



TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

2815 W Washington St | PO Box 19253 | Springfield IL 62794-9253

R. Stanley Rupnik, Executive Director & Chief Investment Officer

<http://www.trsil.org>

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

October 28, 2025

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

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

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

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

RE: Teacher Health Insurance Security (THIS) Fund Certification for FY 2027

On October 24, 2025, the TRS Board certified **\$141,801,757** as the required FY 2027 state contribution to the Teacher Health Insurance Security Fund.

The Illinois Department of Central Management Services (CMS) notified TRS that the member contribution rate for FY 2027 will remain unchanged from FY 2026 at 0.90 percent.

The certified contribution is the amount needed to match estimated active member contributions to THIS Fund in the coming fiscal year, plus or minus the amount by which TRS over or underestimated active member contributions during the previous fiscal year. For FY 2027, the certified contribution is based on the assumed 0.90 percent member contribution rate, plus \$17,386,888 because actual member contributions for FY 2025 were more than anticipated.

The attached board certification provides more explanation of the certified FY 2027 THIS Fund contribution. An exhibit prepared by the TRS actuaries shows how the certified amount was calculated.

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

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Sincerely,

A handwritten signature in black ink, appearing to be 'R. Stanley Rupnik', with a stylized, cursive script.

R. Stanley Rupnik
Executive Director &
Chief Investment Officer

Enclosures (4)

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

**FY 2027 STATE CONTRIBUTION TO THE
TEACHER HEALTH INSURANCE SECURITY (THIS) FUND**

Resolved: To certify \$141,801,757 as the required state contribution to the Teacher Health Insurance Security (THIS) Fund for FY 2027, as presented by Segal Consulting, exhibit B.



R. Stanley Rupnik
Executive Director & Chief Investment Officer
October 24, 2025

TEACHER HEALTH INSURANCE SECURITY (THIS) FUND CERTIFICATION OF CALCULATION FOR FY 2027

The Board of Trustees of the Teachers' Retirement System (TRS) resolved during its October 24, 2025 regular meeting to certify a required state contribution to THIS Fund for FY 2027 as statutorily required by 5 ILCS 375 / 6.6 (c).

The FY 2027 certification is based on the active member contribution rate, 0.90%, as determined by the Illinois Department of Central Management Services (CMS).

The certified state contribution is the amount needed to match estimated active member contributions to Teachers Health Insurance Security (THIS) Fund during FY 2027, adjusted by the amount by which TRS underestimated actual active member THIS Fund contributions during FY 2025. The state contribution amount certified for FY 2027 is \$141,801,757 and was determined by the following procedure.

Segal Consulting, the TRS actuaries, estimate total active member payroll for FY 2027 to be \$13,907,133,095. Their payroll projection is based on the June 30, 2025 actuarial valuation. State agencies' estimated active member payroll of \$83,258,810 is subtracted because state employees covered by TRS do not make THIS Fund contributions. The remaining payroll is \$13,823,874,285. The assumed FY 2027 active member THIS Fund contribution rate of 0.90 percent of pay was applied to the remaining payroll, yielding \$124,414,869.

Public Act 92-0505 requires the annual THIS Fund certification to be adjusted by the amount by which TRS over or underestimated actual active member contributions in the preceding fiscal year (5 ILCS 375 / 6.6 (c)). The amount by which TRS underestimated FY 2025 active member contributions was \$17,386,888. This \$17,386,888 was added to the \$124,414,869 resulting in the certified FY 2027 contribution of \$141,801,757. The requirement to correct for over or underestimating active member contributions in the previous fiscal year remains in the TRIP extension act, Public Act 93-0679. Calculations are shown in exhibit B.



R. Stanley Rupnik
Executive Director & Chief Investment Officer
October 24, 2025

Teacher Health Insurance Security (THIS) Fund Contribution Amount to be Certified by the Board ¹		Fiscal Year 2027
Expected State Contribution to THIS Fund		
• Membership payroll		
– Total		\$13,907,133,095
– Less members who do not contribute to THIS Fund		(83,258,810)
– Members who do contribute to THIS Fund		13,823,874,285
• Member contribution rate (actual, from CMS)		0.90%
• Matching state contribution		\$124,414,869
• Adjustment to reflect difference between projected and actual fiscal year 2025 THIS Fund member contributions		17,386,888
• Total THIS Fund state contribution²		\$141,801,757

¹ Based on the preliminary June 30, 2025 actuarial valuation

² This certification does not include other state contributions to THIS Fund, which are not part of the statutory certification requirement



October 9, 2025

R. Stanley Rupnik, Executive Director
Teachers' Retirement System
2815 West Washington
Springfield, IL 62702

Re: FY 2027 Certification Rates

Dear Mr. Rupnik;

Under the statutory authority of section 6.6 State Employees Group Insurance Act of 1971(5 ILCS 375);

(a) Beginning July 1, 1995, all active contributors of the Teachers' Retirement System (established under Article 16 of the Illinois Pension Code) who are not employees of a department as defined in Section 3 of this Act shall make contributions toward the cost of annuitant and survivor health benefits. These contributions shall be at the following rates: until January 1, 2002, 0.5% of salary; beginning January 1, 2002, 0.65% of salary; beginning July 1, 2003, 0.75% of salary; beginning July 1, 2005, 0.80% of salary; beginning July 1, 2007, a percentage of salary to be determined by the Department of Central Management Services by rule, which in each fiscal year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year.

(a-5) Beginning January 1, 2002, every employer of a teacher (other than an employer that is a department as defined in Section 3 of this Act) shall pay an employer contribution toward the cost of annuitant and survivor health benefits. These contributions shall be computed as follows:

(4) Beginning July 1, 2007, the employer contribution shall be a percentage of each teacher's salary to be determined by the Department of Central Management Services by rule, which in each fiscal year shall not exceed 105% of the percentage of each teacher's salary actually required to be paid in the previous fiscal year.

Please accept this letter as notification that the percentage of salary to be used for FY 2027 for active contributors, effective July 1, 2026, shall be 0.90%. Additionally, the percentage of salary to be used for FY 2027 for employers, effective July 1, 2025, shall be 0.67%. If you have any questions, please feel free to contact Colm Brewer, CMS Benefits, at 217-785-1960.

Sincerely,

Raven A. DeVaughn
Director

cc: Amy Reynolds