

## The Annual Pension Fund Report

The recent enactment of P.A. 95-950 **expands upon existing reporting requirements** of the Pension Fund Board to the Municipality by adding several items of information to the pension board's report to the City Council for the tax levy. The table below sets forth each item of information that the pension board's report must contain, along with a brief description of the meaning or use of the information. Following the Table is a form that corresponds to the numbering of the Table. These requirements are found at 40 ILCS 5/3-143 and 4-134.

**Boldface type indicates new information that must be reported to the municipality:**

<b>REQUIRED INFORMATION</b>	<b>EXPLANATION/USAGE OF INFORMATION</b>
1. Total Fund Assets	This is a total listing of assets held by the pension fund at the end of the fiscal year.
Current market value of assets.	The total value of the assets that includes unrealized gains and losses immediately within the current year. This is subject to significant volatility and can therefore be misleading.
2. Estimated receipts from next fiscal year from employee contributions and all other sources.	Projection of employee contribution amounts for the next fiscal year. This would not include investment income or income from the tax levy.
3. Estimated money needed during next fiscal year to cover: a) pension payments; b) employer contributions; and debt reserves.	This estimate will provide an idea of how much money will be necessary to cover the next year's expenses. This is the tax levy amount.

4. Total net income from investment of assets.	This is the amount of money earned on investments from the most recently completed fiscal year.
<b>5. Total assumed investment return for most recently completed fiscal year.</b>	This is an actuarial assumption from the actuarial report and should be compared with line 6.
<b>6. Actual investment return from most recently completed fiscal year.</b>	This is important because it will demonstrate whether or not the targeted return assumption is being achieved. The assumed rate of return will impact the tax levy /employer contribution. If the assumed rate of return is changed to a lower amount, the municipality will be responsible for contributing more money in the following years.
7. Total net income from the preceding fiscal year.	Should be compared to line 4.
<b>8. Total assumed investment return from the preceding fiscal year.</b>	This is from the preceding year's actuarial report. Should be compared to line 5.
<b>9. Actual investment return from the preceding fiscal year.</b>	Should be compared to line 6.
<b>10. Total number of active employees making contributions to the fund.</b>	This number is useful because it can be divided into the total unfunded liability amount from line 17 to show how much debt the fund is carrying per active employee.
<b>11. Total amount of money disbursed in benefits during the most recently completed fiscal year</b>	This is a total dollar amount that includes several groups.
<b>12. Total number of annuitants receiving a retirement pension and amount.</b>	Subgroup of line 11.
<b>13. Total number of annuitants receiving a disability pension and amount.</b>	Subgroup of line 11.
<b>14. Total number of survivors and children receiving benefits and amount.</b>	Subgroup of line 11.
<b>15. Funded ratio of pension fund.</b>	This number comes from the actuarial report. This number is expressed as a ratio of assets to liabilities and provides an idea of fund's financial health.
<b>16. Total unfunded liability and actuarial explanation of unfunded liability.</b>	This can be found in the actuarial report. This number represents those liabilities, current and prospective, not covered by actuarial assets. An actuarial definition of unfunded liability must be included.
<b>17. Investment policy of the pension board as defined by State statute.</b>	Permissible investments by asset amounts can be found within 40 ILCS 5/1-113.2;

5/1-113.3; and 5/1-113.4.