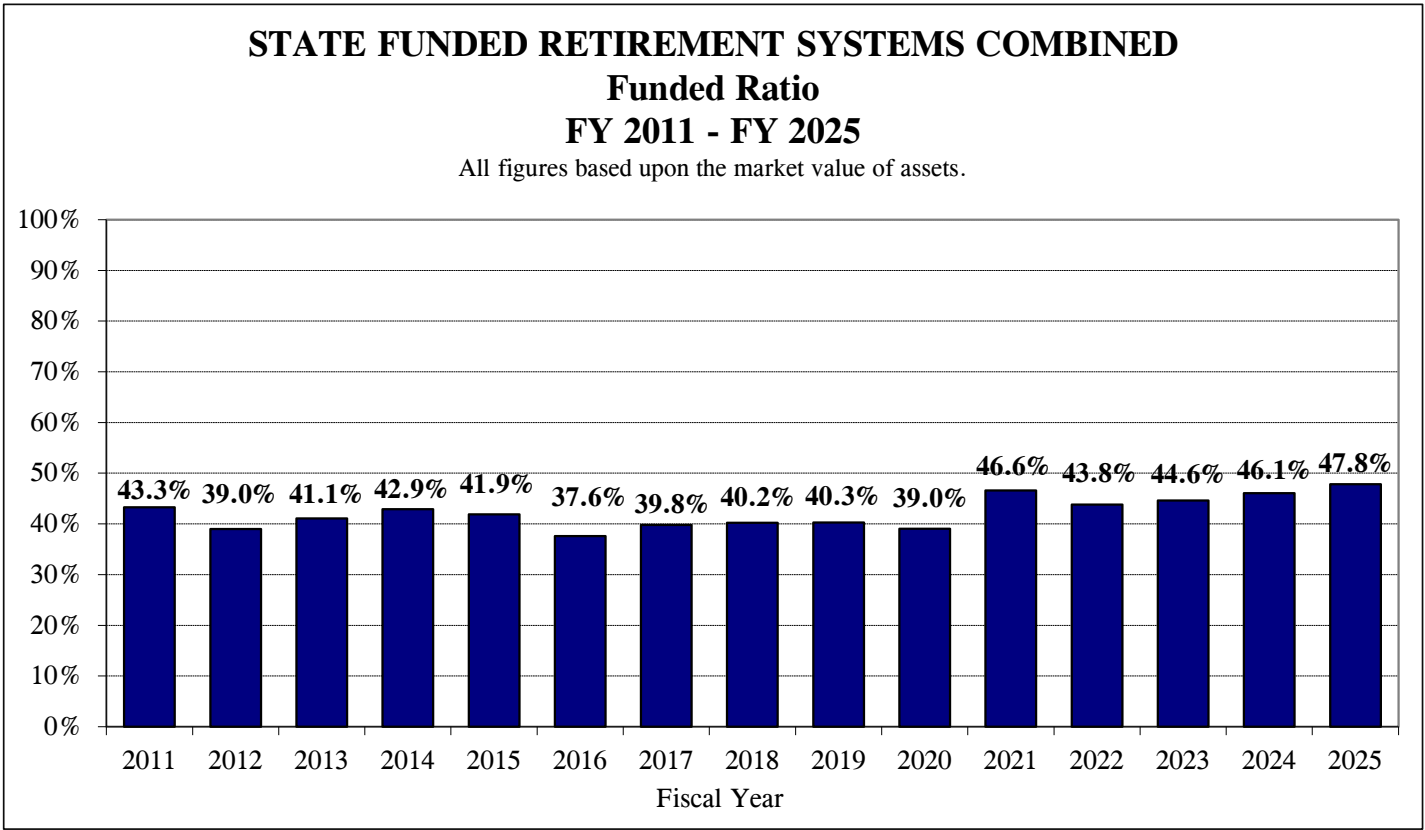
Chart 6 above shows the systems' funded ratio based on the market value of assets. The funded ratio at any single point in time is less important than the trend over time. While both the unfunded liability (Chart 1) and funded ratio (Chart 6) illustrate the financial condition of the pension systems, the two are negatively correlated by nature—when one rises, the other falls. Although the combined funded ratio has not improved dramatically over the past 15 years, a modest upward trend has been observed, rising from 43.3% in FY 2011 to 47.8% in FY 2025—the highest level since FY 2008.

TABLE 4

Projected FY 2027 Employer Normal Cost ($ in Millions)					
TRS	**SERS**	**SURS**	**JRS**	**GARS**	**Total**
$1,390.9	$636.1	$501.2	$26.8	$1.8	$2,556.9

Table 4 above shows the FY 2027 employer normal cost for the five State systems. The normal cost is, in essence, the present value cost of the benefits accrued in a given fiscal year. Put differently, if the respective systems were 100% funded, the State of Illinois would be obligated to pay the employer normal cost only. The total projected FY 2027 employer normal cost is estimated at $2.6 billion, representing approximately 21% of the preliminarily-certified FY 2027 State contributions of $11.9 billion for all five systems. (Please refer to either Table 5 or 6 for the FY 2027 State contribution based on the five systems' preliminary certification letters.)

Table 5 compares FY 2027 Actuarially Determined Contributions (ADC) and FY 2027 State contributions under P.A. 88-0593, both based on the five systems' preliminary FY 2025 valuations. While the statutory contributions are determined by the current funding policy under the 1995 funding law, ADCs are calculated by each respective systems' actuary pursuant to the Governmental Accounting Standards Board Statements (GASB) 67 and 68. GASB 67 and 68 allow each system to determine their own respective amortization periods.

TABLE 5

Comparison of FY 2027 Actuarially Determined Contribution (ADC) and FY 2027 State Contributions under P.A. 88-0593 ($ in Millions)						
System	**TRS**	**SERS****	**SURS**	**JRS**	**GARS**	**Total**
ADC*	$11,177.5	$3,010.3	$2,642.1	$162.0	$27.9	$17,019.9
State Contributions	$6,594.1	$2,795.0	$2,368.6	$154.2	$25.7	$11,937.4
Difference	$4,583.4	$215.4	$273.5	$7.9	$2.3	$5,082.4

ADCs under the respective systems' funding policy that meet the requirements of GASB Statements 67 and 68 may be calculated differently by each system; e.g., the amortization periods used to amortize the unfunded liability may differ: TRS uses a closed 20-year period; SERS uses a 20-year closed period (updated in the FY 2025 valuation from a 25-year closed period); and SURS uses a 30-year closed period (with 19 years remaining as of the FY 2025 valuation).

** The FY 2027 State contribution to SERS includes the FY 2003 POB debt service payment of $130.5 million. Excluding the debt service payment, the State contribution would be $2,664.5 million.*

Table 6 below shows the FY 2026 State contributions pursuant to P.A. 104-0003 and the FY 2027 estimated State contributions certified by the Boards of trustees of the five systems, based on the systems' preliminary FY 2027 certification letters. FY 2026 State contributions to the five systems were $11.7 billion. The FY 2027 State contributions are estimated to be $11.9 billion, an increase of $218.8 million or 1.9% over FY 2026.

TABLE 6

FY 2026 Pension Appropriation by Fund via P.A. 104-0003 ($ in Millions)					
System	**General Funds** [1]		**Other State Funds**		**Total**
TRS	$	6,495.7	$	-	$ 6,495.7
SURS	$	2,069.4	$	250.0	$ 2,319.4
SERS [2]	$	1,880.3	$	844.8	$ 2,725.1
GARS	$	26.5	$	-	$ 26.5
JRS	$	151.9	$	-	$ 151.9
Total	**$**	**10,623.9**	**$**	**1,094.8**	**$ 11,718.7**

FY 2027 Estimated Pension Appropriation by Fund [3] ($ in Millions)					
System	**General Funds** [1]		**Other State Funds**		**Total**
TRS	$	6,594.1	$	-	$ 6,594.1
SURS [4]	$	2,118.6	$	250.0	$ 2,368.6
SERS [2]	$	1,928.5	$	866.4	$ 2,795.0
GARS	$	25.7	$	-	$ 25.7
JRS	$	154.2	$	-	$ 154.2
Total	**$**	**10,821.0**	**$**	**1,116.4**	**$ 11,937.4**

[1] The General Funds column includes amounts from the Common School Fund, the Education Assistance Fund, and the General Revenue Fund (GRF).

[2] SERS' FY 2026 appropriation includes a total of $127.6 million in 2003 POB debt service. Of this amount, $88.0 million comes from the General Revenue Fund (GRF) and $39.5 million comes from the other state funds. For FY 2027, the estimated appropriation includes a total of $130.5 million in 2003 POB debt service, with $90.0 million from the GRF and $40.5 million from the other state funds. The SERS (estimated) appropriation breakdown for FY 2026 and FY 2027 is based on SERS' assumption that 69% of the SERS appropriation would come from the GRF, while 31% would come from other state funds.

[3] This chart is meant to be an estimate only insofar as the FY 2027 appropriation by fund is concerned. The amounts in this chart reflect the State systems' preliminary FY 2027 certifications. Also, pursuant to P.A. 97-0694, the State Actuary Law, the State Actuary is required to conduct a review of the systems' actuarial assumptions/methods that are used to perform actuarial valuations and to determine the State contributions. The State Actuary is required to recommend changes in the assumptions/methods before the State systems finalize certifications of the annual State contributions.

[4] The SURS "Other State Funds" amount assumes that SURS would receive a FY 2027 appropriation from the State Pension Fund in the same amount that SURS received from the State Pension Fund in FY 2026. SURS' historical appropriation from the State Pension Fund varies from year to year.

Total FY 2026 Pension Appropriation: $11.7 Billion
Total FY 2027 Estimated Pension Appropriation: $11.9 Billion
Total Increase, FY 2027 over FY 2026: $218.8 Million
Total GF Increase, FY 2027 from FY 2026: $197.1 Million

The following pages include pension funding projections for the five State retirement systems based on the respective retirement systems' FY 2025 preliminary actuarial valuations. These projections were generated by the retirement systems' respective actuaries. One item to note is that the aggregate unfunded liability is projected to peak at $146.1 billion in FY 2026 and then begin to decline thereafter, ultimately reaching a 90% funded ratio by FY 2045.

FUNDING PROJECTIONS FOR THE STATE RETIREMENT SYSTEMS								
All Five Systems Combined								
Projections Based on the Retirement Systems' FY 2025 Preliminary Actuarial Valuations								
($ in Millions)								
Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2026	$25,847.5	$11,718.7	45.3%	$1,915.7	$281,401.3	$135,315.8	$146,085.5	48.1%
2027	**$26,823.1**	**$11,937.4**	**44.5%**	**$1,987.1**	**$287,697.9**	**$142,313.5**	**$145,384.5**	**49.5%**
2028	$27,542.3	$12,040.5	43.7%	$2,034.3	$293,801.4	$149,565.9	$144,235.5	50.9%
2029	$28,263.2	$12,280.7	43.5%	$2,081.8	$299,699.1	$156,491.4	$143,208.6	52.2%
2030	$28,991.8	$12,498.7	43.1%	$2,130.2	$305,357.2	$162,981.8	$142,375.4	53.4%
2031	$29,716.4	$12,741.2	42.9%	$2,177.8	$310,833.0	$169,655.2	$141,176.9	54.6%
2032	$30,440.3	$13,053.2	42.9%	$2,225.5	$316,024.2	$176,513.2	$139,511.0	55.9%
2033	$31,163.2	$13,392.7	43.0%	$2,272.5	$320,916.0	$183,605.3	$137,310.8	57.2%
2034	$31,887.6	$14,541.0	45.6%	$2,319.1	$325,493.2	$191,797.8	$133,695.5	58.9%
2035	$32,616.7	$14,870.2	45.6%	$2,365.7	$329,718.9	$200,311.1	$129,408.8	60.8%
2036	$33,344.1	$15,197.6	45.6%	$2,411.6	$333,590.8	$209,192.3	$124,398.5	62.7%
2037	$34,078.4	$15,529.4	45.6%	$2,457.5	$337,084.0	$218,478.3	$118,605.7	64.8%
2038	$34,829.7	$15,867.6	45.6%	$2,504.4	$340,180.5	$228,216.5	$111,963.9	67.1%
2039	$35,593.1	$16,211.2	45.5%	$2,551.8	$342,875.3	$238,472.8	$104,402.5	69.6%
2040	$36,378.1	$16,565.2	45.5%	$2,600.6	$345,172.9	$249,327.6	$95,845.4	72.2%
2041	$37,194.6	$16,933.2	45.5%	$2,651.6	$347,211.1	$260,997.6	$86,213.6	75.2%
2042	$38,042.3	$17,315.5	45.5%	$2,704.9	$348,926.7	$273,499.9	$75,426.8	78.4%
2043	$38,927.5	$17,714.9	45.5%	$2,761.0	$350,375.6	$286,974.1	$63,401.5	81.9%
2044	$39,857.6	$18,137.2	45.5%	$2,820.6	$351,624.6	$301,577.4	$50,046.2	85.8%
2045	$40,831.7	$18,580.1	45.5%	$2,883.6	$352,762.0	$317,487.3	$35,274.7	90.0%

FUNDING PROJECTIONS FOR THE TEACHERS' RETIREMENT SYSTEM
Projections Based on the Retirement System's FY 2025 Preliminary Actuarial Valuation
Actuarially Assumed Rate of Return: 7.00%
($ in Millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2026	$ 13,247.9	$ 6,495.7	49.0%	$ 1,192.3	$ 163,495.1	$ 79,643.4	$ 83,851.8	48.7%
2027	$ 13,907.1	$ 6,594.1	47.4%	$ 1,251.6	$ 167,840.9	$ 84,371.6	$ 83,469.4	50.3%
2028	$ 14,294.6	$ 6,796.1	47.5%	$ 1,286.5	$ 172,145.3	$ 89,256.4	$ 82,888.9	51.8%
2029	$ 14,677.4	$ 6,924.0	47.2%	$ 1,321.0	$ 176,392.7	$ 94,012.4	$ 82,380.2	53.3%
2030	$ 15,062.5	$ 7,039.8	46.7%	$ 1,355.6	$ 180,555.7	$ 98,457.6	$ 82,098.2	54.5%
2031	$ 15,438.6	$ 7,159.7	46.4%	$ 1,389.5	$ 184,688.5	$ 103,053.9	$ 81,634.6	55.8%
2032	$ 15,810.5	$ 7,333.4	46.4%	$ 1,422.9	$ 188,697.0	$ 107,783.0	$ 80,914.0	57.1%
2033	$ 16,173.6	$ 7,519.7	46.5%	$ 1,455.6	$ 192,552.3	$ 112,655.4	$ 79,896.9	58.5%
2034	$ 16,529.0	$ 8,274.0	50.1%	$ 1,487.6	$ 196,230.9	$ 118,263.8	$ 77,967.1	60.3%
2035	$ 16,882.4	$ 8,450.9	50.1%	$ 1,519.4	$ 199,701.3	$ 124,051.0	$ 75,650.3	62.1%
2036	$ 17,232.2	$ 8,626.0	50.1%	$ 1,550.9	$ 202,943.9	$ 130,030.7	$ 72,913.2	64.1%
2037	$ 17,581.0	$ 8,800.6	50.1%	$ 1,582.3	$ 205,937.9	$ 136,218.6	$ 69,719.3	66.1%
2038	$ 17,935.7	$ 8,978.1	50.1%	$ 1,614.2	$ 208,659.0	$ 142,634.7	$ 66,024.2	68.4%
2039	$ 18,292.1	$ 9,156.5	50.1%	$ 1,646.3	$ 211,088.7	$ 149,306.1	$ 61,782.6	70.7%
2040	$ 18,656.7	$ 9,339.0	50.1%	$ 1,679.1	$ 213,214.8	$ 156,270.0	$ 56,944.7	73.3%
2041	$ 19,036.5	$ 9,529.2	50.1%	$ 1,713.3	$ 215,037.2	$ 163,577.9	$ 51,459.4	76.1%
2042	$ 19,434.0	$ 9,728.1	50.1%	$ 1,749.1	$ 216,571.8	$ 171,296.0	$ 45,275.8	79.1%
2043	$ 19,856.7	$ 9,939.7	50.1%	$ 1,787.1	$ 217,849.8	$ 179,510.0	$ 38,339.8	82.4%
2044	$ 20,314.3	$ 10,168.8	50.1%	$ 1,828.3	$ 218,920.3	$ 188,326.3	$ 30,594.0	86.0%
2045	$ 20,808.2	$ 10,416.0	50.1%	$ 1,872.7	$ 219,856.8	$ 197,871.1	$ 21,985.7	90.0%
2046	$ 21,352.3	$ 1,395.2	6.5%	$ 1,921.7	$ 220,741.9	$ 198,667.7	$ 22,074.2	90.0%

* Total State contributions for FY 2026 and FY 2027 both include the minimum benefit reimbursement of $200,000.

FUNDING PROJECTIONS FOR THE STATE EMPLOYEES' RETIREMENT SYSTEM
Projections Based on the Retirement System's FY 2025 Preliminary Actuarial Valuation
Actuarially Assumed Rate of Return: 6.75%
($ in Millions)

Fiscal Year	Annual Payroll	Total State Contribution*	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2026	$6,301.0	2,725.1	43.2%	$343.6	59,627.0	$28,408.0	$31,219.0	47.6%
2027	**$6,431.9**	**2,795.0**	**43.5%**	**$348.1**	**60,824.0**	**$29,874.0**	**$30,950.0**	**49.1%**
2028	$6,568.7	2,735.0	41.6%	$352.9	61,945.0	$31,370.0	$30,575.0	50.6%
2029	$6,707.8	2,776.0	41.4%	$358.0	62,994.0	$32,732.0	$30,263.0	52.0%
2030	$6,848.8	2,811.0	41.0%	$363.4	63,970.0	$33,943.0	$30,027.0	53.1%
2031	$6,992.9	2,861.0	40.9%	$369.0	64,872.0	$35,158.0	$29,713.0	54.2%
2032	$7,136.4	2,920.0	40.9%	$374.5	65,697.0	$36,389.0	$29,308.0	55.4%
2033	$7,282.0	2,985.0	41.0%	$379.9	66,447.0	$37,647.0	$28,800.0	56.7%
2034	$7,430.8	3,283.0	44.2%	$385.4	67,128.0	$39,188.0	$27,940.0	58.4%
2035	$7,581.9	3,350.0	44.2%	$390.9	67,735.0	$40,792.0	$26,944.0	60.2%
2036	$7,732.8	3,416.0	44.2%	$396.1	68,281.0	$42,478.0	$25,803.0	62.2%
2037	$7,887.3	3,485.0	44.2%	$401.3	68,756.0	$44,249.0	$24,507.0	64.4%
2038	$8,048.7	3,556.0	44.2%	$407.0	69,168.0	$46,122.0	$23,046.0	66.7%
2039	$8,214.6	3,629.0	44.2%	$412.7	69,521.0	$48,113.0	$21,408.0	69.2%
2040	$8,387.5	3,706.0	44.2%	$418.8	69,826.0	$50,246.0	$19,580.0	72.0%
2041	$8,568.4	3,786.0	44.2%	$425.4	70,092.0	$52,543.0	$17,549.0	75.0%
2042	$8,756.3	3,869.0	44.2%	$432.3	70,329.0	$55,029.0	$15,300.0	78.2%
2043	$8,950.0	3,954.0	44.2%	$439.5	70,548.0	$57,729.0	$12,819.0	81.8%
2044	$9,148.3	4,042.0	44.2%	$446.8	70,755.0	$60,665.0	$10,089.0	85.7%
2045	$9,349.8	4,131.0	44.2%	$454.1	70,955.0	$63,861.0	$7,094.0	90.0%

* The State contribution amounts for FY 2026 and 2027 are based on SERS' State contribution certification letters for each respective year. Pursuant to P.A. 93-0839, the FY 2026 and 2027 State contributions include the 2003 debt service payments, while total State contributions in subsequent years do not include the debt service payments.

	FUNDING PROJECTIONS FOR THE STATE UNIVERSITIES RETIREMENT SYSTEM Projections Based on the Retirement System's FY 2025 Preliminary Actuarial Valuation Actuarially Assumed Rate of Return: 6.50% ($ in Millions)							
Fiscal Year	Annual Payroll*	Total State Contribution**	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2026	$6,127.5	$2,319.4	37.9%	$363.6	$54,724.6	$25,693.3	$29,031.3	47.0%
2027	**$6,309.1**	**$2,368.6**	**37.5%**	**$370.6**	**$55,472.6**	**$26,448.0**	**$29,024.6**	**47.7%**
2028	$6,503.6	$2,331.3	35.8%	$378.4	$56,154.0	$27,278.0	$28,876.0	48.6%
2029	$6,701.4	$2,402.7	35.9%	$386.3	$56,768.3	$28,057.9	$28,710.5	49.4%
2030	$6,902.6	$2,470.1	35.8%	$394.3	$57,308.9	$28,875.9	$28,433.0	50.4%
2031	$7,105.4	$2,542.4	35.8%	$402.4	$57,779.7	$29,726.2	$28,053.4	51.4%
2032	$7,311.9	$2,620.3	35.8%	$410.5	$58,174.8	$30,614.9	$27,559.8	52.6%
2033	$7,524.1	$2,706.2	36.0%	$418.9	$58,504.9	$31,567.4	$26,937.4	54.0%
2034	$7,741.9	$2,795.8	36.1%	$427.4	$58,771.7	$32,596.6	$26,175.1	55.5%
2035	$7,963.6	$2,878.3	36.1%	$436.1	$58,973.8	$33,701.9	$25,271.9	57.1%
2036	$8,187.1	$2,961.5	36.2%	$444.8	$59,114.8	$34,896.5	$24,218.3	59.0%
2037	$8,414.7	$3,046.2	36.2%	$453.5	$59,199.7	$36,197.0	$23,002.8	61.1%
2038	$8,646.2	$3,132.3	36.2%	$462.3	$59,226.6	$37,612.7	$21,613.9	63.5%
2039	$8,883.5	$3,220.6	36.3%	$471.3	$59,203.6	$39,164.6	$20,039.1	66.2%
2040	$9,127.0	$3,311.2	36.3%	$480.5	$59,135.9	$40,870.4	$18,265.6	69.1%
2041	$9,378.4	$3,404.7	36.3%	$490.2	$59,150.7	$42,871.1	$16,279.6	72.5%
2042	$9,636.3	$3,500.6	36.3%	$500.2	$59,158.8	$45,090.9	$14,067.8	76.2%
2043	$9,900.5	$3,598.9	36.4%	$510.5	$59,172.6	$47,557.1	$11,615.5	80.4%
2044	$10,169.7	$3,699.0	36.4%	$521.0	$59,203.3	$50,296.2	$8,907.1	85.0%
2045	$10,443.3	$3,800.7	36.4%	$531.6	$59,260.3	$53,334.3	$5,926.0	90.0%

* Payroll projections include the Retirement Savings Plan (RSP) payroll. 45% of academic and 25% of non-academic new SURS members are assumed to enter RSP.

** Total State contributions for FY 2026 and FY 2027 include RSP contributions, whereas the remaining projected amounts exclude RSP contributions. Additionally, the FY 2026 and FY 2027 State contributions include Excess Benefit Arrangement (EBA) contributions, which are not included in the remaining projected amounts.

FUNDING PROJECTIONS FOR THE JUDGES' RETIREMENT SYSTEM
Projections Based on the Retirement System's FY 2025 Preliminary Actuarial Valuation
Actuarially Assumed Rate of Return: 6.50%
($ in Millions)

Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2026	$158.4	$151.9	95.9%	$14.7	$3,195.1	$1,471.9	$1,723.2	46.1%
2027	**$160.8**	**$154.2**	**95.9%**	**$15.1**	**$3,204.7**	**$1,515.7**	**$1,689.0**	**47.3%**
2028	$161.4	$153.6	95.1%	$14.9	$3,205.7	$1,553.5	$1,652.3	48.5%
2029	$162.7	$154.4	94.9%	$15.0	$3,197.7	$1,578.5	$1,619.3	49.4%
2030	$164.0	$154.7	94.3%	$15.3	$3,181.7	$1,593.2	$1,588.4	50.1%
2031	$165.7	$155.6	93.9%	$15.3	$3,157.9	$1,604.1	$1,553.8	50.8%
2032	$167.6	$157.2	93.8%	$15.9	$3,126.6	$1,612.4	$1,514.3	51.6%
2033	$169.5	$159.3	94.0%	$16.5	$3,089.5	$1,620.1	$1,469.4	52.4%
2034	$172.0	$165.0	95.9%	$17.1	$3,047.2	$1,631.8	$1,415.4	53.6%
2035	$174.8	$167.6	95.9%	$17.7	$3,000.4	$1,645.7	$1,354.8	54.8%
2036	$177.9	$170.6	95.9%	$18.2	$2,949.9	$1,662.9	$1,287.0	56.4%
2037	$181.1	$173.7	95.9%	$18.8	$2,896.3	$1,684.8	$1,211.5	58.2%
2038	$184.7	$177.2	95.9%	$19.3	$2,840.2	$1,712.6	$1,127.6	60.3%
2039	$188.4	$180.7	95.9%	$19.9	$2,782.3	$1,747.7	$1,034.6	62.8%
2040	$192.2	$184.4	95.9%	$20.5	$2,723.7	$1,791.7	$932.0	65.8%
2041	$196.3	$188.3	95.9%	$21.0	$2,665.5	$1,846.6	$819.0	69.3%
2042	$200.6	$192.4	95.9%	$21.6	$2,608.1	$1,913.5	$694.6	73.4%
2043	$205.0	$196.6	95.9%	$22.2	$2,552.4	$1,994.3	$558.1	78.1%
2044	$209.6	$201.0	95.9%	$22.7	$2,499.0	$2,090.4	$408.5	83.7%
2045	$214.3	$205.6	95.9%	$23.3	$2,448.4	$2,203.6	$244.9	90.0%

				FUNDING PROJECTIONS FOR THE GENERAL ASSEMBLY RETIREMENT SYSTEM Projections Based on the Retirement System's FY 2025 Preliminary Actuarial Valuation Actuarially Assumed Rate of Return: 6.50% ($ in Millions)				
Fiscal Year	Annual Payroll	Total State Contribution	State Contribution as a % of Payroll	Total Employee Contribution	Accrued Liabilities	Actuarial Value of Assets	Unfunded Liabilities	Funded Ratio
2026	$12.7	$26.5	208.4%	$1.5	$359.5	$99.2	$260.3	27.6%
2027	**$14.1**	**$25.7**	**181.5%**	**$1.6**	**$355.8**	**$104.2**	**$251.6**	**29.3%**
2028	$14.0	$24.5	174.9%	$1.6	$351.4	$108.1	$243.3	30.8%
2029	$13.9	$23.7	170.8%	$1.6	$346.4	$110.7	$235.7	31.9%
2030	$13.9	$23.1	166.3%	$1.6	$340.8	$112.1	$228.8	32.9%
2031	$13.9	$22.4	161.8%	$1.6	$335.0	$113.0	$222.0	33.7%
2032	$13.8	$22.3	161.1%	$1.6	$328.8	$114.0	$214.9	34.7%
2033	$13.9	$22.5	161.4%	$1.6	$322.3	$115.3	$207.0	35.8%
2034	$13.9	$23.2	167.3%	$1.6	$315.4	$117.6	$197.8	37.3%
2035	$14.0	$23.4	167.3%	$1.6	$308.4	$120.6	$187.8	39.1%
2036	$14.1	$23.5	167.3%	$1.6	$301.3	$124.3	$177.0	41.2%
2037	$14.3	$23.9	167.3%	$1.6	$294.0	$128.9	$165.1	43.8%
2038	$14.4	$24.0	167.3%	$1.7	$286.8	$134.5	$152.3	46.9%
2039	$14.6	$24.4	167.3%	$1.7	$279.6	$141.4	$138.2	50.6%
2040	$14.7	$24.5	167.3%	$1.7	$272.5	$149.5	$123.1	54.8%
2041	$14.9	$24.9	167.3%	$1.7	$265.7	$159.1	$106.6	59.9%
2042	$15.1	$25.3	167.3%	$1.7	$259.1	$170.5	$88.6	65.8%
2043	$15.4	$25.7	167.3%	$1.8	$252.9	$183.8	$69.0	72.7%
2044	$15.8	$26.4	167.3%	$1.8	$247.0	$199.5	$47.5	80.8%
2045	$16.0	$26.8	167.3%	$1.8	$241.4	$217.3	$24.1	90.0%