



News

For Immediate Release

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TRS Earns Dramatic Investment Returns, Boosts Funded Ratio

SPRINGFIELD, IL-For the second consecutive year, robust investment returns helped increase the funded status of the Teachers' Retirement System of the State of Illinois (TRS). The System's funded ratio improved to 63.8 percent in the fiscal year that ended June 30, 2007, up from 62.0 percent a year ago, and grew by three percentage points since 2005. The funded ratio is the percentage of earned but unpaid benefits covered by current system assets.

The new funded status is among the results contained in the *2007 Actuarial Valuation Report* and adopted today by the TRS Board of Trustees. The report, prepared by Buck Consultants, shows the market value of TRS assets grew to \$41.9 billion at the end of fiscal year 2007. TRS earned 19.6 percent gross of fees on its investments during fiscal year 2007, ranking among the highest returns in the pension system's 68-year history and producing a \$3.8 billion actuarial investment gain. The report shows that while the unfunded liability of TRS now stands at \$23.7 billion, assets grew proportionately more than the System's liability for benefits. Actuarial data continues to show that insufficient state funding is the main cause of the unfunded pension liability. However, the approved Illinois state budget for fiscal year 2008 contains \$1.04 billion for TRS, the full amount required under a statutory funding plan designed to bring the pension fund to a 90 percent funded level in 2045.

"TRS continues to prudently invest in a diversified array of strategies and to generate top performance investment returns. These strategies are critical to improving the funded status of the Trust Fund and safeguarding the retirement security of our members," said TRS Executive Director Jon Bauman.

In other business, the TRS Board of Trustees honored 26 long term employees of TRS. The employees, whose length of service at TRS ranges from 10 to 35 years, were recognized for their dedication to TRS. The Teachers' Retirement System provides retirement, disability, and survivor benefits to 344,400 teachers and administrators who work for Illinois public schools located outside the city of Chicago.

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