



STATE OF ILLINOIS  
OFFICE OF THE  
**AUDITOR GENERAL**

Christopher B. Meister, Auditor General

**SUMMARY REPORT DIGEST**

**STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS**

**Financial Audit – Pension Schedules  
For the Year Ended June 30, 2025**

**Release Date: May 21, 2026**

**INTRODUCTION**

This digest covers the Financial Audit of the Schedule of Employer Allocations by Fund as of and for the year ended June 30, 2025, and the related notes to the Schedules. In addition, the digest also covers the Financial Audit of the total for all participating entities for the State Employees' Retirement System of Illinois (System) of the columns titled beginning net pension liability, ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense (specified column totals) in the Schedule of Pension Amounts by Fund of the System as of and for the year ended June 30, 2025, and the related notes. We previously released a separate Financial Audit of the System's financial statements as of and for the year ended June 30, 2025.

The State's net pension liability associated with the State Employees' Retirement System of Illinois was **\$32.6 billion**, total deferred outflows of resources was **\$2.8 billion**, and total deferred inflows of resources was **\$2.1 billion** as of June 30, 2025. The State's pension expense was **\$2.2 billion** for the year ended June 30, 2025.

The System is the administrator of a single-employer defined benefit public employee retirement system established and administered by the State of Illinois to provide pension benefits for its employees. Generally, anyone entering State service, except those in positions subject to membership in certain other State sponsored retirement systems, persons employed after June 30, 1979, as public service employment program participants under the Federal CETA program, and other exceptions as indicated in State law, become members of the System immediately. Certain contributions are statutorily required to be made to the System by employees and the State of Illinois. For the year ending June 30, 2015, the State of Illinois adopted Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. GASB Statement 68 requires the primary government and its participating component units that prepare financial statements in accordance with Generally Accepted Accounting Principles (GAAP) to recognize their proportionate share of certain collective pension amounts in their financial statements, which includes the net pension liability. In addition, certain departments of the State of Illinois that also prepare financial statements will report a proportionate share of certain collective pension amounts in their financial statements, which includes the net pension liability.

Prior to the implementation of GASB Statement 68, the State, its participating component units, and certain departments did not report the cumulative pension amounts, including the net pension liability, in either their audited financial statements or notes, even though there is an obligation to provide pension benefits to the employees. GASB Statement 68 changed previously followed financial reporting requirements and now requires the State and its participating component units to calculate their proportion of the System's collective pension amounts. As a result, the State, its participating component units, and certain departments will report a portion of the collective pension amounts in their financial statements.

The System has prepared the Schedule of Employer Allocations by Fund as of and for the year ended June 30, 2025, and the Schedule of Pension Amounts by Fund as of and for the year ended June 30, 2025, which provides the necessary financial information to assist the State, its participating component units, and certain departments in preparing financial statements. These Schedules have been audited and will provide relevant information for the Fiscal Year 2026 financial statements and audits thereof.

There were no material findings of noncompliance disclosed during our examination.

**AUDITOR'S OPINION**

The auditors stated the Schedule of Employer Allocations by Fund as of and for the year ended June 30, 2025, the total for all participating entities for the System of the columns titled beginning net pension liability, ending net pension liability, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense (specified column totals) in the Schedule of Pension Amounts by Fund of the System as of and for the year ended June 30, 2025, and the related notes to the Schedules, are fairly stated in all material respects.

This financial audit was conducted by RSM US LLP.

**SIGNED ORIGINAL ON FILE**

---

COURTNEY DZIERWA  
Deputy Auditor General

This report is transmitted in accordance with Section 3-14 of the Illinois State Auditing Act.

**SIGNED ORIGINAL ON FILE**

---

CHRISTOPHER B. MEISTER  
Auditor General

CBM:dmg