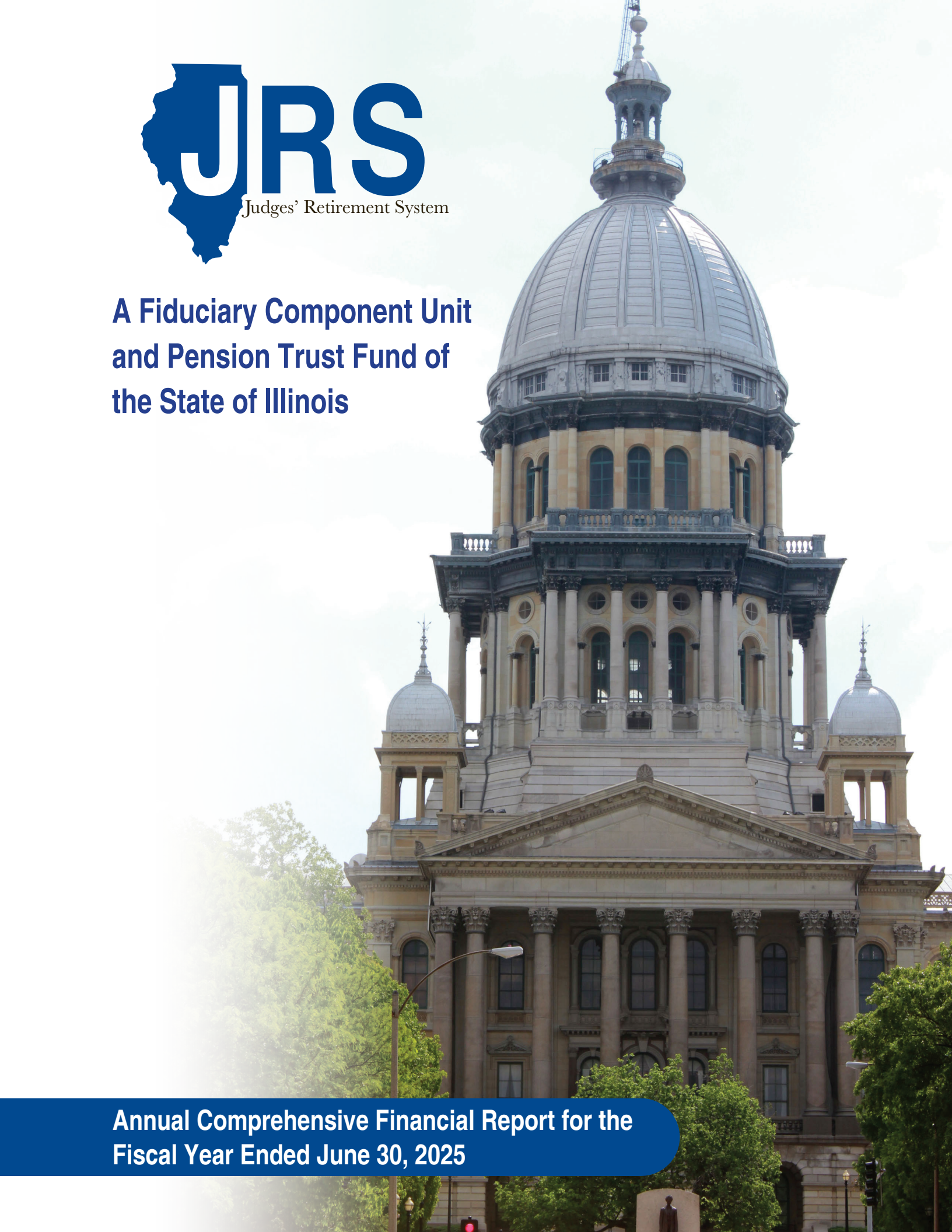
JRS

Judges' Retirement System

A Fiduciary Component Unit and Pension Trust Fund of the State of Illinois



Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025

Judges' Retirement System of Illinois

2101 South Veterans Parkway, P. O. Box 19255
Springfield, Illinois 62794-9255
Phone 217-782-8500 • Fax 217-524-9039
Internet: http://www.srs.illinois.gov
Email: jrs@srs.illinois.gov

Fiscal Year 2025 Highlights

987	Total Membership
961	Active Contributing Members
$ 1,470,253,087	Net Position–Restricted for Pensions, fair value
	Contributions
$ 15,957,526	Participants
$ 148,937,108	Employer
$ 118,428,041	Net Investment Gain
7.7%	Investment Gain
	Benefit Recipients
1,050	Retirement Annuities
318	Survivors' Annuities
-	Temporary Disability
$ 209,575,973	Benefits Paid
$ 3,215,794,931	Total Pension Liability
$1,470,253,087	Fiduciary Net Position
$ 1,745,541,844	Net Pension Liability
45.72%	Funded Ratio

Mission Statement

To establish an efficient method of permitting retirement, without hardship or prejudice, of judges who are aged or otherwise incapacitated, by enabling them to accumulate reserves for themselves and their dependents for old age, disability, death and termination of employment.

This year's cover commemorates Illinois landscape and landmarks.

JUDGES' RETIREMENT SYSTEM OF ILLINOIS

A Fiduciary Component Unit and Pension Trust Fund of the State of Illinois

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2025

JUDGES' RETIREMENT SYSTEM OF ILLINOIS

2101 South Veterans Parkway
P. O. Box 19255
Springfield, Illinois 62794-9255

Prepared by the Accounting Division

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INTRODUCTORY SECTION

JRS Judges' Retirement System srs.illinois.gov

March 18, 2026

The Board of Trustees and Members
Judges' Retirement System of Illinois
Springfield, IL 62794

Dear Board of Trustees and Members:

The annual comprehensive financial report of the Judges' Retirement System of Illinois (System) as of and for the fiscal year ended June 30, 2025 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the System.

To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the System. All disclosures necessary to enable the reader to gain an understanding of the System's financial activities have been included.

Generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The System's MD&A can be found immediately following the report of the independent auditors.

The report consists of six sections:

1. The Introductory Section contains this letter of transmittal, the identification of the Board of Trustees and the administrative organization and the Certificate of Achievement for Excellence in Financial Reporting;

2. The Financial Section contains management's discussion and analysis, the report of the Independent Auditors, the financial statements of the System and certain required and other supplementary financial information;

3. The Investment Section contains a report on investment activity, investment policies, investment results and various investment schedules;

4. The Actuarial Section contains the Actuary's Certification Letter and the results of the annual actuarial valuation;

5. The Statistical Section contains significant statistical data; and

6. The Plan Summary and Legislative Section contains the System's plan provisions and current legislative changes.

Generally accepted accounting principles require that the financial reporting entity include:
1. the primary government;
2. organizations for which the primary government is financially accountable; and
3. other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Based on the criteria of the Governmental Accounting Standards Board Statement No. 61, there are no other state agencies, boards or commissions, or other organizations required to be combined with the System, however, the System is considered to be part of the State of Illinois financial reporting entity, and is to be combined and included in the State of Illinois' annual financial report.

Although the Judges' Retirement System, State Employees' Retirement System and General Assembly Retirement System share a common administration, they are separate entities for legal and financial reporting purposes. Therefore, the financial statements of the Judges' Retirement System do not include fiduciary net position information nor the changes in fiduciary net position of the State Employees' Retirement System or General Assembly Retirement System.

PLAN HISTORY & SERVICES PROVIDED

The Judges' Retirement System was established as a single-employer public employee retirement system (PERS) by state statute on July 1, 1941. As of June 30, 1942, the end of the System's first fiscal year of operations, there were a total of 260 participants and the fiduciary net position valued at cost amounted to approximately $84,000. The fair value of the fiduciary net position at the end of fiscal year 2025 amounted to approximately $1,470 million, and there were 961 active participants.

The mission of the System as prescribed by state statute is to "establish an efficient method of permitting retirement, without hardship or prejudice, of judges who are aged or otherwise incapacitated, by enabling them to accumulate reserves for themselves and their dependents for old age, disability, death, and termination of employment."

INVESTMENTS

The System's investments are managed by the Illinois State Board of Investment (ISBI) pursuant to Chapter 40, Article 5/22A of the Illinois Compiled Statutes, using the "prudent person rule".

This rule states that fiduciaries shall discharge their duties solely in the interest of the fund participants and beneficiaries and with the degree of diligence, care and skill which prudent men and women would ordinarily exercise under similar circumstances in a like position.

The ISBI maintains a wide diversification of investments within this fund which is intended to reduce overall risk and increase returns. As further detailed in the Investment Section, the ISBI Commingled Fund had a gain of 9.7%, net of expenses, for the fiscal year ended June 30, 2025. Information regarding the Schedule of Fees and Commissions paid is included in the ISBI annual report.

FUNDING

Funding is the process of specifically allocating monies for current and future use. Proper funding includes an actuarial review of the fund balances to ensure that funds will be available for current and future benefit payments. The greater the level of funding, the larger the ratio of accumulated assets to the actuarial accrued liability and the greater the level of investment potential.

The funding plan for the System, enacted in 1994 with subsequent modifications, 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 accrued liability will be 90%. For fiscal years 2011 through 2045, the required state contributions are to be computed as a level percentage of participant payroll.

For fiscal years up through 2010, the required state contributions, except for fiscal years 2006 and 2007, were to be increased incrementally as a percentage of the participant payroll so that by fiscal year 2011 the state was contributing at the required level contribution rate to achieve the financing objective by the end of fiscal year 2045. For fiscal year 2025, the statutorily required state contributions were $148,889,000 and the total amount of contributions received from the state and other sources for fiscal year 2025 was $148,937,108.

The funding legislation also provides for the establishment of a continuing appropriation of the required state contributions to the System. This has, in effect, removed the appropriation of these funds from the annual budgetary process.

The actuarial determined liability of the System using the State's projected unit credit actuarial cost method for funding purposes at June 30, 2025, amounted to $3,177 million. The actuarial value of assets amounted to $1,460 million resulting in an unfunded accrued actuarial liability of $1,716 million as of the same date. The actuarial determined liability, actuarial value of assets, and unfunded accrued actuarial liability of the System as presented above and in the Actuarial Section of this report using the state's funding method does not conform with GASB Statement No. 67 and therefore, the amounts presented above and in the Actuarial Section of this report differ from the amounts presented for financial reporting purposes in the Financial Section of this report. A detailed discussion of funding is provided in the Actuarial Section of this report.

MAJOR EVENTS/INITIATIVES

Due to an increase in fraudulent attempts to access Member Services accounts, JRS is transitioning away from the use of the Public ID to the more secure ILogin process, which uses Multi Factor Authentication (MFA) when a member creates or accesses their Member Services account. The transition is complete for active members who created a Member Services account using a Public ID and is underway for retirees and survivors using a Public ID. All new Member Services accounts use MFA through the ILogin process.

JRS is committed to streamlining and automating processes to provide excellent service to active members, annuitants and survivors. This includes improvements to the membership database and the ability to process pensions and vouchers through a modernized system. The System continues to implement best practices while creating operating efficiencies through a review of processes.

Public Act 103-0588 authorized the Office of the Comptroller to issue the State's contribution in a manner that enables JRS to more advantageously manage its cash flow and enhance returns for the invested assets. JRS continues its collaboration with the Office of the Comptroller to maximize the financial benefits of such public act.

ACCOUNTING SYSTEM & INTERNAL CONTROL

This report has been prepared to conform with the principles of governmental accounting and reporting pronounced by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

The accrual basis of accounting is used to record the financial transactions and activities of the System. Revenues are recognized in the accounting period in which they are earned, without regard to the date of collection, and expenses are recognized when the corresponding liabilities are incurred, regardless of when payment is made.

The System also uses the State of Illinois, Statewide Accounting Management System (SAMS) as a basis for the preparation of the financial statements.

In developing the System's accounting system, consideration is given to the adequacy of internal accounting controls. These controls are designed to provide reasonable assurance regarding the safekeeping of assets and the reliability of financial records. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. Constant effort is directed by the System at improving this level to assure the participants of a financially sound retirement system.

PROFESSIONAL SERVICES

Independent consultants are retained by the Board of Trustees to perform professional services that are essential to the effective and efficient operation of the System. Actuarial services are provided by Gabriel, Roeder, Smith & Company, Chicago, Illinois. The System's investment function is managed by the Illinois State Board of Investment.

The annual financial audit of the System was conducted by the accounting firm of RSM US LLP, under the direction of the Auditor General of the State of Illinois. In addition to the annual financial audit, a biennial compliance attestation examination is performed by the auditors. The biennial compliance examination has

been conducted for the two years ended June 30, 2025.

The purpose of the biennial compliance attestation examination is to determine whether the System obligated, expended, received, and used public funds of the state in accordance with the purpose for which such funds have been authorized by law. The System's investment function is managed by the Illinois State Board of Investment.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Judges Retirement System of Illinois for its annual financial report for the fiscal year ended June 30, 2024.

The Certificate of Achievement is a prestigious national award recognizing excellence in the preparation of state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual report, whose contents meet or exceed program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The Judges Retirement System of Illinois received a Certificate of Achievement for the thirty-six consecutive years (fiscal years ended June 30, 1989 through June 30, 2024).

We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS & COMMENTS

The preparation of this report reflects the combined efforts of the System's staff under the direction of the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, as a means of determining compliance with legal provisions, and for determining responsible stewardship for the assets contributed by the members in the State of Illinois.

On behalf of the Board of Trustees, we would like to express our appreciation to the staff and professional consultants who worked so effectively to ensure the successful operation of the System.

Respectfully submitted,



Timothy B. Blair
Executive Secretary



Kristi M. Conrad CPA
Chief Fiscal Officer

BOARD OF TRUSTEES



JUDGE
Debra B. Walker
Chairperson
Proxy for Chief Justice
Mary Jane Theis



JUDGE
Charles M. Feeney, III
Vice-Chairperson



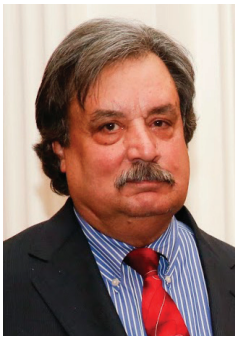
CHIEF JUSTICE
Mary Jane Theis



STATE TREASURER
Michael Frerichs

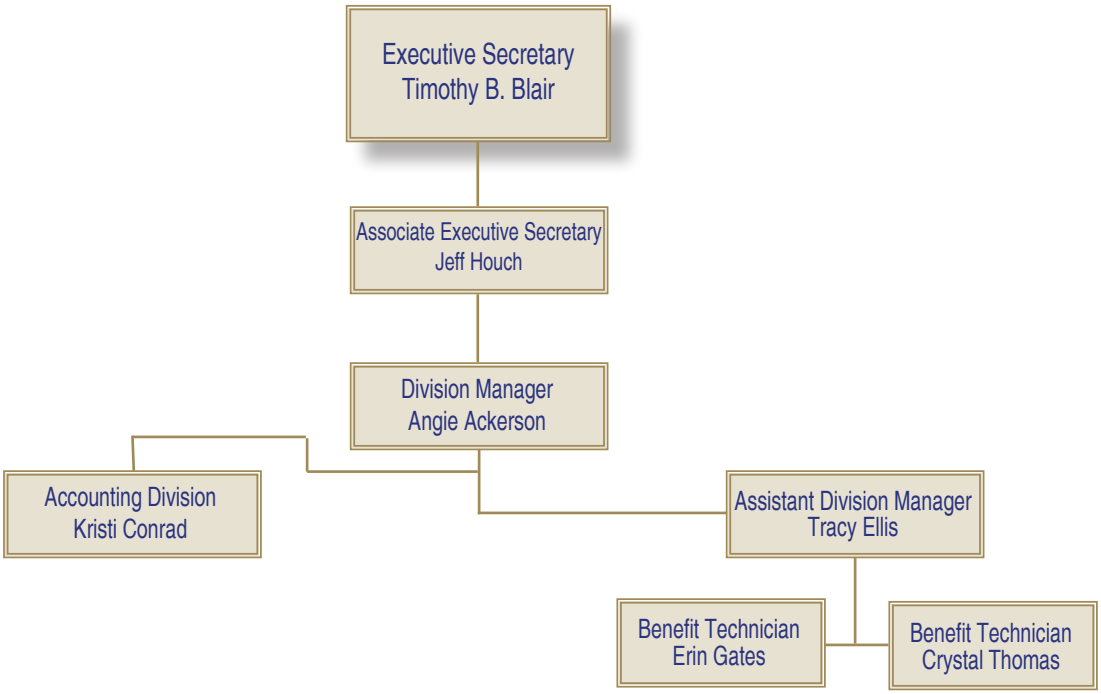


JUDGE
Karen Wall



JUSTICE
Thomas Hoffman
In Memoriam

ADMINISTRATIVE STAFF



Advisors, Auditors, and Administrators

Consulting Actuary	Gabriel, Roeder, Smith & Company Chicago, Illinois
External Auditor	RSM US LLP Schaumburg, Illinois
Investments	Illinois State Board of Investment Chicago, Illinois

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Judges' Retirement System of Illinois

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

RSM US LLP

Independent Auditor's Report

Honorable Frank J. Mautino, Auditor General – State of Illinois

Board of Trustees, Judges' Retirement System of the State of Illinois

Opinion
As Special Assistant Auditors for the Auditor General, we have audited the financial statements of the Judges' Retirement System of the State of Illinois (the System), a component unit of the State of Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the System's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of the System, as of June 30, 2025, and the changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the System, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matters
As discussed in Notes 5 and 6 of the financial statements, the actuarially determined net pension liability, calculated as required by GASB Statement No. 67, is dependent on several assumptions, including the assumption that future required contributions from all State sources are made based on statutory requirements in existence as of the date of this report.

As discussed in Note 8 of the financial statements, the System has restated fiduciary net position as of July 1, 2024 for the implementation of GASB Statement No. 101 *Compensated Absences*.

Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

THE POWER OF BEING UNDERSTOOD
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In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the System's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the State's net pension liability and related ratios, the schedule of investment returns, the schedule of State contributions and the notes to the schedules be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the System's basic financial statements. The supplementary information comprising the schedule of payments to consultants and advisors is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information, comprising the schedule of payments to consultants and advisors is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the introductory, investment, actuarial, statistical, and plan summary and legislative sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM US LLP

Schaumburg, Illinois
March 18, 2026

This section presents management's discussion and analysis of the financial position and performance of the Judges' Retirement System of Illinois (System) for the year ended June 30, 2025. It is presented as a narrative overview and analysis. Readers are encouraged to consider the information presented here in conjunction with the Letter of Transmittal included in the Introductory Section of the Annual Financial Report.

The System is a defined benefit, single-employer public employee retirement system. It provides services to 961 active participants, 10 vested inactive participants, and 1,368 benefit recipients. Throughout this discussion and analysis, units of measure (i.e. billions, millions, thousands) are approximate, being rounded up or down to the nearest tenth of the respective unit value.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the System's financial reporting which is comprised of the following components:

1. Basic Financial Statements and Notes. For the fiscal year ended June 30, 2025, basic financial statements are presented for the System. This information presents the fiduciary net position restricted for pensions for the System as of June 30, 2025. This financial information also summarizes the changes in fiduciary net position restricted for pensions for the year then ended. The notes to the financial statements provide additional information that is essential to achieve a full understanding of the data provided in the basic financial statements.
2. Required Supplementary Information. The required supplementary information consists of three schedules and related notes concerning actuarial information, funded status, information on state contributions and investment returns.
3. Other Supplementary Schedules. Other supplementary schedules include more detailed information pertaining to the System, including the schedule of payments to consultants.

FINANCIAL HIGHLIGHTS

- The fiduciary net position increased by $71.9 million during fiscal year 2025. The change was primarily the result of increases in investments of $75.2 million.
- The System's Plan Fiduciary Net Position as a percentage of the Total Pension Liability was 45.7% as of June 30, 2025.
- The overall rate of return for the Illinois State Board of Investment (ISBI) Commingled Fund was a gain of 9.7% for fiscal year 2025 and the System's annual money-weighted rate of return on its investment in the ISBI Commingled Fund was a gain of 7.7%.

Condensed Statements of Fiduciary Net Position
(in thousands)

	As of June 30, 2025	As of June 30, 2024	Increase/(Decrease) from 2024 to 2025
Cash	$ 15,121.9	$ 18,226.2	$ (3,104.3)
Receivables	236.4	217.4	19.0
Investments, at fair value *	1,458,308.2	1,383,077.1	75,231.1
Capital Assets, net	204.1	185.7	18.4
Total assets	1,473,870.6	1,401,706.4	72,164.2
Liabilities *	3,617.5	3,314.4	303.1
Total fiduciary net position	$ 1,470,253.1	$ 1,398,392.0	$ 71,861.1

** Including securities lending collateral*

ADDITIONS TO FIDUCIARY NET POSITION

Additions to Fiduciary Net Position include employer and participant contributions and net income from investment activities. Participant contributions were approximately $16.0 million and $15.6 million for the years ended June 30, 2025 and June 30, 2024, respectively. Participant contribution rates are set by statute as a percentage of gross salary. For fiscal year 2025, employer contributions increased to approximately $148.9 million from $147.8 million in fiscal year 2024. These changes were the result of the actuarially determined employer contributions required by the State's funding plan.

DEDUCTIONS FROM FIDUCIARY NET POSITION

Deductions from Fiduciary Net Position are primarily benefit and refund payments. During fiscal years 2025 and 2024, the System paid out approximately $210.5 million and $203.6 million in benefits and refunds, respectively. This increase of 3.4% from 2024 to 2025 is mainly the result of the annual scheduled 3% increase in retirement and other benefit payments as well as the increase in the number of retirees and beneficiaries. The administrative costs of the System represented less than 1% of the total deductions in each of the fiscal years presented within the condensed statements.

Condensed Statements of Changes in Fiduciary Net Position
(in thousands)

	For the Year Ended June 30,		Increase/(Decrease) from 2024 to 2025
	2025	2024	
Additions			
Participant contributions	$ 15,957.5	$ 15,560.0	$ 397.5
Employer contributions	148,937.1	147,838.0	1,099.1
Net Investment income (loss)	118,428.1	117,320.8	1,107.3
Total additions	283,322.7	280,718.8	2,603.9
Deductions			
Benefits	209,576.0	201,961.7	7,614.3
Refunds	895.6	1,675.8	(780.2)
Administrative expenses	989.3	1,016.5	(27.2)
Total deductions	211,460.9	204,654.0	6,806.9
Net increase/(decrease) in fiduciary net position	71,861.8	76,064.8	$(4,203.0)
Beginning Balance	1,398,392.0	1,322,327.2	
Ending Balance, prior to restatement	1,470,253.8	1,398,392.0	
Adjustment for compensated absences, GASB 101	(0.7)	-	
Restated Ending Balance	$1,470,253.1	$1,398,392.0	

FUNDED RATIO

The funded ratio of the plan measures the ratio of the fiduciary net position against total pension liability as measured by the actuary and is one indicator of the fiscal strength of a pension fund's ability to meet obligations to its members. An annual actuarial valuation is performed. The most recent available valuation showed the funded status of the System was 45.7% on June 30, 2025. The amount by which total pension liability exceeded the fiduciary net position was $1,745.5 million on June 30, 2025.

INVESTMENTS

Investments of the System are combined in an internal commingled investment pool and held by the Illinois State Board of Investment (ISBI) with the State Employees' Retirement System, General Assembly Retirement System, and one other state agency. The investments of this other state agency are immaterial to the total commingled investment pool. Each participating entity owns an equity position in the pool and receives proportionate investment income from the pool in accordance with respective ownership percentage. Investment gains or losses are reported in the Statement of Changes in Fiduciary Net Position of each participating entity.

The net investment gain of the total ISBI Commingled Fund was approximately $2,510.5 million during fiscal year 2025, resulting in a positive return of 9.7%. The actual rate of return earned by the System will vary from the return earned on the total ISBI Commingled Fund as the result of overall market conditions at the time of additional investments in or withdrawals from the ISBI Commingled Fund. For the three, five, and ten year period ended June 30, 2025, the ISBI Commingled Fund earned a compounded rate of return of 8.4%, 8.5%, and 7.3%, respectively.

The ISBI is exposed to general market risk. This general market risk is reflected in asset valuations fluctuating with market volatility. Any impact from market volatility on the ISBI's investment portfolio depends in large measure on how deep the market downturn is, how long it lasts, and how it fits within fiscal year reporting periods. The resulting market risk and associated realized and unrealized gains and losses could significantly impact the ISBI's financial condition. In light of the current global events and associated national and global economic volatility, readers of these financial statements are advised that financial markets remain volatile and may experience significant changes on a daily basis.

FUTURE OUTLOOK

The actuarial assumptions used in the June 30, 2025 funding valuation were based on the experience review for the three years ended June 30, 2024, and the annual review of all economic assumptions. The state's statutory employer contribution for fiscal year 2026 will increase by $3.0 million, or 2.0%

Tier 2 active members' annual earnings on which they can contribute were capped at $141,408 in 2025 and will be capped at $145,650 in 2026. The caps on Tier 2 members' earnings decreases the anticipated amount of future earnings credit as well as the associated contributions.

Benefit payments are projected to continue to grow at a rate of approximately 4% to 6%, primarily as a result of the increasing numbers of retirees and the 3% annual COLA.

The ISBI plans to continue to improve the overall investment portfolio performance by increasing reliance on passive investment strategies and reducing investment advisor and management fees.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the System's finances. For questions concerning the information in this report or for additional information, contact the Accounting Division of the State Retirement Systems at srsacctgdiv@srs.illinois.gov.

JUDGES' RETIREMENT SYSTEM, STATE OF ILLINOIS

Statement of Fiduciary Net Position

June 30, 2025

Assets	
Cash	$ 15,121,916
Receivables:	
Participants' contributions	110,277
Interest on cash balances	70,516
Due from General Assembly Retirement System	55,615
Total receivables	236,408
Investments:	
Investments - held in the Illinois State Board of Investment Commingled Fund at fair value	1,454,986,212
Securities lending collateral with State Treasurer	3,322,000
Total Investments	1,458,308,212
Capital Assets, net	204,090
Total Assets	1,473,870,626
Liabilities	
Benefits Payable	46,913
Refunds Payable	46,771
Administrative expenses payable	201,855
Securities lending collateral	3,322,000
Total Liabilities	3,617,539
Net position – restricted for pensions	$ 1,470,253,087

See accompanying notes to financial statements.

JUDGES' RETIREMENT SYSTEM, STATE OF ILLINOIS

Statement of Changes in Fiduciary Net Position
for the Year Ended June 30, 2025

Additions:	
Contributions:	
Participants	$ 15,957,526
Employer	148,937,108
Total contributions	164,894,634
Investment income:	
Net appreciation/(depreciation) in fair value of investments	105,973,931
Interest and dividends	13,686,741
Less investment expense	(1,232,631)
Net investment income (loss)	118,428,041
Total Additions	283,322,675
Deductions:	
Benefits:	
Retirement annuities	177,343,288
Survivors' annuities	32,127,221
Temporary disability	105,464
Total benefits	209,575,973
Refunds of contributions	895,578
Administrative expenses	989,294
Total Deductions	211,460,845
Net increase/(decrease) in net position	71,861,830
Net position - restricted for pensions:	
Beginning of year, as previously stated	1,398,392,002
FY2024 GASB 101 Restatement	(745)
Beginning Net Position, as Restated	1,398,391,257
End of year	$ 1,470,253,087

See accompanying notes to financial statements.

JUDGES' RETIREMENT SYSTEM OF ILLINOIS

Notes to Financial Statements June 30, 2025

1. Reporting Entity

Generally accepted accounting principles require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Judges' Retirement System of Illinois (System) is administered by a Board of Trustees consisting of five persons, which include the State Treasurer, the Chief of the Supreme Court, ex officio, and three participating judges appointed by the Supreme Court. Operation of the System and the direction of its policies are the responsibility of the Board of Trustees.

Based on the criteria of the Governmental Accounting Standards Board (GASB) No. 61, there are no other state agencies, boards or commissions, or other organizations required to be combined with the System. However, GASB 84 stipulates that the System is a fiduciary component unit and pension trust fund of the State of Illinois financial reporting entity, and is to be combined and included in the State of Illinois' annual financial report.

At June 30, 2025, the System membership consisted of:

Retirees and beneficiaries currently receiving benefits:	
Retirement annuities	1,050
* Survivors' annuities	318
Temporary disability	-
	1,368
Inactive participants entitled to benefits but not yet receiving them	10
Total	1,378
Active participants:	
Vested	489
Nonvested	472
Total	961

** Excludes 32 alternate payees resulting from Qualified Illinois Domestic Relations Orders (QILDRO's)*

2. Plan Description

The System is the administrator of a single-employer defined benefit public employee retirement system (PERS) established and administered by the State of Illinois to provide pension benefits for its participants. The plan is comprised of two tiers of contribution requirements and benefit levels. Tier 1 pertains to participants who first became a participant of the System prior to January 1, 2011. Tier 2 pertains to participants who first became a participant of the System on or after January 1, 2011.

a. Eligibility and Membership

The Judges' Retirement System covers Judges, Associate Judges and, under certain conditions, the Administrative Director of the Illinois courts. Participation by Judges, either appointed or elected, is mandatory unless the Judge files an election not to participate within thirty days of receipt of notice of this option.

b. Contributions

In accordance with Chapter 40, Section 5/18-133 of the Illinois Compiled Statutes, participants contribute specified percentages of their salaries for retirement annuities, survivors' annuities, and annual increases.

Tier 1 participants contribute based on total annual compensation. Beginning January 1, 2011, Tier 2 participants contribute based on an annual compensation rate not to exceed $106,800 with limitations for future years increased by the lesser of 3% or the annual percentage increase in the Consumer Price Index. The rate is $141,408 for calendar year 2025. Contributions are excluded from gross income for Federal and State income tax purposes.

Participants who are eligible to receive the maximum rate of annuity may irrevocably elect to discontinue contributions and have their benefits "frozen" based upon the applicable salary in effect immediately prior to the effective date of such election.

Participants who have attained age 60 and are eligible to receive the maximum rate of annuity and have not elected to discontinue contributing to the System may irrevocably elect to have their contributions based only on the salary increases received on or after the effective date of such election rather than on the total salary received. The total contribution rate is 11% if the participants elect to contribute for their spouse and dependents as shown below:

7.5%	Retirement annuity
2.5%	Survivors' annuity
1.0%	Automatic annual increases
11.0%	

The statutes governing the Judges' Retirement System provide for optional contributions by participants, with interest at prescribed rates, to retroactively establish service credits for periods of prior creditable service.

The Board of Trustees has adopted the policy that interest payments by a participant, included in optional contributions to retroactively establish service credits, shall be considered an integral part of the participant's investment in annuity expectancies and, as such, shall be included as a part of any refund payable.

The payment of (1) the required State contributions, (2) all benefits granted under the System and (3) all expenses in connection with the administration and operation thereof are the obligations of the State to the extent specified in Chapter 40, Article 5/18 of the Illinois Compiled Statutes.

c. Benefits Retirement Annuity: Tier 1

Participants have vested rights to full retirement benefits beginning at age 60 with at least 10 years of credited service or reduced retirement benefits beginning at age 55. Participants also have vested rights to full retirement benefits at age 62 upon completing 6 years of credited service or at age 55 upon completing 26 years of credited service.

The retirement annuity provided is 3-1/2% for each of the first 10 years of service, plus 5% for each year of service in excess of 10, based upon the applicable final salary. The maximum retirement annuity is 85% of the applicable final salary. Annual automatic increases of 3% of the current amount of retirement annuity are provided.

Retirement Annuity: Tier 2

Participants have vested rights to full retirement benefits at age 67 with at least 8 years of credited service or reduced retirement benefits at age 62 with at least 8 years of credited service.

The retirement annuity provided is 3% for each year of service based upon the applicable final average salary. The maximum retirement annuity is 60% of the applicable final average salary. Annual automatic increases equal to the lesser of 3% or the annual change in the Consumer Price Index are provided.

Other Benefits

The Judges' Retirement System also provides survivors' annuity benefits, temporary and/or total disability benefits and, under certain specified conditions, lump-sum death benefits.

Participants who terminate service and are not eligible for an immediate annuity may receive, upon application, a refund of their total contributions. Participants or annuitants who are not married are entitled to refunds of their contributions for survivors.

3. Summary of Significant Accounting Policies & Plan Asset Matters

a. Basis of Accounting

The financial transactions of the System are maintained and these financial statements have been prepared using the accrual basis of accounting in conformity with generally accepted accounting principles.

Participant and employer contributions are recognized as revenues when due pursuant to statutory requirements. Benefits and refunds are recognized as expenses when due and payable in accordance with the terms of the plan.

b. Cash

The System retains all of its available cash in a commingled investment pool managed by the Treasurer of the State of Illinois (Treasurer). All deposits are fully collateralized by the Treasurer.

"Available cash" is determined to be that amount which is required for the current operating expenditures of the System. The excess of available cash is transferred to the Illinois State Board of Investment (ISBI) for purposes of long-term investment for the System.

c. Implementation of New Accounting Standards

GASB Statement No. 101 "Compensated Absences" requires compensated absences' liabilities be recognized for a) leave that has not been used and b) leave that has been used but not yet paid in cash or non-cash means. The GASB is effective for reporting periods after December 15, 2023 (fiscal year 2025) and is reflected in Footnote 8 and as a noted prior period adjustment in the applicable financial statements.

GASB Statement No. 102 "Certain Risk Disclosures" requires an assessment as to whether a "concentration" or "constraint" makes the System vulnerable to risk of a substantial impact. Furthermore, the Statement requires determination as to whether the "concentration" or "constraint" could cause the substantial impact to occur within 12 months of the date the financial statements are issued. The GASB is effective for fiscal years beginning after June 15, 2024 (fiscal year 2025).There was no impact on the Systems' financial statements for fiscal year 2025.

GASB Statement No. 103 "Financial Reporting Model Improvements" requires information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. The statement also includes guidance on (1) unusual or infrequent items, (2) the presentation of the proprietary fund statement of revenues, expenses and changes in fund net position, (3) major component information and (4) budgetary comparison information. The GASB is effective for fiscal years beginning after June 15, 2025 (fiscal year 2026), and is being reviewed for possible impact on the System's financial statements.

GASB Statement No. 104 "Disclosure of Certain Capital Assets" requires certain types of: capital, lease, intangible right-to-use, and subscription assets to be disclosed separately in the applicable asset note disclosures. In addition, this Statement requires intangible assets other than the aforementioned asset types to be disclosed separately by major class. The GASB is effective for fiscal years beginning after June 15, 2025 (fiscal year 2026), and is being reviewed for possible impact on the System's financial statements.

GASB Statement No. 105 "Subsequent Events" clarifies: the subsequent event time frame for reporting purposes, the events that are to be categorized as recognized and non-recognized, and the required disclosure information items. The GASB is effective for fiscal years beginning after June 15, 2026 (fiscal year 2026) and is being reviewed for possible impact on the System's financial statements.

d. General Litigation

The System is subject to claims and lawsuits that arise primarily in the ordinary course of business. It is the opinion of management that the disposition or ultimate resolution of such claims and lawsuits will not have a material adverse effect on the plan net position or the changes in plan net position of the System.

During fiscal year 2024, the System was named as a defendant in a lawsuit challenging the application of Tier 2 benefits. The complaint alleges that Tier 2 judges who have Tier 1 reciprocal service should be Tier 1 judges and therefore be eligible for an earlier normal retirement age and larger retirement benefits. There are

nearly 400 Tier 2 judges with Tier 1 reciprocal service that are potentially impacted. The ultimate disposition of the lawsuit and potential cost to the System has not been determined at this time and would require an actuary estimate. However, should the complaint go in favor of the plaintiff, the overall impact on the System's net pension liability would be significant.

On December 30, 2024, the Circuit Court of Cook County ruled in favor of the System and on March 5, 2026, the First District Appellate Court affirmed the decision of the System and the trial court. The plaintiffs may seek a rehearing in the Appellate Court or file a petition to leave to appeal to the Illinois Supreme Court.

e. Methods Used to Value Investments

Investments are managed by the ISBI pursuant to Chapter 40, Article 5/22A of the Illinois Compiled Statutes (ILCS) and are maintained in the ISBI Commingled Fund.

Investments owned are reported at fair value. Units of the ISBI Commingled Fund are issued to the participating entities on the last day of the month based on the unit net asset value calculated as of that date. Net investment income of the ISBI Commingled Fund is allocated to each of the participating entities on the last day of the month on the basis of percentage of accumulated units owned by the respective systems. Management expenses are deducted monthly from income before distribution.

The investment authority of the ISBI is provided in Chapter 40, Section 5/22A-112 of the ILCS. Such investment authority requires that all opportunities be undertaken with care, skill, prudence and diligence given prevailing circumstances that a prudent person acting in like capacity and experience would undertake.

f. Actuarial Experience Review

In accordance with Illinois Compiled Statutes, an actuarial experience review is to be performed at least once every three years to determine the adequacy of actuarial assumptions regarding the mortality, retirement, disability, employment, turnover, interest and earnable compensation of the members and beneficiaries of the System. An experience review was last performed for the period from July 1, 2021 to June 30, 2024 resulting in the adoption of new assumptions as of June 30, 2025. Assumptions changes include changes to the investment returns, rate of inflation, mortality and others as detailed in the Required Supplementary Information of this financial report.

g. Administrative Expenses

Expenses related to the administration of the System are financed through investment earnings and employer retirement contributions. These expenses are budgeted and approved by the System's Board of Trustees.

Administrative expenses common to the Judges' Retirement System and the General Assembly Retirement System are allocated 80% to the Judges' Retirement System and 20% to the General Assembly Retirement System. Invoices/vouchers covering common expenses incurred are paid by the Judges' Retirement System, and the appropriate amount is allocated to and reimbursed by the General Assembly Retirement System. Administrative expenses allocated to and reimbursed by the General Assembly Retirement System as of June 30, 2025 was $180,427. The total administrative expenses attributable to the Judges' Retirement System was $989,294 for fiscal year 2025.

h. Risk Management

The System, as part of the primary government of the State, provides for risks of loss associated with workers' compensation and general liability through the State's self-insurance program. The System obtains commercial insurance for fidelity, surety, and property. There have been no commercial insurance claims in the past three fiscal years.

i. Use of Estimates

In preparing financial statements in conformity with U.S. generally accepted accounting principles, the System makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates and assumptions.

4. Investments

Introduction

Investments of the System are combined in a commingled internal investment pool and held by the Illinois State Board of Investment (ISBI). The System owns approximately 5.1% ($1,454,986,212) of the net position of the ISBI commingled fund as of June 30, 2025. A schedule of investment expenses is included in the ISBI's annual report.

For additional information on ISBI's investments, please refer to their Annual Report as of June 30, 2025. A copy of the report can be obtained from the ISBI at 180 North LaSalle Street, Suite 2015, Chicago, Illinois 60601 or by visiting their website, https://www.isbinvestment.com.

Summary of the ISBI Fund's investments at fair value by type

	June 30, 2025
U.S. govt. agency and municipal obligations	$ 631,702,208
Domestic Equities	7,040,318,052
International Equities	207,590,568
Domestic Bank Loans	131,671,806
Domestic Obligations	217,339,783
International Obligations	26,873,454
Commingled Funds	11,220,961,050
Real Estate Funds	2,720,352,983
Private Equity Funds	2,936,390,509
Private Credit Funds	2,522,410,967
Infrastructure Funds	836,935,016
Hedge Funds	149,256
Money market instruments	175,865,275
Deposit (Subscription advance)	-
Total investments	$ 28,668,560,927

Rate of Return

For the fiscal year ended June 30, 2025, the annual money-weighted rate of return on the System's pension plan investments, net of pension plan investment expense, was 7.7%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits

Custodial credit risk for deposits is the risk that, in the event of a financial institution failure, the System's and ISBI's deposits may not be returned. All non-investment related bank balances at year-end are insured or collateralized with securities held by the Illinois State Treasurer or agents in the name of the State Treasurer. As of June 30, 2025, the ISBI had a non-investment related bank balance of $647,914. A Custodial Credit Risk Policy was implemented by the ISBI staff and formally adopted by the ISBI Board in July of 2007. The policy outlines the control procedures used to monitor custodial credit risk. These assets are under the custody of Northern Trust. Northern Trust has an A+ Long-term Deposit/Debt rating by Standard & Poor's and an A2 rating by Moody's. Certain investments of the ISBI with maturities of 90 days or less would be considered cash equivalents; these consist of short-term investment funds and U.S. Treasury bills with maturities of 90 days or less. For financial statement presentation and investment purposes, the ISBI reports these types of cash equivalents as Money Market Instruments within their investments. As of June 30, 2025, the ISBI had an investment related bank balance of $15,251,570. These balances include various foreign cash balances at year end. Cash held in the investment related bank account is neither federally insured nor collateralized for amounts in excess of $250,000. However, the ISBI is the beneficiary of multiple policies and bonds held by Northern Trust providing for recovery of various potential losses related to services provided by Northern Trust as the ISBI's custodian. At any given point and time, the foreign cash balances may be exposed to custodial credit risk.

Investment Commitments

The ISBI had total investment commitments of $4.9 billion at the end of fiscal year 2025. The ISBI's real estate, private equity, infrastructure and private credit investment portfolios consist of passive interests in limited partnerships. The ISBI would fund outstanding commitments by utilizing available cash and then selling liquid securities in the portfolio as necessary.

Investment Liquidity

The majority of the ISBI's portfolio is highly liquid. However, the ISBI holds investments in hedge funds, real estate funds, private credit funds, private equity funds, commingled funds, bank loans and infrastructure funds that are considered illiquid by the very nature of the investment. Market risk exists with respect to these investments as the ISBI may not be able to exit from the illiquid investments during periods of significant fair value declines.

Fair Value Measurements

Fair value is the amount that would be received to sell the investment in an orderly transaction between market participants at the measurement date (i.e. exit price). The fair value measurements are determined within a framework that utilizes a three-tier hierarchy, which maximizes the use of observable inputs and minimizes the use of unobservable inputs. Investments measured and reported at fair value are classified and disclosed in one of the following categories:

- Level 1 – Unadjusted quoted prices in active markets for identical assets.
- Level 2 – Inputs other than quoted prices that are observable for the asset, either directly or indirectly. These inputs include:
  a. quoted prices for similar assets in active markets;
  b. quoted prices for identical or similar assets in markets that are not active;
  c. inputs other than quoted prices that are observable for the asset; or
  d. inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 – Inputs that are unobservable for the asset. The valuation of these investments requires significant judgment due to the absence of quoted market values, inherent lack of liquidity, and changes in market conditions.

Money market instruments are valued at amortized cost which approximates fair value.

The valuation methodologies are as follows:

- U.S. Treasuries and U.S. Agencies: quoted prices for identical securities in markets that are not active;
- International Obligations: quoted prices for similar securities in active markets and quoted prices for identical or similar assets in markets that are not active;
- Corporate Obligations: quoted prices for similar securities in active markets;
- Municipal Obligations: quoted prices for similar securities in active markets;
- Bank Loans: inputs other than quoted prices that are observable for the asset;
- Derivative Instruments (currently comprised of rights/warrants reported within equity securities): valued using a market approach that considers foreign exchange rates.

Investments classified as Level 3 are valued using best available sources, including discounted cash flow models, weighting of best available pricing inputs and third-party pricing services. The values are supplied by investment managers or general partners who hold those or similar assets in investment vehicles they oversee. These pricing sources may or may not be indicative of realizable exit values attainable for the assets.

The recurring fair value measurements for ISBI total portfolio for the year ended June 30, 2025 are as follows:

	At June 30, 2025 Fair Value Measurements Using			
	Level 1	Level 2	Level 3	Totals
Investments by fair value level				
Debt Securities				
US Government, agency, and municipal obligations	$ 471,987,071	$ 159,715,137	$ -	$ 631,702,208
Domestic bank loans	-	114,468,797	17,203,009	131,671,806
Domestic corporate obligations	1,503,565	202,052,853	13,783,365	217,339,783
International obligations	-	26,734,336	139,118	26,873,454
Total debt securities	$ 473,490,636	$ 502,971,123	$ 31,125,492	$ 1,007,587,251
Equity Securities				
Domestic equities	$ 7,025,383,299	$ -	$ 14,934,753	$ 7,040,318,052
International equities	206,625,388	-	965,180	207,590,568
Total equity securities	$ 7,232,008,687	$ -	$ 15,899,933	$ 7,247,908,620
Other				
Commingled funds [1]	$ 8,604,614,492	$ -	$ -	$ 8,604,614,492
Total other	$ 8,604,614,492	$ -	$ -	$ 8,604,614,492
Total investments by fair value level	$ 16,310,113,815	$ 502,971,123	$ 47,025,425	$ 16,860,110,363
Investments measured at the Net Asset Value (NAV)				
Commingled fund				$ 2,616,346,558
Real estate funds				2,720,352,983
Private equity funds				2,936,390,509
Private credit funds				2,522,410,967
Infrastructure funds				836,935,016
Hedge funds				149,256
Total investments measured at the NAV				$ 11,632,585,289
Investments not measured at fair value				
Money market instruments				$ 175,865,275
Total investments not measured at fair value				$ 175,865,275
Total investments				$ 28,668,560,927

1. Commingled funds with readily determinable fair value reported as Level 1.

Investments valued using the net asset value (NAV) per share (or its equivalent) are considered "alternative investments" and, unlike more traditional investments, generally do not have readily obtainable market values and take the form of limited partnerships. The ISBI values these investments based on the partnerships' audited financial statements. If June 30 statements are available, those values are used preferentially. However, some partnerships have fiscal years ending at other than June 30. If June 30 valuations are not available, the value is adjusted from the most recently available valuation taking into account subsequent calls and distributions, adjusted for unrealized appreciation/depreciation, other income and fees.

The following table presents the unfunded commitments, redemption frequency (if currently eligible), and the redemption notice period for alternative investments measured at NAV:

	June 30, 2025			
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Commingled funds	$ 2,616,346,558	$ -	Quarterly	90 Days
Real estate funds	2,720,352,983	849,117,668	Quarterly	90 Days
Private equity funds	2,936,390,509	1,729,055,913	N/A	N/A
Private credit funds	2,522,410,967	1,963,643,003	N/A	N/A
Infrastructure funds	836,935,016	326,509,224	Quarterly	90 Days
Hedge funds	149,256	-	Quarterly	90 Days
Total Investments measured at the NAV	$11,632,585,289			

1) Commingled Funds measured at NAV – The ISBI's assets in this category consist of various investments that are blended together in order to provide economies of scale, allowing for lower trading costs per dollar of investment and diversification. These investments provide primarily liquid exposure to publicly traded equity and fixed income markets. The equity and fixed income portfolios provide diversification benefits and return enhancement to the overall fund in both domestic and international markets. Commingled funds are also called "pooled funds" and "master trusts". The ISBI's current NAV measured Commingled fund exposure consists of investments in sixty-one domestic and international public equity (fifty-five) and fixed income (six) funds. Twenty-four of these funds are domestic and thirty-seven are international. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from the audit date to year-end. The ISBI has no plans to liquidate these investments as of June 30, 2025.

2) Real Estate Funds – The ISBI's assets in this category consist of investments in Core and Non-Core Real Estate Fund categories. The ISBI's current Real Estate exposure consists of investments in eighty-two funds with the goals of diversifying the ISBI's overall portfolio, providing capital appreciation and supplementing the total return of the portfolio through exposure to private real estate assets in both open-end and closed-end structures. Investments in this category are globally diversified and consist of office, industrial, multi-family, retail, storage and other types of assets. Core assets are expected to provide strong diversification through primary markets and high-income potential. Non-Core assets are typically higher risk assets with stronger capital appreciation. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from the audit date to year-end. The ISBI has no plans to liquidate these investments as of June 30, 2025.

3) Private Equity Funds – The ISBI's assets in this category consist of investments in funds not listed on public exchanges. The ISBI's current Private Equity exposure consists of investments in one hundred and thirty-six funds with the goals of generating returns significantly greater than typically available in the public market and diversifying the ISBI's overall portfolio that is comprised predominantly of equity and fixed income assets. The strategies of Private Equity funds include, but are not limited to, leveraged buyouts, venture capital and growth capital. Returns are commensurate with the risks presented by this asset class which include illiquidity. These funds have underlying portfolio investments that cannot be redeemed with the funds but rather these funds will make distributions of capital as the funds liquidate their underlying portfolio investments over the average 10-year life of the funds.The fair value of these investments is based on

audited financial statements of the funds adjusted for activity from the audit date to year-end. The ISBI has no plans to liquidate these investments as of June 30, 2025.

4) Private Credit Funds – The ISBI's assets in this category consist of investments in private fixed income markets. The ISBI's current Private Credit exposure consists of investments in one hundred and twenty-three funds with the goals of diversifying ISBI's overall portfolio, providing downside protection through assets that are capital collateralized, and supplementing the total return of the portfolio which is comprised predominantly of equity and fixed income assets. These funds have underlying portfolio investments that cannot be redeemed with the funds but rather these funds will make distributions of capital as the funds liquidate their underlying portfolio investments over the average 10-year life of the funds. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from the audit date to year-end. The ISBI has no plans to liquidate these investments as of June 30, 2025.

5) Infrastructure Funds– The ISBI's assets in this category consist of investments in funds that target infrastructure assets that provide essential services or facilities to a community (ports, bridges, toll roads, etc.). The ISBI's current infrastructure exposure consists of investments in twenty seven funds that seek to diversify the ISBI's overall portfolio (comprised predominantly of equity and fixed income assets) and provide capital appreciation and income generation through both open-end and closed-end structures. Investments in this category are globally diversified and consist of Core and Non-Core assets. Core assets are expected to provide strong diversification through primary markets and high-income potential. Non-Core assets are typically higher risk assets with stronger capital appreciation. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from the audit date to year-end. The ISBI has no plans to liquidate these investments as of June 30, 2025.

6) Hedge Funds – The ISBI historically invested in hedge funds that sought to generate better than average return and provide a hedge against a downward trend in the overall market. The ISBI transitioned its investments in these hedge fund vehicles to long-only equity vehicles. The ISBI's current Hedge Fund exposure consists of long only equity assets and a residual investment in one hedge fund. Returns are commensurate with the risks presented by this asset class which include illiquidity. The fair value of these investments is based on audited financial statements of the funds adjusted for activity from the audit date to year-end.

Custodial Credit Risk for Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the ISBI will not be able to recover the value of investments or collateral securities that are in the possession of a counterparty. ISBI's investment policy places no limit on the amount ISBI may invest in any one issuer. As of June 30, 2025, there were no investments that were uninsured and unregistered securities held by the counterparty or by its trust department or agent but not in the ISBI's name.

Interest Rate Risk

The ISBI manages its exposure to fair value losses arising from interest rate risk by diversifying the debt securities portfolio and maintaining the debt securities portfolio to an effective weighted duration consistent with the Barclay's U.S. Universal Index (benchmark index). As of June 30, 2025, the effective weighted duration of the ISBI's fixed income portfolio was 6.1 years and the effective duration of the benchmark index was 5.8 years.

Duration is the measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's fair value. The effective duration measures the sensitivity of market price to parallel shifts in the yield curve. The table below shows the detail of the duration by investment type as of June 30, 2025:

Investment Type	Fair Value	Effective Weighted Duration Years
U.S. government, agency, and municipal obligations		
U.S. Government	$ 631,462,083	7.5
U.S. federal agency	240,125	0.0
Total U.S. government, agency, and municipal obligations	631,702,208	
Domestic obligations		
Banks	15,053,810	0.3
Insurance	4,694,313	0.1
Other	197,591,660	2.6
Total domestic obligations	217,339,783	
International obligations	26,873,454	2.8
Grand Total	$ 875,915,445	

For the ISBI's bank loan portfolio, the appropriate measure of interest rate risk is weighted average maturity. Weighted average maturity is the average time it takes for securities in a portfolio to mature, weighted in proportion to the dollar amount that is invested in the portfolio. Weighted average maturity measures the sensitivity of fixed-income portfolios to interest rate changes. At June 30, 2025, the weighted average maturity of the ISBI's bank loan portfolio was 0.3 years.

Concentration of Credit Risk and Credit Risk for Investments

The ISBI's portfolio of investments is managed by professional investment management firms. These investment management firms are required to maintain diversified portfolios. Each investment manager must comply with risk management guidelines individually assigned to them as part of their investment management agreement. The ISBI did not have any single issuer investment that exceeded 5% of the total investments of the fund as of June 30, 2025. The table on the next page, presents the quality ratings of debt securities held by the ISBI as of June 30, 2025.

	Moody's Quality Rating	
U.S. Government and Agency Obligations		
	AAA	$ 304,065,341
	AA	327,636,867
Total U.S. Government and Agency Obligations		$ 631,702,208
Domestic corporate obligations		
Banks	AAA	$ 7,507,470
	NR	7,546,340
Total banks		$ 15,053,810
Insurance	B	$ 4,694,313
Total insurance		$ 4,694,313
Other		
	AAA	$ 40,601,081
	AA	15,202,103
	A	2,029,093
	BA	40,397,444
	B	33,124,588
	CAA	3,672,240
	Not rated	62,565,111
Total other		$ 197,591,660
Total domestic corporate obligations		$ 217,339,783
Domestic bank loans	BA	$ 2,393,672
	B	20,972,482
	CAA	9,099,744
	Not rated	99,205,908
Total bank loans		$ 131,671,806
International obligations	B	$ 8,136,527
	CAA	7,630,642
	Not rated	11,106,285
Total international obligations		$ 26,873,454
Money market instruments		
	Not rated	$ 175,865,276
Total Securities Subject to Credit Risk		$ 1,183,452,527

Foreign Currency Risk

The ISBI's international portfolio is constructed on the principles of diversification, quality, growth, and value. Risk of loss arises from changes in currency exchange rates and other factors. Certain investments held in infrastructure, private credit, private equity and real estate funds trade in a reported currency of Euro-based or British pound based dollars valued at $108,574,253 as of June 30, 2025. The ISBI does not set specific foreign denominated investment limits within its investment policy. The table below presents the foreign currency risk by type of investment as of June 30, 2025.

Currency	International Equities	Foreign Obligations
Brazilian Real	$ 3,368,405	$ -
British Pound Sterling	14,700,717	-
Canadian Dollar	-	1,011,787
Euro Currency	81,393,746	-
Hong Kong Dollar	5,832,866	-
Indonesian Rupiah	1,420,011	-
Japanese Yen	22,471,029	-
Norwegian krone	-	505,106
South Korean Won	7,716,247	-
Swiss Franc	1,109,814	-
Taiwan Dollar	8,634,191	-
United Arab Emirates dirham	3,915,523	-
Foreign investments denominated in U.S. Dollars	57,028,019	25,356,561
Total	$ 207,590,568	$ 26,873,454

Securities Lending

Cash and cash equivalents included in the System's Statement of Fiduciary Net Position consist of deposits held in the State Treasury. The Illinois Office of the Treasurer invests the deposits held and allocates investment income on a monthly basis.

The State Treasurer lends securities to broker-dealers and other entities for collateral that will be returned for the same securities in the future. The State Treasurer has, through a Securities Lending Agreement, authorized Deutsche Bank AG to lend the State Treasurer's securities to broker-dealers and banks pursuant to a form of loan agreement.

During fiscal year 2025, Deutsche Bank AG lent U.S. Agency securities and U.S. Treasury securities and received as collateral U.S. dollar denominated cash. Borrowers were required to deliver collateral for each loan equal to at least 100% of the aggregate fair value of the loaned securities. Loans are marked to market daily. If the fair value of collateral falls below 100%, the borrower must provide additional collateral to raise the fair value to 100%.

The State Treasurer did not impose any restrictions during fiscal year 2025 on the amount of the loans of available, eligible securities. In the event of borrower default, Deutsche Bank AG provides the State Treasurer with counterparty default indemnification. In addition, Deutsche Bank AG is obligated to indemnify the State Treasurer if Deutsche Bank AG loses any securities, collateral or investments of the State Treasurer in Deutsche Bank AG's custody. There were no losses during fiscal year 2025 resulting from a default of the borrowers or Deutsche Bank AG.

During fiscal year 2025, the State Treasurer and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested in repurchase agreements with approved counterparties collateralized with securities approved by Deutsche Bank AG and marked to market daily at no less than 102%. Because the loans are terminable at will, their duration did not generally match the duration of the investments made with cash collateral. The State Treasurer had no credit risk as a result of its securities lending program as the collateral held exceeded the fair value of the securities lent. The securities lending collateral received that was invested in repurchase agreements and the fair value of securities on loan for the State Treasurer as of June 30, 2025 were $5,394,208,362 and $5,299,498,359, respectively. The System's portion of securities lending collateral that was invested in repurchase agreements as of June 30, 2025 was $3,322,000.

Derivative Securities

A derivative security is an investment whose payoff depends upon the value of other assets such as commodity prices, bond and stock prices, or a market index. The ISBI invests in derivative instruments consisting of rights and warrants. The ISBI's derivatives are considered investment derivatives.

Rights and warrants allow the ISBI investment managers to replicate an underlying security they wish to hold (sell) in the portfolio. Rights and warrants provide the holder with the right, but not the obligation, to buy or sell a company's stock at a predetermined price. Rights usually expire after a few weeks and warrants can expire from one to several years. These investments are reported at fair value in the investment section of the Statement of Net Position within the domestic and international equity classifications. The gain or loss associated with rights and warrants is recognized in the net increase/decrease in the fair value of investments in the ISBI Statement of Changes in Fiduciary Net Position.

The table below presents the investment derivative instruments aggregated by type that were held by the ISBI as of June 30, 2025.

	Changes in Fair Value	Fair Value at Year-End	Notional Amount Number of Shares
Rights/Warrants	$ 7,040	$ 369,137	139,184
	$ 7,040	$ 369,137	139,184

Derivative transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. Derivatives which are exchange traded are not subject to credit risk. No derivatives held are subject to custodial credit risk. Market risk is the possibility that a change in interest (interest rate risk) or currency rates (foreign currency risk) will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. These limits are approved by the Board of Trustees and management of the ISBI and the risk positions of the investment managers are reviewed on a periodic basis to monitor compliance with the limits.

5. Funding - Statutory Contributions Required & Contributions Made

On an annual basis, a valuation of the liabilities and reserves of the System is performed by the System's actuarial consultants in order to determine the amount of contributions statutorily required from the State of Illinois. For fiscal year 2025, the actuary used the projected unit credit actuarial method for determining the proper employer contribution amount.

For fiscal year 2025, the required employer contribution was computed in accordance with the State's funding plan. This funding legislation provides for a systematic 50-year funding plan with an ultimate goal to fund the cost of maintaining and administering the System at an actuarial funded ratio of 90%.

In addition, the funding plan provides for a 15-year phase-in period to allow the state to adapt to the increased financial commitment. Since the 15-year phase-in period ended June 30, 2010, the state's contribution will remain at a level percentage of payroll for the next 35 years until the 90% funded level is achieved.

The total amount of statutorily required employer contributions for fiscal year 2025 was $148,889,000. The total amount of employer contributions received from the state and other sources during fiscal year 2025 was $148,937,108.

6. Net Pension Liability of the State

The components of the State's net pension liability for this plan at June 30, 2025 are as follows:

Total Pension Liability (TPL)	Plan Fiduciary Net Position (FNP)	Net Pension Liability	Plan FNP as % of TPL
$ 3,215,794,931	1,470,253,087	1,745,541,844	45.72%

The System is significantly underfunded which raises concerns about its future financial solvency should there be a significant market downturn coupled with the State's inability or unwillingness to pay the employer contributions.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, which were based on the results of an actuarial experience study for the period from July 1, 2021 to June 30, 2024:

Actuarial Cost Method:	Entry Age Normal
Mortality rates:	
Post retirement:	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, with no scaling factors, and the MP-2021 two-dimensional generational mortality improvement scale, providing a margin for future mortality improvements.
Pre-retirement:	Included terminated vested members prior to attaining age 50. Pub-2010 Above-Median Income General Employee Mortality tables, sex distinct, with no scaling factors, and the MP-2021 two-dimensional generational mortality improvement scale. This assumption provides a margin for future mortality improvements. Future mortality improvements are reflected by projecting the base mortality tables forward from the year 2010 using the MP-2021 projection scale.
Inflation:	2.40%
Investment rate of return:	6.50%
Salary increases:	2.60% per year (consisting of an inflation component of 2.40% per year, a productivity / merit / promotion component of 0.20% per year).
Group size growth rate:	0.0%
Post-retirement increase:	Tier 1: 3.0% per year, compounded annually. Tier 2: 3.0% per year or the annual increase in the Consumer Price Index, whichever is less, compounded annually.

Long-term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments is reviewed annually by the System's actuary, Gabriel Roeder Smith & Company (GRS), as part of the economic assumptions review. The actuarial assumptions are developed using historical data and projections employed to model future returns as provided by the Illinois State Board of Investments (ISBI) in conjunction with its investment consultant. The assumed rate of inflation which must be combined with the projected real return is 2.40%.

The target allocations and forward looking annualized geometric real rates of return for each major asset class, which are applicable for a 20-year projection period, are summarized in the following table. The 20-year projections produced an estimated annual real return of 5.60% and a standard deviation of 12.27% for the aggregate portfolio.

	Asset Allocation	
Asset Class	Target Allocation	20 Year Simulated Real Rate of Return
U.S. Equity	22%	6.1%
Developed Foreign Equity	13%	6.5%
Emerging Market Equity	8%	6.5%
Private Equity	10%	8.8%
High Yield Bonds	2%	4.4%
Private Debt	10%	6.8%
Investment Grade Bonds	14%	2.4%
Long-term Government Bonds	5%	2.6%
TIPS	3%	2.3%
Real Estate	10%	5.6%
Infrastructure	3%	6.6%
Total	100%	

Discount Rate

A single discount rate of 6.45% was used to measure the total pension liability as of June 30, 2025. This represents an increase of 0.07% from the discount rate used for the June 30, 2024 valuation, 6.38%.

The single discount rate was based on an expected rate of return on pension plan investments of 6.5% and a municipal bond rate, based on an index of 20-year general obligation bonds with an average AA credit rating as published by the Federal Reserve, of 5.20% as of June 30, 2025. The projection of cash flows used to determine the single discount rates assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between statutory contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position and future contributions were sufficient to finance the benefit payments through the year 2066 at June 30, 2025. As a result, for fiscal year 2025, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2066, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

For fiscal year 2025, the following table presents the plan's net pension liability using a single discount rate of 6.45%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage point lower or 1-percentage point higher.

	June 30, 2025		
	1% decrease 5.45%	Current Discount Rate 6.45%	1% increase 7.45%
State's net pension liability	$2,066,664,372	$1,745,541,844	$1,470,216,227

7. Administrative Expenses

A summary of the administrative expenses for the Judges' Retirement System for fiscal year 2025 are listed below.

Personal services	$377,990
Employee retirement contributions paid by employer	7,513
Employer retirement contributions	193,779
Social Security contributions	27,540
Group insurance	94,931
Contractual services	207,973
Travel	4,804
Printing	177
Commodities	127
Telecommunications	1,147
Information technology	52,730
Depreciation	373
Amortization	14,029
Change in accrued compensated absences	6,181
Total	$989,294

8. Compensated Absences

Employees of the System are entitled to receive compensation for all accrued but unused vacation time upon termination of employment. Additionally, employees of the System are entitled to receive compensation for one-half of the unused sick days that were earned on and after January 1, 1984 and before January 1, 1998, upon termination of employment.

Effective for reporting periods after December 15, 2023 (or fiscal year 2025), GASB Statement No. 101 "Compensated Absences" requires compensated absences' liabilities be recognized for a) leave that has not been used and b) leave that has been used but not yet paid in cash or non-cash means. This change in estimate resulted in a restatement of Beginning Net Position for fiscal year 2025. This change in estimate resulted in a restatement of Beginning Net Position for fiscal year 2025.

The table below presents restated accrued compensated absences (included in Administrative Expenses Payable), due to the prior period impact of GASB Statement No. 101 as well as the current year additions.

	Beginning Balance Before Restatement	Prior Year Restatement	Restated Beginning Balance	Current Year Additions/ (Deletions)	Ending Balance
Accrued Compensated Absences	$21,165	$745	$21,910	$6,181	$28,091
Fiscal Year 2025 Net Position	1,398,392,002	(745)	1,398,391,257		

9. Pension Plan & Other Post-Employment Benefits

Plan Description. All of the System's full-time employees who are not eligible for participation in another state-sponsored retirement plan participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity.

The SERS is a single-employer defined benefit public employee retirement system (PERS) in which state employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems.

The financial position and results of operations of the SERS for fiscal year 2025 is included in the State of Illinois' Annual Financial Report for the year ended June 30, 2025. The SERS also issues a separate annual report that may be obtained by writing to the SERS, 2101 South Veterans Parkway, Springfield, Illinois 62794-9255 or by calling 217-785-7202.

The State of Illinois' annual report may be obtained by writing to the State Comptroller's Office, Financial Reporting Department, 325 West Adams St., Springfield, Illinois 62704-1858 or by calling 217-782-2053.

A summary of SERS' benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established, are included as an integral part of the SERS' annual report. Also included is a discussion of employer and employee obligations to contribute and the authority under which those obligations are established.

Other Post-Employment Benefits. The State provides health, dental, vision, and life insurance benefits for retirees and their dependents in a program administered by the Department of Central Management Services. Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental, and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employees' Retirement System do not contribute towards health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced 5% for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary on the last day of employment until age 60, at which time the benefit becomes $5,000.

The State pays the System's portion of employer costs for the benefits provided. The total cost of the State's portion of health, dental, vision, and life insurance benefits of all members, including post-employment health, dental, vision, and life insurance benefits, is recognized as an expenditure by the State in the Illinois Annual Financial Report. The State finances the costs on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are separated by individual department or fund for annuitants and their dependents and active employees and their dependents after the State adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. The System and the State Comptroller has determined that it would be inappropriate for the System to record its allocated share of the State's other post-employment benefits (OPEB) expense and liability associated with its employees because accounting standards would require that those costs be reallocated and recovered from other state agencies and funds through employer pension contributions.

A summary of post-employment benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established are included as an integral part of the financial statements of the Department of Central Management Services. A copy of the financial statements of the Department of Central Management Services may be obtained by writing to the Department of Central Management Services, Stratton Office Building, 401 South Spring Street, Springfield, Illinois 62706.

10. Capital Assets

Capital assets over $1,000 are capitalized at their cost at the time of acquisition. Depreciation is computed using the straight-line method over the estimated useful life of the asset. The estimated useful lives are as follows: (1) office furniture - 10 years, (2) equipment - 6 years, (3) certain electronic data processing equipment - 3 years, and (4) internally developed software - 20 years. The summary of changes in Capital Assets for fiscal year 2025 is as follows:

	Beginning Balance	Current Year Additions	Current Year Deletions	Ending Balance
Capital Assets				
Equipment	$ 9,671	$ 3,120	$ -	$ 12,791
Capitalized Software Costs	250,896	29,673	-	280,569
Total	260,567	32,793	-	293,360
Accumulated Depreciation & Amortization				
Equipment	(9,101)	(373)	-	(9,474)
Capitalized Software Costs	(65,767)	(14,029)	-	(79,796)
Total	(74,868)	(14,402)	-	(89,270)
Net Capital Assets	$ 185,699	$ 18,391	$ -	$ 204,090

SCHEDULE OF CHANGES IN THE STATE'S NET PENSION LIABILITY AND RELATED RATIOS
Fiscal Years Ended June 30, 2025 through 2016

	2025	2024	2023
Total pension liability			
Service cost	$ 39,662,205	$ 40,365,497	$ 42,160,813
Interest on the total pension liability	196,080,196	192,240,755	186,960,018
Difference between expected and actual experience	33,387,450	33,151,913	51,265,911
Assumption changes	(304,930)	(2,963,131)	(2,952,096)
Benefit payments	(209,575,973)	(201,961,718)	(192,312,576)
Refunds	(895,578)	(1,675,756)	(747,851)
Administrative expense (1)	-	-	-
Net change in total pension liability	58,353,370	59,157,560	84,374,219
Total pension liability - beginning	3,157,441,561	3,098,284,001	3,013,909,782
Total pension liability - ending (a)	$ 3,215,794,931	$ 3,157,441,561	$ 3,098,284,001
Plan fiduciary net position			
Contributions - employer	$ 148,937,108	$ 147,838,000	$ 147,429,857
Contributions - participant	15,957,526	15,559,972	15,006,659
Net investment (loss) income	118,428,041	117,320,825	76,261,971
Benefit payments	(209,575,973)	(201,961,718)	(192,312,576)
Refunds	(895,578)	(1,675,756)	(747,851)
Administrative expense	(989,294)	(1,016,525)	(1,075,130)
Net change in plan fiduciary net position	71,861,830	76,064,798	44,562,930
Plan fiduciary net position - beginning (2)	1,398,391,257	1,322,327,204	1,277,764,274
Plan fiduciary net position - ending (b)	$ 1,470,253,087	$ 1,398,392,002	$ 1,322,327,204
State's net pension liability - ending (a)-(b)	$ 1,745,541,844	$ 1,759,049,559	$ 1,775,956,797
Plan fiduciary net position as a percentage of the total pension liability	45.72%	44.29%	42.68%
Covered payroll	$ 148,213,812	$ 146,936,928	$ 139,622,989
State's net pension liability as a percentage of covered payroll	1,177.72%	1,197.15%	1,271.97%
Single discount rate, Beginning of Year	6.38%	6.37%	6.36%
Single discount rate, End of Year	6.45%	6.38%	6.37%
Long-term municipal bond rate	5.20%	3.97%	3.86%
Long-term municipal bond rate date	6/26/25	6/28/24	6/30/23

(1) Prior to fiscal year end 2022, administrative expenses were included in the service cost.
(2) The plan fiduciary net position for fiscal year 2024 was $1,398,392,002. Subsequent to the GASB statement Nos. 67 and 68 report as of June 30, 2024, there was a prior period adjustment as of June 30, 2024 of $(745).

2022	2021	2020	2019	2018	2017	2016
$ 46,586,718	$ 48,073,322	$ 48,964,384	$ 50,008,782	$ 53,221,872	$ 56,166,214	$ 58,041,274
182,714,037	179,914,768	177,034,059	180,187,890	175,399,302	168,163,770	158,611,299
23,623,605	19,224,126	3,087,539	37,888,398	6,190,925	23,042,316	(3,260,012)
(109,631,607)	42,844,293	23,770,693	(42,248,829)	(14,445,948)	(29,511,474)	205,404,829
(180,422,869)	(172,641,570)	(165,544,383)	(157,349,969)	(148,146,938)	(140,497,204)	(132,571,796)
(804,052)	(853,921)	(437,766)	(990,688)	(481,716)	(974,665)	(658,051)
-	(1,012,863)	(1,031,845)	(910,537)	(897,285)	(914,405)	(942,950)
(37,934,168)	115,548,155	85,842,681	66,585,047	70,840,212	75,474,552	284,624,593
3,051,843,950	2,936,295,795	2,850,453,114	2,783,868,067	2,713,027,855	2,637,553,303	2,352,928,710
$ 3,013,909,782	$ 3,051,843,950	$ 2,936,295,795	$ 2,850,453,114	$2,783,868,067	$2,713,027,855	$2,637,553,303
$ 155,993,000	$ 148,624,591	$ 144,160,000	$ 140,518,962	$ 135,962,000	$ 131,334,000	$ 132,060,000
14,573,802	14,600,156	14,508,095	14,610,446	14,295,562	14,770,467	14,962,055
(90,889,351)	278,835,996	48,127,424	64,740,736	69,949,646	97,796,479	(6,470,553)
(180,422,869)	(172,641,570)	(165,544,383)	(157,349,969)	(148,146,938)	(140,497,204)	(132,571,796)
(804,052)	(853,921)	(437,766)	(990,688)	(481,716)	(974,665)	(658,051)
(1,123,921)	(1,012,863)	(1,031,845)	(910,537)	(897,285)	(914,405)	(942,950)
(102,673,391)	267,552,389	39,781,525	60,618,950	70,681,269	101,514,672	6,378,705
1,380,437,665	1,112,885,276	1,073,103,751	1,012,484,801	941,803,532	840,288,860	833,910,155
$ 1,277,764,274	$ 1,380,437,665	$ 1,112,885,276	$ 1,073,103,751	$1,012,484,801	$ 941,803,532	$ 840,288,860
$ 1,736,145,508	$ 1,671,406,285	$ 1,823,410,519	$ 1,777,349,363	$1,771,383,266	$1,771,224,323	$1,797,264,443
42.40%	45.23%	37.90%	37.65%	36.37%	34.71%	31.86%
$ 133,830,177	$ 137,421,597	$ 135,392,337	$ 138,415,234	$ 132,064,855	$ 139,737,508	$ 139,537,967
1,297.28%	1,216.26%	1,346.76%	1,284.07%	1,341.30%	1,267.54%	1,288.01%
6.12%	6.26%	6.34%	6.60%	6.58%	6.48%	6.85%
6.36%	6.12%	6.26%	6.34%	6.60%	6.58%	6.48%
3.69%	1.92%	2.45%	3.13%	3.62%	3.56%	2.85%
6/30/22	6/30/21	6/30/20	6/30/19	6/30/18	6/30/17	6/30/16

Notes to the Schedule of Changes in the Net Pension Liability and Related Ratios

Valuation Date: June 30, 2025

Key Assumption Changes Related to the Schedule of Changes in the State's Net Pension Liability and Related Ratios

2025 Changes in Assumptions:

- Increase the price inflation assumption from 2.25 percent to 2.40 percent.
- Increase the general payroll growth assumption from 2.50 percent to 2.60 percent.
- Decrease the court differential component of the salary increase assumption.
- Update the Tier One normal retirement rates to better reflect observed experience.
- Update the current turnover rates to better reflect observed experience.

2024 Changes in Assumptions:

- There were no significant assumption changes.

2023 Changes in Assumptions:

- There were no significant assumption changes.

2022 Changes in Assumptions:

- The mortality tables were updated to the Pub-2010 Above-Median Income General Healthy Retiree and Employee Mortality Tables with no adjustments and future mortality improvements using the scale MP-2021.
- The normal retirement rates for Tier 1 were updated to better reflect observed experience.
- The current turnover rates were updated to better reflect observed experience.

2021 Changes in Assumptions:

- There were no significant assumption changes.

2020 Changes in Assumptions:

- There were no significant assumption changes.

2019 Changes in Assumptions:

- The investment rate of return assumption decreased from 6.75% to 6.5%.
- The rate of inflation decreased from 2.5% to 2.25%.
- The salary increase assumption decreased from 2.75% to 2.5%.
- The mortality tables were updated to Pub-2010 Above-Median Income General Healthy Retiree and Employee Mortality Tables with adjustments for the System's credibility factors and future mortality improvements using scale MP-2018.
- The normal and early retirement rates were updated to better reflect observed experience.
- The turnover rates were updated to better reflect observed experience.

2018 Changes in Assumptions:

- The rate of inflation decreased from 2.75% to 2.5%.
- The salary increase assumption decreased from 3.00% to 2.75%.

2017 Changes in Assumptions:

- There were no significant assumption changes.

2016 Changes in Assumptions:

- The rate of inflation decreased from 3.00% to 2.75%.
- The investment return assumption was decreased from 7.00% to 6.75%.
- The salary increase assumption was changed from 3.75% to 3.00% per year, compounded annually. That rate includes a 0.25% per year productive/merit/promotion component.
- Turnover rates were increased for both Tier 1 and Tier 2 members. For Tier 2 members with less than five years of service, the turnover rate was increased to a flat rate of 1.75%.
- The overall normal retirement rates were decreased to better reflect observed experience.
- Generational mortality improvement factors were added to reflect future mortality improvements. The new mortality tables move from a single dimensional age-based table to a two dimensional table where the year of a person's birth influences their mortality rate.

SCHEDULE OF INVESTMENT RETURNS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return, net of investment expense	7.7%	9.0%	6.1%	(6.7)%	26.0%	4.7%	7.2%	7.5%	12.4%	(0.6)%

SCHEDULE OF CONTRIBUTIONS

Fiscal Year Ended June 30	Actuarially determined contribution	Contributions received	Contribution (deficiency) excess	Covered Payroll	Contributions received as a percentage of covered payroll
2016	$ 121,362,703	$ 132,060,000	$ 10,697,297	$ 139,537,967	94.64%
2017	152,699,188	131,334,000	(21,365,188)	139,737,508	93.99%
2018	168,056,916	135,962,000	(32,094,916)	132,064,855	102.95%
2019	169,632,403	140,518,962	(29,113,441)	138,415,234	101.52%
2020	173,704,375	144,160,000	(29,544,375)	135,392,337	106.48%
2021	173,205,430	148,624,591	(24,580,839)	137,421,597	108.15%
2022	175,823,406	155,993,000	(19,830,406)	133,830,177	116.56%
2023	174,869,681	147,429,857	(27,439,824)	139,622,989	105.59%
2024	174,674,767	147,838,000	(26,836,767)	146,936,928	100.61%
2025	178,592,396	148,937,108	(29,655,288)	148,213,812	100.49%

Notes to Schedule of Contributions

Valuation Date:	June 30, 2023
Notes	Actuarially determined contribution rates are calculated as of June 30, which is 12 months prior to the beginning of the fiscal year in which the contributions will be made.

Methods and Assumptions Used to Determine Contribution Rates as of the Valuation Date

Actuarial Cost Method:	Projected Unit Credit
Amortization Method:	Normal cost plus a 25 year level percentage of capped payroll closed-period amortization of the unfunded accrued liability.
Remaining Amortization Period:	17 years, closed.
Asset Valuation Method:	5 year smoothed market
Inflation:	2.25%
Salary Increases:	2.5% per year (2.25% inflation and 0.25% productivity components per year).
Post Retirement Benefits:	Post-retirement benefit increases of 3.00%, compounded, for Tier 1 and 3.00% or the annual increase in the Consumer Price Index, whichever is less, compounded, for Tier 2.
Investment Rate of Return:	6.5%
Retirement Age:	Experienced based table of rates that are specific to the type of eligibility condition
Mortality:	
Post-retirement:	Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, with no scaling factors, and the MP-2021 two-dimensional generational mortality improvement scale.
Pre-retirement:	Pub-2010 Above-Median Income General Employee Mortality tables, sex distinct, with no scaling factors, and the MP-2021 two-dimensional generational mortality improvement scale.

SCHEDULE OF PAYMENTS TO CONSULTANTS
Year Ended June 30, 2025

Actuary	$ 83,500
Audit fees	36,425
Total	$119,925

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INVESTMENT SECTION

INVESTMENT REPORT

By state law, the System's investment function is managed by the Illinois State Board of Investment (ISBI). The ISBI was created in 1969 to provide a means of centralizing the investment management function for public employee pension funds and retirement systems operating in the state.

In addition to the assets of the Judges' Retirement System, the ISBI also manages the investment function for the State Employees' Retirement System, General Assembly Retirement System, and one other state agency. All ISBI investments are accounted for in a commingled fund (ISBI Fund).

Units of the ISBI Commingled Fund are issued to the participating entities on the last day of the month based on the unit net asset value calculated as of that date. Net investment income of the ISBI Commingled Fund is allocated to each of the participating entities on the last day of the month on the basis of percentage of accumulated units owned by the respective systems. Management expenses are deducted monthly from income before distribution.

As of June 30, 2025, the ISBI's total net position under management, valued at market, amounted to $28.6 billion. Of the total market value of the net position under management, $1.5 billion or approximately 5% represented assets of the Judges' Retirement System as of June 30, 2025.

The investment authority of the ISBI is provided in Chapter 40, Section 5/22A of the Illinois Compiled Statutes (ILCS). Such investment authority requires that all opportunities be undertaken with care, skill, prudence and diligence given prevailing circumstances that a prudent person acting in like capacity and experience would undertake.

A summary of the portfolio's largest holdings, as well as the complete listing of the ISBI portfolio, are included in the ISBI Annual Report. A schedule of fees and commissions paid by brokerage firms and a listing of transactions executed, including transaction value, are also contained in the ISBI Annual Report. A copy of the ISBI Annual Report can be obtained from the ISBI at 180 North LaSalle Street, Suite 2015, Chicago, Illinois 60601 or by visiting the ISBI's website at https://www.isbinvestment.com.

The following investment information and analysis has been prepared from information provided by the ISBI. Investment performance returns are prepared by Northern Trust. Investment activities are presented on a trade date basis and measurements are calculated using time weighted rates of return consistent with investment industry standards.

INVESTMENT POLICY AND ASSET ALLOCATION

The ISBI operates under a strategic investment policy. 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.

The investment policy of the ISBI establishes asset allocation targets and ranges for each asset class, selected to achieve overall risk and return objectives. This policy is implemented by allocations to investment managers with assignments to invest in specific asset classes, with defined security selection styles and methodologies.

Changes made to the portfolio during fiscal year 2025 amounted to routine adjustments associated with the administration of an institutional portfolio – periodic rebalancing, funding of private equity and real estate commitments, selection of new limited partnerships, and continual monitoring of the portfolio.

The portfolio is regularly adjusted to manage exposures and to closely track the asset allocation policy adopted by the ISBI Board. The asset allocation policy target and actual allocation for fiscal year 2025 are shown in the following table.

INVESTMENT ASSET ALLOCATION

	Fair Value	Actual Asset Mix	Policy Target
Domestic equity	$7,040,318,052	24%	-%
Commingled funds - Domestic equity	1,184,284,226	4	-
Total Domestic equity	8,224,602,278	28	-
International equity	207,590,568	1	-
Commingled funds - International equity	6,298,842,673	22	-
Total International equity	6,506,433,241	23	-
Total Global Equity	14,731,035,519	51	42
Fixed income[1]	1,007,587,251	3	-
Commingled funds - Fixed income	3,737,834,151	13	-
Total Fixed income	4,745,421,400	16	24
Real estate[2]	2,720,352,983	10	10
Private equity[2]	2,936,390,509	10	11
Private credit[2]	2,522,410,967	9	10
Infrastructure[2]	836,935,016	3	3
Hedge funds	149,256	-	-
Money market instruments[3]	175,865,275	1	-
Total	$28,668,560,927	100%	100%

[1] Maturities of one year or longer, including convertible bonds.
[2] Interests in limited partnerships and other entities which have limited liquidity.
[3] Includes money market instruments and other assets, less liabilities.

INVESTMENT PORTFOLIO SUMMARY

	June 30, 2025	
Investments, at fair value		
U.S. govt. agency and municipal obligations	$ 631,702,208	2.21%
Domestic equities	7,040,318,052	24.63
International equities	207,590,568	0.73
Domestic bank loans	131,671,806	0.46
Domestic corporate obligations	217,339,783	0.76
International obligations	26,873,454	0.09
Commingled funds	11,220,961,050	39.26
Real estate funds	2,720,352,983	9.52
Private equity funds	2,936,390,509	10.27
Private credit funds	2,522,410,967	8.83
Infrastructure funds	836,935,016	2.93
Hedge funds	149,256	-
Total Investments, at fair value	28,492,695,652	99.69%
Measured at amortized cost:		
Money market investments	175,865,275	0.62%
Other assets, less liabilities	(87,509,323)	(0.31)
Net Position, at Fair Value	$ 28,581,051,604	100.00%

ADDITIONAL INVESTMENT INFORMATION

The following table shows a comparison of ISBI investment operations of the System for fiscal years 2025 and 2024:

			Increase/(Decrease)	
	2025	2024	Amount	Percentage
Balance at beginning of year, at fair value	$1,379,926,119	$1,303,262,688	$ 76,663,431	5.9%
Cash transferred to (from) ISBI, net	(42,500,000)	(40,000,000)	(2,500,000)	(6.3)%
Net ISBI investment revenue:				
Net appreciation in fair value of investments	105,973,931	102,071,142	3,902,789	3.8%
Interest and dividends	12,818,793	15,991,766	(3,172,973)	(19.8)%
Less investment expense, other than from securities lending	(1,232,631)	(1,399,477)	166,846	(11.9)%
Net ISBI investment revenue	117,560,093	116,663,431	896,662	0.8%
Balance at end of year, at fair value	$1,454,986,212	$1,379,926,119	$ 75,060,093	5.4%

In addition, interest on the average balance in the System's cash account in the State Treasury for fiscal year 2025 was $867,948 compared to $657,394 during fiscal year 2024.

MANAGEMENT EXPENSES

The ISBI's total expenses for fiscal year 2025, based on $28.6 billion in net position, were $23.8 million. The resulting expense ratio (expenses divided by average fair value of assets) for fiscal year 2025 was 0.08%. The System's allocated portion of the aforementioned total management expenses were $1,232,631 for fiscal year 2025. As a result of the ISBI's commitment to control costs, the investment management fees are typically in the bottom quartile of fees paid by the ISBI's peer group.

ANALYSIS OF INVESTMENT PERFORMANCE

In fiscal year 2025, investors enjoyed gains in international and U.S. equities as measured by the market indices. The ISBI's total fund increased 9.7% for fiscal year 2025, net of all expenses. This follows positive returns of 9.3% and 6.2% in fiscal years 2024 and 2023 respectively, a negative return of 6.3% in 2022, and a positive return of 25.8% in fiscal year 2021.

The ISBI staff, as well as its retained consultants, aggressively monitors the totality of the portfolio.

The following table reflects the investment performance over the last five years as well as the three, five, and ten year average returns for all categories in addition to their individual benchmarks.

ANALYSIS OF INVESTMENT PERFORMANCE

	2025	2024	2023	2022	2021	3 Yrs.	5 Yrs.	10 Yrs.
Total Fund	**9.7 %**	**9.3%**	**6.2%**	**(6.3)%**	**25.8%**	**8.4 %**	**8.5%**	**7.3%**
Composite Benchmark*	9.5	9.1	6.3	(5.9)	21.9	8.4	7.9	7.0
Consumer Price Index	2.7	3.0	3.0	9.1	5.4	2.9	4.6	3.1
Domestic Equities	**15.7**	**23.5**	**17.7**	**(14.9)**	**43.4**	**18.9**	**15.5**	**12.4**
Russell 3000 Index	15.3	23.1	19.0	(13.9)	44.2	19.1	16.0	13.0
International Equities	**15.6**	**13.3**	**11.9**	**(18.5)**	**39.2**	**13.6**	**10.7**	**7.1**
MSCI-ACWI ex US Index	17.8	11.6	12.5	(19.9)	37.2	13.9	10.2	6.2
Fixed Income	**6.9**	**3.8**	**0.5**	**(6.9)**	**5.0**	**3.7**	**1.7**	**2.7**
BBG US Univeral	6.5	3.5	0.0	(10.9)	1.1	3.3	(0.2)	2.1
Real Estate	**1.4**	**(4.4)**	**(6.0)**	**26.3**	**13.7**	**(3.1)**	**5.5**	**6.0**
Real Estate CB	3.1	(8.7)	(9.7)	27.3	1.5	(5.8)	1.5	4.2
Infrastructure	**11.1**	**8.2**	**9.7**	**12.7**	**11.6**	**9.6**	**10.6**	**11.7**
Infrastructure CB	6.5	6.6	6.6	12.9	9.1	7.3	7.9	6.2
Private Equity	**5.3**	**3.4**	**2.4**	**21.7**	**54.9**	**3.7**	**16.0**	**15.2**
Private Equity CB	7.1	6.2	(1.8)	26.7	53.2	3.8	16.7	13.5

Note: Calculations are based on a time series of linked monthly returns (IRR), producing a time weighted effect.
Total fund return is presented net of fees. All other return information is presented gross of fees.

*** Composite Benchmark:**

Effective 07/24: 22% Russell 3000 Index, 13% MSCI EAFE Index, 8% MSCI Emerging Markets Index, 10% Cambridge Associates PE & VC Index (1 Quarter Lagged), 5% Bloomberg Intermediate Treasuries, 9% Bloomberg Aggregate, 5% Bloomberg Long-Term Treasury Index, 3% Custom TIPS Index, 1% ICE BofA/ML USA HY Master II, 1% CSFB Leveraged Loan Index, 10% Hamilton Lane Private Credit Custom Benchmark, 10% NCREIF ODCE + 60bps, 3% CPI + 3.5%.

Effective 07/21: 23% Russell 3000; 13% MSCI-EAFE Index; 8% MSCI Emerging Markets Index; 9% Cambridge Private Equity Index (1Q Lagged); 10% Barclays Aggregate; 5% Barclays Intermediate Treasuries; 5% Barclays Long Term Treasury Index; 3% Custom TIPS Index; 1% Barclays High Yield Index; 1% CSFB Leveraged Loan Index; 9% S&P/LSTA US Levered Loan 100 Index; 10% NCREIF ODCE Net 1Q Lagged; 3% CPI + 3.5%

Effective 07/17: 23% Russell 3000; 13% MSCI-EAFE Index; 8% MSCI Emerging Markets Index; 7% Cambridge Private Equity Index (1Q lagged); 10% Barclays Aggregate; 4% Barclays Intermediate Treasuries; 4% Barclays Long Term Treasury Index; 4% Barclays US TIPS Index; 2.5% Barclays High Yield Index; 2.5% CSFB Leveraged Loan Index; 1.0% JPM GBI EM Global Diversified (unhedged); 1.0% JPM EMBI Global Diversified (hedged); 8% S&P/LSTA US Levered Loan 100 Index; 10% NCREIF ODCE (1Q lagged) ; 2% CPI + 3.5%.

Effective 07/16: 23% Russell 3000; 13% MSCI-EAFE index; 7% MSCI Emerging Markets index; 10% Cambridge Private Equity index; 11% Barclays Aggregate; 3% Barclays Long Term Treasury index; 5% Barclays US TIPS index; 3% Barclays High Yield index; 3% CSFB Leveraged Loan index; 1.5% JPM GBI EII Global Diversified (unhedged); 1.5% JPM EMBI Global Diversified (hedged); 11% NCREIF ODCE; 5% CPI +4%; 3% HFRI Fund of Fund Composite.

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ACTUARIAL SECTION

The schedules in this section of the report were prepared to support the actuarially determined contribution for fiscal year 2027 under the State of Illinois' funding plan. The total actuarial liability, the actuarial value of assets, and unfunded accrued actuarial liability as presented in the Actuarial section of this report using the State's funding method does not conform with GASB Statement No. 67 and therefore, the amounts presented in the Actuarial section of this report differ from the amounts presented for financial reporting purposes in the financial section of this report.

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October 17, 2025

Board of Trustees and Executive Secretary
Judges' Retirement System of Illinois
P. O. Box 19255
2101 S. Veterans Parkway
Springfield, Illinois 62794-9255

Re: Actuarial Certification

At your request, we have performed the annual actuarial valuation of the assets and liabilities of the Judges' Retirement System of Illinois ("JRS" or "System") as of June 30, 2025. This actuarial valuation has been performed to measure the funding status of the System and determine the State's statutory contribution rate for the year beginning July 1, 2026, and ending June 30, 2027. Public Act ("P.A.") 100-0023, effective July 6, 2017, modified the State's funding policy to include smoothing State contribution rate increases or decreases due to changes in actuarial assumptions, including investment return assumptions, over a five-year period in equal annual amounts beginning in fiscal year 2018. In addition, changes in actuarial or investment assumptions that increased or decreased the State contribution rate in fiscal years 2014 through 2017 are to be smoothed over a five-year period in equal annual amounts, applying only to the portion of the five-year phase-in that is applicable to fiscal years on and after 2018.

Gabriel, Roeder, Smith & Company ("GRS") has prepared this report exclusively for the Trustees of the Judges' Retirement System of Illinois; GRS is not responsible for reliance upon this report by any other party. This report may be provided to parties other than JRS only in its entirety and only with the permission of the Trustees.

The required statutory contribution rate has been determined under the Projected Unit Credit Cost Method, providing for 90 percent funding of total actuarial liabilities by fiscal year 2045 as required by 40 ILCS Section 5/18-131(c). Contribution rates are determined according to P.A. 93-0002 and P.A. 100-0023 reflecting the infusion of the proceeds from the sale of general obligation bonds and five-year smoothing of State contribution rate increases due to changes in actuarial assumptions resulting from the 2022 and 2025 experience reviews. The contribution rates also reflect the impact of P.A. 96-0889, which created a second tier for members of JRS hired after December 31, 2010.

For the actuarial valuation as of June 30, 2025, the assumed rate of return used to discount liabilities and project assets was 6.50 percent.

The required statutory contribution rates and amounts for fiscal year beginning July 1, 2026, as determined in the June 30, 2025, actuarial valuation are shown on the following page.

120 North LaSalle Street | Suite 1350 | Chicago, Illinois 60602-3495

Board of Trustees and Executive Secretary
Judges' Retirement System of Illinois
October 17, 2025

	Employer's Normal Cost [a]	Amortization Payment [b]	Total
Required Rate	16.659%	79.206%	95.865%
Required Contribution	$26,790,000	$127,376,000	$154,166,000

[a] *Includes Administrative Expenses.*
[b] *Under the Statutory funding policy an amortization payment is not directly calculated. The amortization payment is the difference between the total statutory contribution and the employer normal cost contribution.*

Based on the provisions of P.A. 97-0694, the required statutory contribution for the fiscal year beginning July 1, 2026, is submitted to the state actuary, governor, and General Assembly. Under the Act, the State actuary is required to review the assumptions and methods used to perform the actuarial valuation and develop the required statutory contributions. The final certification of the required statutory contribution is due by January 15, 2026.

Pursuant to P.A. 96-0043, for purposes of determining the statutory contribution rate, an actuarial value of the System's assets was used. The actuarial value of assets is assumed to earn a rate of return equal to the System's actuarially assumed rate of return. The liabilities have been valued based on financial and employee data, which is supplied by the administrative staff of the System and verified by the System's auditor. We did not audit this data, but have reviewed the statistical support and concluded that the data is reasonable and consistent with the prior year's data.

In our opinion, the calculations also comply with the requirements of Illinois state law and, where applicable, the Internal Revenue Code, ERISA, and the Statements of the Governmental Accounting Standards Board. The System's current contribution rate determined under the statutory funding policy may not conform to the Actuarial Standards of Practice. Therefore, the Board adopted a contribution policy to be used to calculate the Actuarially Determined Contribution ("ADC") under GASB Statement Nos. 67 and 68 for financial reporting purposes. All of our work conforms with generally accepted actuarial principles and practices, and to the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Although the statutory contribution requirements were met, the statutory funding method generates a contribution requirement that is less than a reasonable actuarially determined contribution. Meeting the statutory requirement does not mean that the undersigned agree that adequate actuarial funding has been achieved. We recommend the adherence to a funding policy, such as the Board policy used to calculate the ADC under GASB Statement Nos. 67 and 68, that finances the normal cost of the plan as well as an amortization payment that seeks to pay off any unfunded accrued liability over a closed-period of 20 years, as a level percent of capped payroll.

This actuarial valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.



Board of Trustees and Executive Secretary
Judges' Retirement System of Illinois
October 17, 2025
Page 3

We certify that the information presented herein is accurate and fairly portrays the actuarial position of JRS as of June 30, 2025. We prepared the accompanying Summary of Actuarial Cost Method and Major Actuarial Assumptions; the JRS staff prepared the other supporting schedules in this section and the trend tables in the financial section, based on information supplied in our report.

This actuarial certification is provided to the intended user, the Board of Trustees, in conjunction with the JRS actuarial valuation report as of June 30, 2025. Additional information regarding actuarial assumptions and methods, and important additional disclosures are provided in the full actuarial valuation report as of June 30, 2025, which is available on the JRS website, and is an integral part of this certification.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the JRS as of the actuarial valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

Alex Rivera, Heidi G. Barry, and Jeffrey T. Tebeau are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

Respectfully submitted,

Gabriel, Roeder, Smith & Company

Alex Rivera, FSA, EA, MAAA, FCA
Senior Consultant

Heidi G. Barry, ASA, MAAA, FCA
Senior Consultant

Jeff Tebeau, FSA, EA, MAAA, FCA
Senior Consultant

AR/HGB/JTT:rmn

INTRODUCTION

Annually, the System's actuarial consultants perform a valuation of the liabilities and reserves of the System in order to make a determination of the amount of contributions required from the state. These results are then certified to the Board.

The Board, in turn, has the duty of certifying an employer contribution amount, required to be paid to the System by the state during the succeeding fiscal year.

The employers' contribution amount, together with participants' contributions, income from investments and any other income received by the System, shall be sufficient to meet the cost of maintaining and administering the System on a funded basis in accordance with actuarial requirements, pursuant to Chapter 40, Section 5/18-131 of the Illinois Compiled Statutes.

In August, 1994, Senate Bill 533 was signed into law as Public Act 88-0593. This funding legislation, which became effective July 1, 1995, provides that:

- For fiscal years 1996 through 2010, the contribution to the System, as a percentage of the payroll, shall be increased in equal annual increments so that by fiscal year 2010 the contribution rate is at the same level as the contribution rate for fiscal years 2011 through 2045.
- For fiscal years 2011 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total actuarial value of assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045. In making these determinations, the required contribution shall be calculated each year as a level percentage of payroll over the years remaining to and including fiscal year 2045 and shall be determined under the projected unit credit actuarial cost method.
- Beginning in fiscal year 2045, the minimum contribution to the System for each fiscal year shall be the amount needed to maintain the total actuarial value of assets of the System at 90% of the total actuarial liabilities of the System.

The funding legislation also provides for the establishment of a continuing appropriation of the required state contributions to the System. This has, in effect, removed the appropriation of these funds from the annual budgetary process.

In April, 2003, House Bill 2660 was signed into law as Public Act 93-0002. This legislation authorized the sale of $10 billion of General Obligation bonds for the purpose of making contributions to the five state-financed retirement systems. This legislation also modified the funding plan by mandating that, beginning in fiscal year 2005, the required state contribution for each fiscal year not exceed the state contributions that would have been required had the General Obligation bond program not been in effect, reduced by the total debt service for each year for the System's portion of the General Obligation bond proceeds.

In June, 2005, Senate Bill 0027 was signed into law as Public Act 94-0004. This legislation further modified the funding plan by reducing the amount of required employer contributions for fiscal years 2006 and 2007 that would have otherwise been required under Public Act 88-0593, as modified by Public Act 93-0002. The required state contributions for fiscal years 2008 through 2010 were then to be increased incrementally as a percentage of the participant payroll so that by fiscal year 2011 the state would be contributing at the required level contribution rate to achieve the financing objective of a 90% funded status by the end of fiscal year 2045.

The total amount of statutorily required employer contributions for fiscal year 2025 was $148,889,000. Likewise the total amount of employer contributions received from the state and other sources during fiscal year 2025 was $148,937,108. As stated in the actuarial certification letter, although the statutory funding plan has been met, the contributions are less than the Board's policy.

The Schedule of State Contributions contained within the Required Supplementary Information (RSI) section of this report, includes a ten-year comparative history of the actuarially determined contributions and the actual contributions paid by the State.

Review by the State Actuary

Pursuant to state law, the assumptions and valuations prepared by the actuaries of each of the state-funded retirement systems are to be reviewed annually by the State Actuary, Cheiron. Within the review of the FY 2024 JRS actuarial valuation, Cheiron recognized and recommended the continued annual review of economic assumptions prior to the commencement of the valuation so that changes to the assumptions can be implemented in the valuation.

Cheiron recognized that the actual funding of the System is based on State statute and a statutory change would be required to fully implement their recommendations to change the funding methodology.

Additionally, Cheiron recognized experience studies are performed every three years. It was recommended the phase-in period for the impact of assumption changes be reduced to no longer than three years.

Finally, the State Actuary recommends, in accordance with ASOP 51, the System's actuary explain how each risk identified in the report would reasonably be anticipated to significantly affect the plan's future financial condition. Furthermore, for each identified risk, preferably a quantitative assessment be provided that considers the specific circumstances of the plan.

A summary of the assumption changes adopted for recent valuations can be found in this section and within the RSI of this annual financial report.

ACTUARIAL COST METHOD AND SUMMARY OF MAJOR ACTUARIAL ASSUMPTIONS

The actuarial cost method used by the System for funding purposes that is statutorily required by the State of Illinois differs from the entry age actuarial cost method mandated by GASB Statement No. 67 that is used for financial reporting purposes. The System utilizes the projected unit credit actuarial cost method. Under this method, the actuarial liability is the actuarial present value or that portion of a participant's projected benefit that is attributable to service to date on the basis of future compensation projected to retirement. The normal cost represents the actuarial present value of the participant's projected benefit that is attributable to service in the current year, again based on future compensation projected to retirement.

Certain assumptions used to determine the State's required contribution under its statutory funding plan differ from assumptions used for financial reporting purposes that are mandated by GASB Statement No. 67. GASB Statement No. 67 mandates the use of a long-term blended rate of return that utilizes the System's 6.50% expected rate of return until the projected fiduciary net position of the System is exhausted at which point a 20 year tax-exempt general obligation municipal bond rate is used 5.20% resulting in a long-term blended rate of return of 6.45% that differs from the System's expected rate of return of 6.50% used for State funding purposes. The State uses an actuarial value of assets of $1,460,429,826 that recognizes gains and losses from investment returns in equal amounts over a five year period in its assumptions. GASB Statement No. 67 mandates the use of the market value of assets of $1,470,253,087 in its assumptions used for financial reporting purposes.

Actuarial gains and losses are recognized in the unfunded actuarial liability of the System. However, for purposes of determining future employer contributions, the actuarial gains and losses are amortized in accordance with the funding plan as previously described.

A description of the actuarial assumptions utilized for fiscal year 2025 follows:

Dates of Adoption: The Projected Unit Credit Actuarial Cost Method was adopted June 30, 1989; all other assumptions were adopted June 30, 2025.

Asset Valuation Method: The actuarial value of assets is equal to the fair value of assets adjusted for any actuarial gains or losses from investment return incurred in the fiscal year recognized in equal amounts over the five year period following that fiscal year.

Mortality Rates: Post-retirement mortality - Pub-2010 Above-Median Income General Healthy Retiree Mortality tables, sex distinct, with no scaling factors and the MP-2021 two-dimensional generational mortality improvement scale. This assumption provides a margin for future mortality improvements. Pre-retirement mortality, including terminated vested members prior to attaining age 50. Pub-2010 Above-Median Income General Employee Mortality tables, sex distinct, with no scaling factors and the MP-2021 two-dimensional generational mortality improvement scale. This assumption provides a margin for future mortality improvements. Future mortality improvements are reflected by projecting the base mortality tables forward from the year 2010 using the MP-2021 projection scale.

Salary Increase: 2.60% per year (consisting of an inflation component of 2.40% per year and a productivity/merit/promotion component of 0.20% per year), compounded annually. In determining total covered payroll, the size of the active group is assumed to remain constant.

General Inflation: 2.40% per year, compounded annually.

Interest Rate: 6.50% per year, compounded annually, net of expenses.

Marital Status: It was assumed that 80% of active and retired participants are married.

Spouse's Age: The age of the female spouse was assumed to be 4 years younger than the age of the male spouse.

Post-Retirement Increase: Tier 1: 3.0% per year, compounded annually. Tier 2: 3.0% per year or the annual increase in the Consumer Price Index, whichever is less.

Termination Rates: Termination rates based on the recent experience of the System were used. The following is a sample of the termination rates that were used:

Tier 1

Age	Rate of Termination		Age	Rate of Termination	
	Male	Female		Male	Female
30	.0129	.0162	50	.0094	.0158
35	.0129	.0162	55	.0069	.0118
40	.0129	.0162	60	.0056	.0078
45	.0119	.0162	65	.0046	.0038

Tier 2

Age	Rate of Termination		Age	Rate of Termination	
	Male	Female		Male	Female
30	.0150	.0200	50	.0102	.0165
35	.0147	.0195	55	.0087	.0140
40	.0132	.0170	60	.0087	.0115
45	.0117	.0170	65	.0087	.0090

NOTE: Tier 2 members with less than five years of service have a 1.75% flat withdrawal rate.

It is assumed that terminated participants will not be rehired. The rates apply only to participants who have not fulfilled the service requirement necessary for retirement at any given age.

Disability Rates: There is no assumption for disability.

Retirement Rates: Listed below are representative sample rates of retirement that vary by age. The rates only apply to participants who have fulfilled the service requirements necessary for retirement at any given age:

Tier 1		Tier 2	
Age	Rate of Retirement	Age	Rate of Retirement
60	.120	67	.300
65	.120	70	.130
70	.120	75	.140
75	.150	80	1.000
80	1.000		

The above retirement rates are equivalent to an average retirement age of 65.9 for Tier 1 and 71.7 for Tier 2.

Experience Review: New assumptions were adopted as of June 30, 2025 as a result of an experience review for the three year period ending June 30, 2024. An economic assumption review was performed in 2025.

NOTE: The actuarial assumptions have been recommended by the actuary and adopted by the System's Board of Trustees, at the dates indicated previously.

For FY 2025 the following assumption changes were implemented.

- Increase the price inflation assumption from 2.25 percent to 2.40 percent.
- Increase the general payroll growth assumption from 2.50 percent to 2.60 percent.
- Decrease the court differential component of the salary increase assumption.
- Update the Tier One normal retirement rates to better reflect observed experience.
- Update the current turnover rates to better reflect observed experience.

SUMMARY OF AND CHANGES TO THE PLAN PROVISIONS

Please refer to the Plan Summary and Legislative Section for a summary of the plan provisions and legislative amendments that were evaluated and considered by the actuary.

SHORT-TERM SOLVENCY TEST

A short-term solvency test is one means of checking a system's progress under its funding program. In a short-term solvency test, the plan's present assets (primarily cash and investments) are compared with: 1) active and inactive participant contributions on deposit; 2) the liabilities for future benefits to present retired lives; and 3) the liabilities for service already rendered by active and inactive participants. In a system that has been following level percent of payroll financing, the liabilities for service already rendered by active and inactive participants (liability 3) should be partially covered by the remainder of present assets. If the system continues using level cost financing, the funded portion of liability 3 will increase over time, although it is very rare for a system to have its liability 3 fully funded.

COMPUTED ACTUARIAL VALUES

	Aggregate Accrued Liabilities For				Percentage of Accrued Liabilities Covered By Assets		
Fiscal Year	(1) Active and Inactive Participant Contributions	(2) Retirement and Survivor Annuitants	(3) Active and Inactive Participants (Employer Financed Portion)	Actuarial Value of Assets	(1)	(2)	(3)
2016	$ 192,735,307	$1,777,351,306	$ 576,363,041	$ 870,892,960	100.0%	38.2%	0.0%
2017	193,145,807	1,898,815,321	557,297,444	942,988,992	100.0	39.5	0.0
2018	195,651,432	1,978,287,511	547,913,904	1,012,757,312	100.0	41.3	0.0
2019	193,331,526	2,075,936,093	523,748,733	1,068,739,561	100.0	42.2	0.0
2020	195,119,095	2,141,914,798	512,834,933	1,121,250,607	100.0	43.2	0.0
2021	195,681,927	2,232,306,019	492,611,573	1,227,405,750	100.0	46.2	0.0
2022	197,950,455	2,277,362,144	480,315,762	1,309,800,342	100.0	48.8	0.0
2023	192,012,885	2,422,889,629	426,518,096	1,357,082,191	100.0	48.1	0.0
2024	194,874,025	2,477,958,719	428,618,475	1,404,905,481	100.0	48.8	0.0
2025	200,610,860	2,518,935,242	457,331,815	1,460,429,826	100.0	50.0	0.0

VALUATION RESULTS

Actuarial Liability:	June 30, 2025
For Active Participants:	
Pension benefits	$ 489,050,914
Cost-of-living adjustments	142,143,853
Death benefits	9,131,164
Withdrawal benefits	5,998,626
Total	646,324,557
For Participants Receiving Benefits:	
Retirement annuities	2,218,330,845
Disability annuities	-
Survivor annuities	300,604,397
Total	2,518,935,242
For Inactive Participants	11,618,118
Total Actuarial Liability	3,176,877,917
Actuarial Value of Assets	1,460,429,826
Unfunded Actuarial Liability	$ 1,716,448,091

SUMMARY OF ACCRUED AND UNFUNDED ACCRUED LIABILITIES
(Analysis of Funding)

In an inflationary economy, the value of the dollar decreases. This environment results in employees' pay and retirement benefits increasing in dollar amounts resulting in unfunded accrued liabilities which increase in dollar amounts, all at a time when the actual substance of these items may be decreasing. Looking at just the dollar amounts of unfunded accrued liabilities can be misleading. The ratio of the unfunded accrued liabilities to active employee payroll provides an index which clarifies understanding. The smaller the ratio of unfunded liabilities to active participant payroll, the stronger the system. Observation of this relative index over a period of years will give an indication of whether the system is becoming financially stronger or weaker.

Fiscal Year	Total Actuarial Liability	Actuarial Value of Assets	Actuarial Value of Assets as a % of Actuarial Liability	Total Unfunded Actuarial Liability	Employee Covered Payroll	Unfunded Actuarial Liability as a % of Employee Covered Payroll
2016	$ 2,546,449,654	$ 870,892,960	34.2%	$ 1,675,556,694	$ 164,926,000	1,015.9%
2017	2,649,258,572	942,988,992	35.6%	1,706,269,580	164,820,000	1,035.2%
2018	2,721,852,847	1,012,757,312	37.2%	1,709,095,535	160,584,000	1,064.3%
2019	2,793,016,352	1,068,739,561	38.3%	1,724,276,791	159,392,000	1,081.8%
2020	2,849,868,826	1,121,250,607	39.3%	1,728,618,219	156,950,000	1,101.4%
2021	2,920,599,519	1,227,405,750	42.0%	1,693,193,769	157,692,000	1,073.7%
2022	2,955,628,361	1,309,800,342	44.3%	1,645,828,019	156,621,000	1,050.8%
2023	3,041,420,610	1,357,082,191	44.6%	1,684,338,419	155,214,000	1,085.2%
2024	3,101,451,219	1,404,905,481	45.3%	1,696,545,738	154,642,000	1,097.1%
2025	3,176,877,917	1,460,429,826	46.0%	1,716,448,091	155,302,000	1,105.2%

RECONCILIATION OF UNFUNDED ACTUARIAL LIABILITY

		2025
Unfunded actuarial liability, beginning of fiscal year		$1,696,545,738
Contributions due:		
Interest on the unfunded actuarial liability		110,275,473
Participant contributions		15,957,526
Employer normal cost		28,292,467
Interest on participant contributions and employer normal cost		1,415,485
Total contributions due		155,940,951
Contributions paid:		
Participant contributions		15,957,526
Employer contributions		148,937,108
Interest on participant contributions and State contributions		5,274,711
Total contributions paid		170,169,345
Contribution shortfall		(14,228,394)
Actuarial (gain) loss:		
Retirements		25,402,099
Incidence of disability		-
In-service mortality		15,189
Retiree mortality and other		(21,428,934)
Salary increases	+	19,405,223
Terminations		1,532,747
Investment		(12,261,277)
New entrant liability		583,334
Data/Method Changes		-
Other		2,234,122
Total actuarial (gain)/loss		15,482,503
Assumption Changes	+	18,648,244
Total increase in unfunded actuarial liability	=	19,902,353
Unfunded actuarial liability, end of fiscal year		$1,716,448,091

SCHEDULE OF RETIRANTS AND SURVIVORS' ANNUITANTS ADDED TO AND REMOVED FROM ROLLS

Fiscal Year	Annuitants				Survivors				
	Beginning	Additions	Deletions	Ending	Beginning	Additions	Deletions	Ending	Total
2016	787	60	30	817	334	23	30	327	1,144
2017	817	59	24	852	327	18	23	322	1,174
2018	852	49	30	871	322	20	20	322	1,193
2019	871	68	26	913	322	19	20	321	1,234
2020	913	53	35	931	321	20	25	316	1,247
2021	931	53	33	951	316	18	16	318	1,269
2022	951	46	24	973	318	15	13	320	1,293
2023	973	83	37	1,019	320	28	19	329	1,348
2024	1,019	44	28	1,035	329	20	19	330	1,365
2025	1,035	40	25	1,050	330	17	29	318	1,368

SCHEDULE OF ACTIVE MEMBER VALUATION DATA

Valuation Date June 30	Active Members			
	Number	Employee Payroll	Annual Average Pay	% Increase/(decrease) In Average Pay
2016	947	$164,926,000	$174,156	(0.1)%
2017	953	164,820,000	172,949	(0.7)%
2018	936	160,584,000	171,564	(0.8)%
2019	956	159,392,000	166,728	(2.8)%
2020	947	156,950,000	165,734	(0.6)%
2021	944	157,692,000	167,047	0.8%
2022	940	156,621,000	166,618	(0.3)%
2023	953	155,214,000	162,869	(2.3)%
2024	957	154,642,000	161,590	(0.8)%
2025	961	155,302,000	161,605	0.0%

The tables in this section present historical financial information as well as certain historical demographic information pertaining to participants and benefit recipients.

STATISTICAL SECTION

Financial Schedules:
These schedules present information pertaining to assets, liabilities, reserves, and changes in fiduciary net position over a 10-year period.

Asset Balances: page 64

Liabilities & Reserve Balances: page 64

Changes in Fiduciary Net Position: page 66

Source: The System's Annual Financial Report for the relevant year.

Participant Demographic Schedules:
These schedules present certain information pertaining to active and inactive participants over a 10-year period.

Number of Participants: page 64

Number on Active Payrolls: page 65

Source: Annual report and data produced from the System's electronic files for the relevant year.

Benefit Recipient Demographic Schedules:
These schedules present certain information pertaining to benefit recipients, benefit types, average monthly benefits, ranges of monthly benefits, and location of retirees.

Number of Recurring Benefit Payments/Termination Refunds: page 65

Active Retirees by State: page 65

Retirement Annuitants Statistics and Average Monthly Benefits: page 68

Annuitants and Survivors by Monthly Benefit Range Amount: page 68

Schedule of Average Benefit Payments: page 69

Source: Annual report and data produced from the System's electronic files for the relevant year.

ASSET BALANCES

Fiscal Year Ended June 30	Cash	Receivables	Investments	Securities Lending Collateral with State Treasurer	Capital Assets Net of Accumulated Depreciation	Total
2016	$ 49,540,595	$ 5,703,981	$ 785,176,162	$ 11,503,000	$ 47,968	$ 851,971,706
2017	25,657,962	16,623,339	899,652,118	9,643,000	55,839	951,632,258
2018	28,938,179	5,419,787	978,196,836	12,439,000	70,481	1,025,064,283
2019	27,068,352	6,055,149	1,040,123,694	5,630,000	101,934	1,078,979,129
2020	35,935,079	175,008	1,076,891,158	7,574,000	124,693	1,120,699,938
2021	24,737,716	93,449	1,355,656,293	6,437,000	149,192	1,387,073,650
2022	18,876,181	89,685	1,258,906,346	2,288,000	162,793	1,280,323,005
2023	18,852,450	209,406	1,303,262,688	2,491,000	172,627	1,324,988,171
2024	18,226,192	217,393	1,379,926,119	3,151,000	185,699	1,401,706,403
2025	15,121,916	236,408	1,454,986,212	3,322,000	204,090	1,473,870,626

LIABILITIES AND RESERVE BALANCES

Fiscal Year Ended June 30	Total Liabilities	Reserve for Participant Contributions	Reserve for Future Operations	Total Reserves	Total
2016	$ 11,682,846	$ 192,735,307	$ 647,553,553	$ 840,288,860	$ 851,971,706
2017	9,828,726	193,145,807	748,657,725	941,803,532	951,632,258
2018	12,579,482	195,651,432	816,833,369	1,012,484,801	1,025,064,283
2019	5,875,378	193,331,526	879,772,225	1,073,103,751	1,078,979,129
2020	7,814,662	195,119,095	917,766,181	1,112,885,276	1,120,699,938
2021	6,635,985	195,681,927	1,184,755,738	1,380,437,665	1,387,073,650
2022	2,558,731	197,950,455	1,079,813,819	1,277,764,274	1,280,323,005
2023	2,660,967	192,012,885	1,130,314,319	1,322,327,204	1,324,988,171
2024	3,314,401	194,874,026	1,203,517,976	1,398,392,002	1,401,706,403
2025	3,617,539	200,610,860	1,269,642,227	1,470,253,087	1,473,870,626

NUMBER OF PARTICIPANTS

	Active			Inactive			
At June 30	Tier 1	Tier 2	Total	Tier 1	Tier 2	Total	Total
2016	701	246	947	20	5	25	972
2017	640	313	953	16	7	23	976
2018	594	342	936	13	8	21	957
2019	527	429	956	13	13	26	982
2020	483	464	947	9	15	24	971
2021	429	515	944	10	19	29	973
2022	387	553	940	7	17	24	964
2023	313	640	953	7	18	25	978
2024	276	681	957	7	17	24	981
2025	243	718	961	7	19	26	987

NUMBER OF RECURRING BENEFIT PAYMENTS/ TERMINATION REFUNDS

On June 30	Retirement Annuities	Survivors' Annuities	Temporary Disability	Total Recurring Benefit Payments	Termination Refunds
2016	817	327	–	1,144	1
2017	852	322	1	1,175	7
2018	871	322	–	1,193	1
2019	913	321	–	1,234	1
2020	931	316	–	1,247	3
2021	951	318	–	1,269	7
2022	973	320	–	1,293	2
2023	1,019	329	–	1,348	2
2024	1,035	330	–	1,365	4
2025	1,050	318	–	1,368	–

NUMBER ON ACTIVE PAYROLLS

On June 30	Supreme Court Justices	Appellate Court Justices	Circuit Court Judges	Retired Judges Recalled	Total
2016	7	40	896	4	947
2017	7	41	904	1	953
2018	7	39	889	1	936
2019	7	40	908	1	956
2020	7	38	900	2	947
2021	7	39	895	3	944
2022	7	39	889	5	940
2023	7	38	905	3	953
2024	7	36	909	5	957
2025	7	42	910	2	961

ACTIVE RETIREES BY STATE



CHANGES IN FIDUCIARY NET POSITION

Fiscal Year	2016	2017	2018	2019
Additions				
Participant contributions	$ 14,962,055	$ 14,770,467	$ 14,295,562	$ 14,610,446
Employer Contributions:				
State of Illinois	132,060,000	131,334,000	135,962,000	140,469,000
Other sources	–	–	–	49,962
Total employer contributions	132,060,000	131,334,000	135,962,000	140,518,962
Net investment income/(loss)	(6,470,553)	97,796,479	69,949,646	64,740,736
Miscellaneous	–	–	–	-
Total additions to /(deduction from) fiduciary net position	140,551,502	243,900,946	220,207,208	219,870,144
Deductions				
Benefit Payments:				
Temporary disability	–	40,417	40,678	88,143
Retirement annuities	109,011,315	116,611,033	122,966,147	131,239,931
Survivors' annuities	23,560,481	23,845,754	25,140,113	26,021,895
Total benefit payments	132,571,796	140,497,204	148,146,938	157,349,969
Refunds:				
Termination	46,107	374,473	70,336	240,209
Other	611,944	600,192	411,380	750,479
Total refunds	658,051	974,665	481,716	990,688
Administrative expenses (1)	942,950	914,405	897,285	910,537
Total deductions from fiduciary net position	134,172,797	142,386,274	149,525,939	159,251,194
Change in fiduciary net position	**$ 6,378,705**	**$ 101,514,672**	**$ 70,681,269**	**$ 60,618,950**

(1) FY 2024 administrative expenses were restated due to a prior period adjustment, increasing compensated absences expense by $745.

2020	2021	2022	2023	2024	2025
$ 14,508,095	$ 14,600,156	$ 14,573,802	$ 15,006,659	$ 15,559,972	$ 15,957,526
144,160,000	148,618,000	155,993,000	147,420,400	147,838,000	148,937,108
-	6,591	-	9,457	-	-
144,160,000	148,624,591	155,993,000	147,429,857	147,838,000	148,937,108
48,127,424	278,835,996	(90,889,351)	76,261,971	117,320,825	118,428,041
-	-	–	–	–	–
206,795,519	442,060,743	79,677,451	238,698,487	280,718,797	283,322,675
-	-	–	–	37,302	105,464
138,594,614	144,684,739	151,707,410	162,422,191	170,252,037	177,343,288
26,949,769	27,956,831	28,715,459	29,890,385	31,672,379	32,127,221
165,544,383	172,641,570	180,422,869	192,312,576	201,961,718	209,575,973
98,035	192,914	97,988	99,093	200,252	-
339,731	661,007	706,064	648,758	1,475,504	895,578
437,766	853,921	804,052	747,851	1,675,756	895,578
1,031,845	1,012,863	1,123,921	1,075,130	1,017,270	989,294
167,013,994	174,508,354	182,350,842	194,135,557	204,654,744	211,460,845
$ 39,781,525	**$ 267,552,389**	**$ (102,673,391)**	**$ 44,562,930**	**$ 76,064,053**	**$ 71,861,830**

RETIREMENT ANNUITANTS STATISTICS AND AVERAGE MONTHLY BENEFITS

Fiscal Year Ended June 30	At Retirement: Average Age	At Retirement: Average Length of Service*	Average Current Age	Average Current Monthly Benefit
2016	62.0	16.7	71.8	11,333
2017	62.1	16.7	71.8	11,640
2018	62.1	16.6	72.0	11,904
2019	62.3	16.7	72.2	12,203
2020	62.4	16.6	72.6	12,498
2021	62.6	16.8	72.9	12,868
2022	62.7	16.6	73.3	13,193
2023	63.0	16.3	73.6	13,554
2024	63.1	16.5	74.1	13,880
2025	63.2	16.5	74.6	14,238

* in years

Annuitants by Benefit Range (Monthly) on June 30, 2025

Benefit Range	Total	Cumulative Total	% of Total	Cumulative % of Total
$1-5,000	65	65	6.2%	6.1%
5,001-10,000	125	190	11.9%	17.9%
10,001-12,000	81	271	7.7%	25.7%
12,001-14,000	127	398	12.1%	37.8%
14,001-16,000	150	548	14.3%	52.1%
16,001-18,000	291	839	27.8%	79.9%
18,001-23,000	210	1,049	20.0%	100.0%

* Survivors by Benefit Range (Monthly) on June 30, 2025

Benefit Range	Total	Cumulative Total	% of Total	Cumulative % of Total
$1-2,000	41	41	11.7%	11.7%
2,001-4,000	35	76	10.0%	21.7%
4,001-6,000	34	110	9.8%	31.5%
6,001-8,000	49	159	14.0%	45.5%
8,001-10,000	45	204	12.8%	58.3%
10,001-12,000	91	295	26.0%	84.3%
12,001-16,000	55	350	15.7%	100.0%

* includes reversionary annuities

Average Benefit Payments
Fiscal Years 2016 through 2025

Retirement Effective Dates	Years Credited Service 0-5	5-10	10-15	15-20	20-25	25-30	30+
Period 7/1/15 to 6/30/16							
Average monthly benefit	$ 767	$ 5,120	$ 8,062	$ 11,828	$ 13,275	$ 12,653	$ 14,082
Final average salary	$ 13,152	$ 14,653	$ 15,310	$ 15,559	$ 15,817	$ 15,579	$ 16,567
Number of retired members*	1	11	11	15	16	5	1
Period 7/1/16 to 6/30/17							
Average monthly benefit	$ -	$ 5,812	$ 8,050	$ 12,254	$ 13,835	$ 13,398	$ 13,570
Final average salary	$ -	$ 15,651	$ 15,682	$ 15,820	$ 16,277	$ 15,763	$ 15,965
Number of retired members*	-	8	10	14	19	4	4
Period 7/1/17 to 6/30/18							
Average monthly benefit	$ 225	$ 6,189	$ 8,417	$ 10,997	$ 13,876	$ 14,870	$ 16,245
Final average salary	$ 3,214	$ 16,094	$ 15,510	$ 15,892	$ 16,384	$ 17,494	$ 19,112
Number of retired members*	1	4	9	16	13	3	1
Period 7/1/18 to 6/30/19							
Average monthly benefit	$ 585	$ 6,379	$ 8,806	$ 11,996	$ 13,884	$ 14,339	$ 14,596
Final average salary	$ 9,110	$ 15,816	$ 16,333	$ 16,644	$ 16,574	$ 16,869	$ 17,172
Number of retired members*	1	9	11	15	20	6	5
Period 7/1/19 to 6/30/20							
Average monthly benefit	$ -	$ 6,811	$ 7,272	$ 9,887	$ 13,099	$ 9,630	$ 10,352
Final average salary	$ -	$ 15,569	$ 16,314	$ 16,687	$ 17,049	$ 14,967	$ 16,089
Number of retired members*	-	1	4	5	24	9	7
Period 7/1/20 to 6/30/21							
Average monthly benefit	$ -	$ 2,609	$ 9,194	$ 13,453	$ 15,144	$ 15,065	$ 15,062
Final average salary	$ -	$ 10,434	$ 17,189	$ 17,668	$ 17,817	$ 17,723	$ 17,720
Number of retired members*	-	1	9	16	11	3	13
Period 7/1/21 to 6/30/22							
Average monthly benefit	$ 803	$ -	$ 9,674	$ 12,417	$ 14,860	$ 15,321	$ 16,009
Final average salary	$ 9,132	$ -	$ 17,230	$ 17,669	$ 17,533	$ 18,025	$ 18,834
Number of retired members*	1	-	15	15	11	2	2
Period 7/1/22 to 6/30/23							
Average monthly benefit	$ -	$ 3,098	$ 9,837	$ 13,678	$ 15,765	$ 15,819	$ 17,002
Final average salary	$ -	$ 12,013	$ 17,452	$ 18,371	$ 18,725	$ 18,813	$ 19,690
Number of retired members*	-	5	19	21	18	7	13
Period 7/1/23 to 6/30/24							
Average monthly benefit	$ 336	$ 2,264	$ 8,056	$ 14,151	$ 16,100	$ -	$ 15,772
Final average salary	$ 8,084	$ 9,804	$ 15,844	$ 19,141	$ 18,974	$ -	$ 18,555
Number of retired members*	2	2	12	13	14	-	1
Period 7/1/24 to 6/30/25							
Average monthly benefit	$ 12,741	$ 2,446	$ 7,857	$ 14,570	$ 17,884	$ 18,997	$ 17,432
Final average salary	$ 20,968	$ 13,422	$ 15,261	$ 19,734	$ 21,040	$ 22,349	$ 20,508
Number of retired members*	4	4	10	15	5	1	1

** The number of retired members excludes new retirements with retroactive benefit start dates prior to the beginning of the period as well as resumptions of retirement benefits with original benefit start dates prior to the beginning of the period.*

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PLAN SUMMARY
AND LEGISLATIVE SECTION

SUMMARY OF RETIREMENT SYSTEM PLAN

(As of June 30, 2025)

1. Purpose

The purpose of the System is to establish an efficient method of permitting retirement, without hardship or prejudice, of judges who are aged or otherwise incapacitated, by enabling them to accumulate reserves for themselves and their dependents for old age, disability, death and termination of employment.

The single employer defined benefit plan is comprised of two tiers of contribution requirements and benefit levels. Tier 1 pertains to participants who first became a participant of the System prior to January 1, 2011. Tier 2 pertains to participants who first became a participant of the System on or after January 1, 2011.

The provisions below apply to both Tier 1 and Tier 2 participants except where noted.

2. Administration

Responsibility for the operation of the System and the direction of its policies is vested in a Board of Trustees consisting of five members. The administration of the detailed affairs of the System is the responsibility of the Executive Secretary who is appointed by the Board of Trustees.

Administrative policies and procedures are designed to ensure an accurate accounting of funds of the System and prompt payment of claims for benefits within the applicable statute.

3. Employee Membership

All persons elected or appointed as a judge or associate judge of a Court become members of the System unless they file an election not to participate within 30 days of the date they are notified of this option.

4. Participant Contributions

Participants are required to contribute a percentage of salary as their share of meeting the various benefits at the rates shown below:

Retirement Annuity	7.5%
Automatic Annual Increase	1.0%
Survivors' Annuity	2.5%
Total	11.0%

Tier 1 participants contribute based on total annual compensation. Tier 2 participants contribute based on a statutorily capped compensation amount which is increased each year by 3% or the annual percentage increase in the Consumer Price Index, whichever is less.

A judge who elects not to participate in the survivors' annuity benefit is not required to make contributions for the survivors' annuity benefit in which case the total participant contribution rate is 8 1/2% of salary. Contributions for survivors' annuity are not required to qualify an eligible child for a child's annuity.

Participants who are eligible to receive the maximum rate of annuity may irrevocably elect to discontinue contributions and have their benefits "frozen" based upon the applicable salary in effect immediately prior to the effective date of such election.

Participants who have attained age 60 and are eligible to receive the maximum rate of annuity and have not elected to discontinue contributing to the System may irrevocably elect to have their contributions based only on the salary increases received on or after the effective date of such election rather than on the total salary received.

5. Retirement Annuity

A. Qualification of Participant

Tier 1: Upon termination of service, a judge is eligible for an unreduced retirement annuity at:

1. Age 60 with at least 10 years of credit
2. Age 62 with at least 6 years of credit
3. Age 55 with at least 26 years of credit

The retirement annuity of a judge who retires between the ages of 55 and 60 with at least 10 years of credit shall be reduced ½ of 1% for each month the judge's age is under age 60.

However, for a judge who retires on or after December 10, 1999, the percentage reduction in retirement annuity shall be reduced by 5/12 of 1% for every month of service in the System in excess of 20 years.

Tier 2: Upon termination of service, a judge is eligible for an unreduced retirement annuity at:

1. Age 67 with at least 8 years of credit

The retirement annuity of a judge who retires between the ages of 62 and 67 with at least 8 years of credit shall be reduced ½ of 1% for each month the judge's age is under 67.

B. Amount of Annuity

Tier 1: The retirement annuity is determined according to the following formula based upon the applicable salary:

- 3.5% for each of the first 10 years of credit
- 5.0% for each year of credit above 10 years

The maximum annuity is 85% of the applicable final average salary.

For participants who first serve as a judge before August 10, 2009 and terminate service on or after July 14, 1995, final average salary is the salary on the last day of employment as a judge or the highest salary received for employment as a judge in a position held for at least 4 consecutive years, whichever is greater.

For participants who first serve as a judge on or after August 10, 2009 and before January 1, 2011, final average salary is the average monthly salary during the 48 consecutive months of service within the last 120 months of service in which the total salary was the highest.

Tier 2: The retirement annuity is determined according to the following formula based upon the applicable final average salary:

- 3.0% for each year of credit

The maximum annuity is 60% of the applicable final average salary. The applicable final average salary is the average monthly salary during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest. The salary for any calendar year is capped in accordance with the statute governing the System. The cap is increased each year by 3% or the annual percentage increase in the Consumer Price Index, whichever is less.

C. Annual Increases in Retirement Annuity

Tier 1: Post retirement increases of 3% of the current amount of annuity are granted to participants effective in January of the year next following the first anniversary of retirement and in January of each year thereafter.

Tier 2: Post retirement increases to the current amount of annuity in an amount equal to the lesser of 3% or the annual percentage increase in the Consumer Price Index for All Urban Consumers are granted to participants effective in January of the year next following the first anniversary of retirement and in January of each year thereafter, but in no event prior to age 67.

D. Suspension of Retirement Annuity

Tier 1: The retirement annuity to any judge shall be suspended:

1. When the annuitant is employed for compensation by the State of Illinois as a judge, or

2. When the annuitant is employed for compensation by the State of Illinois in a permanent position other than legal counsel in the Office of the Governor or Chief Deputy Attorney General (assuming the annuitant does not participate in any pension fund or retirement system under the Illinois Pension Code with respect to such service and, has filed prior to July 1, 2005, a written election with the System), or

3. After 75 working days in any calendar year in which the annuitant is employed for compensation by the State of Illinois in a temporary position other than a judge.

The retirement annuity to any judge shall not be suspended:

1. If the annuitant accepts employment in any teaching or non-teaching capacity with a state college or university as long as the annuitant did not elect the provisions of the Reciprocal Act upon retirement with the State Universities Retirement System, or

2. If the annuitant accepts employment in an administrative or teaching position with a secondary school district as long as the district level positions participate in the Teachers' Retirement System of Illinois and are not considered state positions which participate in the State Employees' Retirement System of Illinois, or

3. If the annuitant serves as a part-time employee (not required to work at least 35 hours per week) in any of the following positions and has not elected to participate in the State Employees' Retirement System of Illinois with respect to such service:

- Legislative Inspector General
- Special Legislative Inspector General
- Office of the Legislative Inspector General Employee
- Executive Director of the Legislative Ethics Commission
- Legislative Ethics Commission staff

4. Supreme Court Commission or Committee

Employment with a Supreme Court Commission or Committee that receives no State appropriations does not constitute employment for the State.

5. Independent Contractor

Employment as an independent State contractor is not considered "regularly employed for compensation by the State" if payments for services provided to the State are not on a regular payroll.

Tier 2: The retirement annuity being paid is suspended when an annuitant is employed on a full-time basis and becomes a member or participant of the Judges' Retirement System Article or any other reciprocal system of the Illinois Pension Code, other than the General Assembly Retirement System or the State Universities' Retirement System.

6. Survivor's Annuity

A. Qualification of Survivor

If death occurs while in service as a judge, the judge must have established at least 1 1/2 years of credit. If death occurs after termination of service and prior to receipt of retirement annuity, the participant must have established at least 10 years of credit.

An eligible spouse, who has been married to the participant or annuitant for a continuous period of at least one year immediately preceding the date of death, qualifies at age 50, or at any age if there is in the care of the spouse any unmarried children of the member under age 18, over age 18 if mentally or physically disabled, or under age 22 and a full-time student. Eligible surviving children would be entitled to benefits even though the participant did not contribute for the survivors' annuity benefit.

B. Amount of Payment

If the participant's death occurs while in service, and assuming all payments have been made for full survivors' annuity credit, the surviving spouse would be eligible to 7 1/2% of salary or 66 2/3% of earned retirement annuity, whichever is greater. Eligible children of the participant would receive 5% of salary for each child with a maximum for all children of 20% of salary or 66 2/3% of earned retirement annuity, whichever is greater, regardless of whether full credit had been established for the survivors' annuity benefit.

If the participant's death occurs after termination of service or retirement, and assuming all payments have been made for full survivors' annuity credit, the surviving spouse would be eligible to 66 2/3% of earned retirement annuity. Eligible children would receive a survivors' annuity equal to the benefit of surviving children of a participant in service.

The benefit payment amount to a surviving spouse would be a prorated share of the full benefit amount noted above if the participant married or remarried after becoming a participant and elected to contribute for the survivors' annuity benefit prospectively from the date of marriage or remarriage.

C. Annual Increases in Survivors' Annuity

Tier 1: Increases of 3% of the current amount of annuity are granted to survivors in each January occurring on or after the commencement of the annuity if the deceased participant died while receiving a retirement annuity.

In the event of an active participant's death, increases of 3% of the current amount of annuity are granted to survivors effective in January of the year next following the first anniversary of the commencement of the annuity and in January of each year thereafter.

Tier 2: Increases to the current amount of annuity in an amount equal to the lesser of 3% or the annual percentage increase in the Consumer Price Index for All Urban Consumers are granted to survivors. Such increases are payable on each January 1 occurring on or after the commencement of the annuity if the deceased participant died while receiving a retirement annuity or, in other cases, on each January 1 occurring on or after the first anniversary of the commencement of the annuity, but in no event prior to age 67.

D. Duration of Payment

When all children, except for disabled children, are ineligible because of death, marriage or attainment of age 18 or age 22 in the case of a full-time student, the spouse's benefit is suspended if the spouse is under age 50 until attainment of such age.

7. Death Benefit

The following lump sum death benefits are payable to the named beneficiaries or estate of the participant only if there are no eligible survivors' annuity beneficiaries surviving the deceased participant.

A. Before Retirement

If the participant's death occurs before retirement, a refund of total contributions in the participant's account.

B. After Retirement

If the participant's death occurs after retirement, a refund of the excess of contributions over annuity payments, if any.

The following lump sum death benefit is payable to the named beneficiaries or estate of the survivor.

A. Death of Survivor Annuitant

Upon death of the survivor annuitant with no further survivors' annuity payable, a refund of excess contributions over total retirement and survivors' annuity payments, if any.

8. Disability Benefit

A. Permanent Total Disability

A participant who becomes totally and permanently disabled while serving as a judge with at least 10 years of credit is eligible for an unreduced retirement annuity regardless of age. If disability is service-connected, the annuity is subject to reduction by amounts received by a participant under the Workers' Compensation Act and the Workers' Occupational Diseases Act.

B. Temporary Total Disability

A participant with at least 2 years of service as a judge who becomes totally disabled and unable to perform the duties as a judge is entitled to a temporary disability benefit equal to 50% of salary payable during disability but not beyond the end of the term of office.

9. Refund of Contributions

A participant who terminates service as a judge may obtain a refund of total contributions made to the System, without interest, provided the participant is not immediately eligible to receive a retirement annuity. By accepting a refund, a participant forfeits all accrued rights and benefits in the System for his or herself and beneficiaries.

An unmarried participant or a married participant who becomes unmarried, either before or after retirement, is entitled to a refund of contributions made for the survivors' annuity benefit.

LEGISLATIVE AMENDMENTS

Legislative amendments with an effective date during fiscal year 2025 having an impact on the System:

Senate Bill 19 (Public Act 104-0011; effective June 20, 2025)
Public Act 104-0011 amends the JRS article of the Pension Code so that a retired judge who serves as a member of the Prisoner Review Board and declines participation in SERS may serve in such role without a suspension to their JRS pension.

NEW LEGISLATION

Legislative amendments with an effective date after June 30, 2025, and having an impact on the System:

There were no legislative amendments with an effective date after June 30, 2025, that had an impact on the System.