METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

A COMPONENT UNIT OF THE
METROPOLITAN WATER RECLAMATION DISTRICT OF GREATER CHICAGO
CHICAGO, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2020

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INTRODUCTORY SECTION

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Metropolitan Water Reclamation District Retirement Fund Illinois

For its Comprehensive Annual Financial Report For the Fiscal Year Ended

December 31, 2019

Christopher P. Morrill

Executive Director/CEO

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

Jim Mohler
Executive Director

June 30, 2021

Board of Trustees of the
Metropolitan Water Reclamation
District Retirement Fund
111 E. Erie Street
Chicago, Illinois 60611

Dear Trustees:

Submitted herewith is the Annual Financial Report (AFR) of the Metropolitan Water Reclamation District Retirement Fund (Fund) for the year ending December 31, 2020. This AFR provides a comprehensive overview of the Fund's activities and operations for the year. The management of the Fund is responsible for the completeness and accuracy of the information presented in this report. In accordance with the Illinois Pension Code, the Fund's financial statements for the fiscal year ended December 31, 2020, have been subject to an audit by independent auditors selected by the Board of Trustees. The unmodified opinion of Legacy Professionals, LLP has been included in the Financial Section of this report.

Management has established and maintained a system of internal accounting controls designed to safeguard Fund assets and ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed financial statements, supporting schedules and statistical tables are accurate in all material respects and are reported in a manner designed to present fairly the financial position and the results of operations of the Fund.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found in the Financial Section following the report of the independent auditor.

FUND PROFILE

The Fund was established in 1931 by the State of Illinois legislature and is administered in accordance with Articles 1, 13, and 20 of the Illinois Pension Code (40 ILCS Act 5).

At the direction of the Board of Trustees (Board), the mission of the Fund is to provide earned benefits to the Fund membership with excellent customer service and to preserve the fiscal integrity and financial stability of the Fund.

The Fund is led by a Board of Trustees, that administrates a single employer defined benefit public employee retirement fund sponsored by the Metropolitan Water Reclamation District of Greater Chicago (MWRD or District) to provide retirement, survivor and disability benefits for certain employees of the District, Fund employees, and qualified beneficiaries. The Fund is a pension trust fund of the District and as such, is included in their financial statements.

As of December 31, 2020, the Fund serves 1,769 active members, 2,483 benefit recipients, and 132 inactive members. A further description of the Fund membership is provided within the notes to the financial statements in the Financial Section and within the Actuarial Section of this report.

FINANCIAL CONDITION

Financial Position

In 2020, the Net Position of the Fund increased by $74.1 million, reflecting positive returns on Fund assets and the liquidation of Fund assets to pay required benefits. For a more detailed analysis of the Fund's financial position, please refer to the Financial and Investment Sections of this report.

Objective and Sources of Funding

The objective of the Fund is to administer the benefits codified within the Illinois Pension Code to present and future members. Benefits earned are funded by contributions from the employer (the District) and employees, and earnings on Fund assets.

Earnings on Fund assets typically provides the largest portion of total additions in any given year. In 2020, the invested assets of the Fund earned a rate of return of 9.2% net of fees, compared to the 2019 rate of return of 18.3%. The ten-year annualized rate of return on the Fund's investments is 8.15% net of fees, exceeding the actuarially assumed rate of return of 7.25%.

Employer contributions have grown steadily since 2012 due to the passage of PA 97-0894 and the establishment of a funding policy by the District Board of Commissioners in 2014. Since then, the Fund has received employer contributions that have met or exceeded the annual statutory actuarial determined contribution requirement.

Employee contributions are withheld from employee's salaries in accordance with the Illinois Pension Code. Since 2012, contributions from Tier I employees increased, capping at 12% in 2015, where they will remain until the Fund reaches 90% funded. Contributions from Tier II employees, hired after December 31, 2010, are set at 9% of salary, with a pensionable salary cap in 2020 of $115,929.

Funding Status

An important measure of the long-term financial stability of a pension fund is its funded ratio which compares the actuarial value of assets to the actuarial accrued liability. The greater the funded ratio, the greater assurance is given to participants that the Fund shall be able to pay pension benefits in the future. The Fund engages an independent actuary to perform an annual actuarial valuation of the Fund. The December 31, 2020, valuation report stated the actuarial value of assets (AVA) at $1.556 billion, the actuarial accrued liability (AAL) at $2.714 billion, leaving an unfunded AAL of $1.158 billion, resulting in a funded ratio of 57.3%.

A funded ratio is a measure at one point in time but is best viewed in the context of its historical trend to assess a fund's progress towards being fully funded. For a more complete understanding of the Fund's funding status, the reader is encouraged to review the Actuarial section of this report which contains a summary of valuation results, schedules that analyze funding, and details about the data used in the valuation. Ten-year trend information is available in both the Actuarial and Statistical sections.

Investments

The Board utilizes an investment consulting firm who assists with investment manager searches, manager selection and oversight, performance reporting, attribution analysis, and the development of an investment policy that establishes a prudent level of risk to achieve an assumed rate of return. Invested assets are diversified to reduce the effect of non-systematic risk on returns.

At year end, the Board utilized 12 investment management firms to manage 15 separate mandates that totaled $1.493 billion in investment assets.

The Investment section of this AFR contains details regarding the Fund's investment policy, performance, diversification, investment expenses and a summary of the investment activities that took place in 2020. Also included are the Custodian's report and the Investment Consultant's report.

MAJOR ACTIVITIES AND HIGHLIGHTS

- In June 2020, the Board submitted a 2021 funding resolution to the District Board of Commissioners (BOC) in the amount of $88,754,000 to be funded by the District in accordance with their funding policy adopted on October 2, 2014. This amount was slightly higher than the prior year amount of $88,127,000.
- The District BOC made an additional contribution of $20.0 million to the Fund in March 2020.
- Changes to the Retirement Board in 2020 by appointment or election:
    - Stephen J. Carmody retired effective May 1, 2020 after 29 years of employment with the MWRD and 11 years of dedicated service to the Fund membership as Employee Trustee.
    - Bonnie Kennedy was appointed by the Retirement Board to fill the Trustee vacancy resulting from the retirement of Stephen Carmody.
    - In the October 2020 Trustee election, Kevin Young was elected as Trustee for a four-year term beginning December 1st.
    - Board Officers for 2020 were elected as follows: John P. Dalton, President; Robert T. Regan, Vice President; and Hon. Mariyana Spyropoulos, Secretary.

MAJOR ACTIVITIES AND HIGHLIGHTS, continued

- Retirement Fund member-related activity in 2020:
  - 31,300 benefit payments were paid to retirees and beneficiaries totaling $174.2 million; 99% were paid via electronic funds transfer.
  - 104 new retirees and 34 new spouse/child annuitants were added to annuity payroll; 69 retirees and 49 spouse/child annuitants were removed from payroll due to death or termination of annuity.
  - Annuity estimates were prepared for 250 active employees.
  - $790 thousand of ordinary and duty disability benefits for 46 and 29 individuals, respectively, were processed.
- Retirement Fund investment and administrative activity in 2020:
  - Following the Board approval of an increased allocation to Core Open-end Real Estate in late 2019, additional allocations totaling $27.0 million were made during the year to the two existing real estate managers.
  - The Board approved the termination of four mandates during the year, based on either underperformance relative to benchmark or the decision to change an active mandate to a passively managed mandate. Terminated mandates were in Domestic Small Cap Equity, Domestic Large Cap Value, and International Equity, and resulted in $189.8 million being reallocated to existing passive mandates or similar active manager mandates.
  - Provaliant was hired to assist with development of an RFP for a new Pension Administration System (PAS) developer. The RFP is expected to be completed mid-year 2021, and the development of a new PAS system will be a multi-year project following the RFP process.
  - Responses were prepared and sent to fulfill 25 FOIA requests.
- Member communications in 2020:
  - Due to COVID-19, access to the Fund offices was restricted, but staff continued to serve members by phone, email and regular mail.
  - New employee orientation was provided to 79 new hires of the District via phone; the Fund Benefits Brochure was mailed to the new members.
  - The customary mailing in March of contribution statements to all active and inactive members, listing cumulative pension contributions through the prior year (i.e. December 31, 2019) was deferred to the following year; PDF statements were made available to members by request.
  - In September 2020, an issue of Vested Interest, the Fund's newsletter, was prepared and mailed to all members.
  - Monthly Fund updates for members was placed on the Fund's website to keep members apprised of the Fund's activities during COVID-19.

- Trustees participated in several training sessions during 2020, however due to COVID-19 many conferences were cancelled or changed to a virtual format. Virtual training attended by Trustees included sessions sponsored by:
    - International Foundation of Employee Benefit Plans
    - National Conference on Public Employee Retirement Systems
    - Pensions & Investments
    - Marquette Associates

AWARDS

The Government Financial Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to our Fund for its AFR for the fiscal year ended December 31, 2019. The Certificate of Achievement is a prestigious national award recognizing excellence in the preparation of state and local government financial reports.

To be awarded the Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents meet or exceed the program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for only one year. The Metropolitan Water Reclamation District Retirement Fund has received a Certificate of Achievement for the last 27 years. We believe our current report continues to conform to the Certificate of Achievement program requirements. We are, therefore, submitting it to the GFOA to determine its eligibility for a Certificate of Achievement for the year ending December 31, 2020.

ACKNOWLEDGMENTS

This report 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 as a means for determining responsible stewardship of the assets of the Fund.

The preparation of this report reflects the combined efforts of the Fund staff under the leadership of the Board of Trustees. We thank the Fund staff for their commitment to serving the membership and thank all that participated in the preparation of this report.

Respectfully submitted,

Jim Mohler
Executive Director

Vrinda Kulkarni, C.P.A
Fund Accountant

BOARD OF TRUSTEES
12/31/20

John P. Dalton, Jr., Employee Trustee, President
Mr. Dalton began his District employment in 1993. He currently works in the District's Maintenance & Operations Department as Master Mechanic I at the Calumet Water Reclamation Plant. He was appointed to the MWRD Retirement Fund Board of Trustees in 2005, elected to serve a three-year term on the Board in 2006, and re-elected in 2009, 2013 and in 2017 for a four-year term ending in November 2021.

Robert T. Regan, Employee Trustee, Vice President
Mr. Regan began his District employment in 1991. He currently works in the District's Maintenance & Operations Department as a Principal Mechanical Engineer at the Stickney Water Reclamation Plant. He was elected by the employees to serve a three-year term on the MWRD Retirement Fund Board of Trustees in 2004, re-elected in 2007, 2010, 2014 and in 2018 for a four-year term ending in November 2022.

Honorable Mariyana T. Spyropoulos, Appointed Trustee, Secretary
Commissioner Spyropoulos has served on the MWRD Board of Commissioners since 2009 and served as President from 2015 to 2019. She was appointed to the MWRD Retirement Fund Board of Trustees upon expiration of the term served by the Hon. Cynthia M. Santos, for a three-year term starting in January 2013. She was re-appointed in 2016, and again in 2019 for a three-year term ending in January 2022.

Kevin Young, Employee Trustee
Mr. Young began his employment at the Metropolitan Water Reclamation District Retirement Fund in 1996 as the Fund's Programmer Analyst. In April 2007 he became an employee in the District's Information Technology Department and currently works as a Senior Applications Administrator. He was appointed to the MWRD Retirement Fund Board of Trustees in September 2019, following the retirement of Trustee Joseph F. Kennedy, and elected in October 2020 for a four-year term ending November 2024.

Honorable Kimberly Du Buclet, Appointed Trustee
Commissioner Du Buclet was elected to the District Board of Commissioners in November 2018. She was appointed to the MWRD Retirement Fund Board of Trustees in January 2019 following the resignation of Vice President Barbara J. McGowan to complete a three-year term ending in January 2021.

Bonnie Kennedy, Employee Trustee
Ms. Kennedy began her employment at the Metropolitan Water Reclamation District Retirement Fund in 2001 and is currently working as Principal Attorney. She was appointed to the MWRD Retirement Fund Board of Trustees in June 2020, following the retirement of Trustee Stephen J. Carmody to complete his remaining term ending in November 2023.

Kathleen Therese Meany, Retiree Trustee
Ms. Meany served on the District Board of Commissioners beginning in 1990; she served as Vice President for 16 years, and President from 2013 until her retirement in 2014. She was appointed to the MWRD Retirement Fund Board as Retiree Trustee in 2016 to complete the unexpired term of Harold G. Downs. Ms. Meany was re-appointed in 2017 and again in 2020 for a three-year term ending in January 2023.

(Note: Ms. Meany resigned from the Board in January 2021, at which time former Commissioner Frank Avila was appointed to the Board as Retiree Trustee.)

EXECUTIVE STAFF, ADVISORS AND INVESTMENT MANAGERS
12/31/20

EXECUTIVE STAFF
Jim Mohler, Executive Director
Mary Murphy, Operations Manager

ADVISORS
- Legal Counsel: Jacobs, Burns, Orlove, and Hernandez, Chicago, IL
- Investment Consultant: Marquette Associates, Chicago, IL
- Consulting Actuary: Foster & Foster, Naperville, IL
- Auditor: Legacy Professionals, LLP, Chicago, IL
- Custodian: The Bank of New York Mellon Co., New York, NY
- Banking Services: Amalgamated Bank of Chicago, Chicago, IL

INVESTMENT MANAGERS
1. Ariel Investments, Chicago, IL
2. DWS RREEF, Chicago, IL
3. Decatur Capital Management Inc., Decatur, GA
4. Dimensional Fund Advisors, Austin, TX
5. Garcia Hamilton & Associates, Houston, TX
6. LSV Asset Management, Chicago, IL
7. Mesirow Financial, Chicago, IL
8. Neuberger Berman, New York, NY
9. Ramirez Asset Management, New York, NY
10. State Street Global Advisors, Boston, MA
11. UBS Realty Investors, Chicago, IL
12. Wasatch Advisors, Salt Lake City, UT

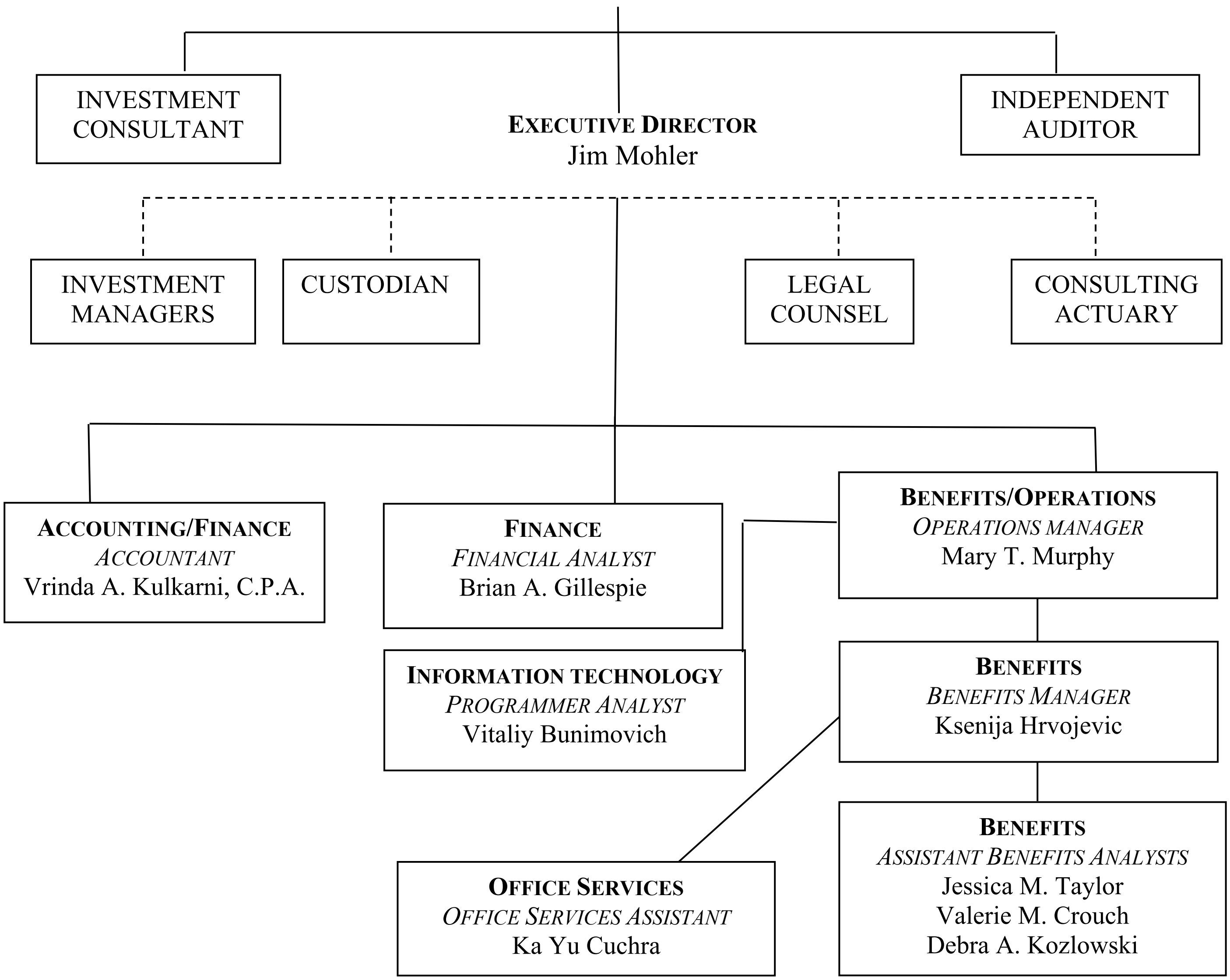
Assets under management and fees paid to investment professionals can be found in the Investment Section of this AFR, on pages 69 - 72.

ORGANIZATIONAL CHART

December 31, 2020

BOARD OF TRUSTEES

John P. Dalton, Jr. (President)
Robert Regan (Vice President)
Commissioner Mariyana T. Spyropoulos (Secretary)
Commissioner Kimberly Du Buclet (Trustee)
Bonnie Kennedy (Trustee)
Kathleen T. Meany (Retiree Trustee)
Kevin Young (Trustee)



Full and direct authority and responsibility.
Appointment by the Board of Trustees, direction and coordination by the Executive Director.

RESPONSIBILITIES OF THE BOARD OF TRUSTEES

The Board of Trustees of the Retirement Fund (Board) is composed of seven members. Three Trustees are appointed by the District Board of Commissioners (BOC), which one must be a retired member to be approved by the Board, and four are employee members elected by the employee members of the Fund. Appointed members serve for terms of three years, and elected members serve for terms of four years on a rotating basis so that each year, one seat on the Board is up for election and another is up for appointment.

In accordance with the Illinois Pension Code, the Board has the powers and duties to collect all contributions due to the Fund, to direct the prudent investment of Fund assets, to authorize or suspend payment of any benefits, to make rules and regulations for the proper conduct of the affairs of the Fund, and to appoint employees and consultants. The Board approves an annual budget which is prepared by Fund staff and submits an annual report of the affairs of the Fund to the District BOC and the State of Illinois Department of Insurance.

RESPONSIBILITIES OF THE STAFF

The Board of Trustees appoints an Executive Director who is responsible for all administrative functions, supervision of staff, and for the administration and payment of benefits to the members of the Fund under the direction of the Board. The Executive Director also works closely with the Investment Consultant and Financial Analyst to develop and maintain the Fund's investment policy and bring recommendations to the Board for their consideration. The Executive Director also oversees the work of the Fund's Actuary who brings recommendations to the Board for the actuarial assumptions used in the annual valuation, based on an experience analysis performed every four to five years. The Executive Director also works with legal counsel to review contracts with service providers and solicits advice on various issues including statutory interpretations, determinations from the Internal Revenue Service and potential legal actions.

The Operations Manager directly supports the Executive Director in the day-to-day running of the Fund, proposes technology initiatives, manages administrative software projects, supervises the Programmer Analyst, and oversees the benefits department with the assistance of the Benefits Manager.

The Programmer Analyst is responsible for the data processing that produces benefits payments and records employee contributions in the Fund's proprietary benefit management software, maintaining the pension database, and maintaining software and hardware.

The Financial Analyst works closely with the Executive Director to provide monthly investment performance updates to the Board. The Financial Analyst also works closely with the Fund's Investment Consultant on investment manager searches, asset transitions, investment monitoring, and asset allocation studies.

The Fund Accountant is responsible for the general accounting that serves as the basis for the annual financial statements and works closely with the Independent Auditor to complete the annual audit. The Fund Accountant also coordinates the preparation by staff of the annual AFR and serves as the Fund's FOIA Officer.

The Benefits Manager supervises a staff of four that are responsible for the production of the monthly annuity payroll content, computation of annuity benefits, disability benefits, contribution refunds to qualified participants, survivor benefits or refunds to estate, in accordance with the Illinois Pension Code. Benefits are presented to the Board monthly for authorization of payment. The staff is responsible for distribution of benefit payments and the associated deductions. Throughout the year benefits staff prepares requested retirement estimates. When warranted, staff travels to District plants to provide on-site individual retirement counseling. In addition, periodic pre-retirement seminars are jointly presented by Fund and District staff at various locations throughout the District, and an informative newsletter is periodically written and distributed to membership.

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FINANCIAL SECTION

LEGACY
PROFESSIONALS LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Trustees
Metropolitan Water Reclamation
District Retirement Fund

Report on the Financial Statements

We have audited the accompanying financial statements of the Metropolitan Water Reclamation District Retirement Fund (the Fund), a fiduciary fund of the Metropolitan Water Reclamation District of Greater Chicago (the District), which comprise the statement of fiduciary net position as of December 31, 2020, the related statement of changes in fiduciary net position for the year then ended and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements. The Fund's financial statements include partial prior-year information for 2019. Such information does not include various notes to the basic financial statements and the management's discussion and analysis for 2019, which are required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Fund's financial statements for the year ended December 31, 2019, from which such partial information was derived.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

4 Westbrook Corporate Center | Suite 700 | Westchester, IL 60154 | 312-368-0500 | 312-368-0746 Fax | www.legacycpas.com

Auditors' Responsibility (continued)
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes examining on a test basis, evidence supporting the amount and disclosures in the financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the fiduciary net position of Metropolitan Water Reclamation District Retirement Fund as of December 31, 2020, and the changes in fiduciary net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters
Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 4e and the schedules of changes in the District's net pension liability and related ratios, of District contributions and related note, and of investment returns on pages 28 through 30 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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.

Other Matters (continued)

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Fund's basic financial statements as a whole. The accompanying schedules of administrative expenses, of investment expenses, of payments to consultants and of postemployment healthcare disclosure on pages 31 through 33 are presented for purposes of additional analysis and are 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Legacy Professionals LLP

Westchester, Illinois

April 30, 2021

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND
(A Component Unit of the Metropolitan Water Reclamation District of Greater Chicago)

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Metropolitan Water Reclamation District Retirement Fund (the Fund) presents this narrative overview of the financial statements and financial performance of the Fund for the years ended December 31, 2020 and 2019. The Management's Discussion and Analysis (MD&A) is designed to focus on current activities, resulting changes and current known facts. It should be read in conjunction with the letter of transmittal, the financial statements and their accompanying notes, required supplementary information, and other supplementary information.

FINANCIAL HIGHLIGHTS

- The Fund's investment portfolio returned 9.2% and 18.3% (net of fees) for the calendar years 2020 and 2019, respectively on a time-weighted basis. For both of these years, investment returns exceeded the assumed actuarial rate of return of 7.25%.

- Income from contributions and investment income exceeded payments for benefits and administrative expenses in 2020, resulting in an increase in the Fund's net position restricted for benefits of $74 million or 4.9% to $1.58 billion at December 31, 2020, from the prior year end.

- The Fund's funding ratio, using the actuarial value of assets, was 57.3% as of December 31, 2020, up from 55.9% at December 31, 2019. Since 2012, the Fund has seen an upward trend in the funding ratio, from 50.4% to 57.3%. This was mainly due to an increase in contributions from the District and solid investment returns over time. Funding ratios will vary annually depending on the volatility of the investment markets, but the District's commitment to properly funding the Fund should help continue an upward trend in funding levels.

UNDERSTANDING THE FUND'S FINANCIAL STATEMENTS

The Fund prepares its financial statements on an accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The statement of fiduciary net position provides information about the nature and amount of investments available to satisfy the pension benefit obligations of the Fund. The statement of changes in fiduciary net position accounts for all additions to and deductions from the net position held in trust for pension benefits. This statement measures the Fund's performance over the past year in increasing or decreasing the fiduciary net position available for pension benefits.

UNDERSTANDING THE FUND'S FINANCIAL STATEMENTS (CONTINUED)

While the statement of fiduciary net position and statement of changes in fiduciary net position provide important financial information, significant actuarial factors also need to be considered in order to determine the financial health of the Fund. Two primary factors are the funded status and the actuarially determined contribution requirement, both of which are calculated by the Fund's actuary.

The funded ratio of the Fund is the actuarial value of assets divided by the total actuarial liability, and is calculated using the 5-year smoothed fair value related method. The smoothing prevents extreme volatility in the actuarial value of assets due to short-term fluctuations in the investment markets.

Another important calculation by our actuary is the Actuarially Determined Contribution Requirement which combines the employer's normal cost with an amount needed to amortize the net pension liability by the year 2050. This can be compared to the actual contribution from the employer to determine the adequacy of employer contributions to fund the liabilities of the Fund.

This report contains the following three components:

1. Basic Financial Statements which are the statement of fiduciary net position, the statement of changes in fiduciary net position, and the notes to the financial statements which contain information that is integral to the financial statements

2. Required Supplementary Information which presents important actuarial information

3. Other Supplementary Information which gives details of administrative, investment, and payments to consultants, as well as disclosure regarding post-employment healthcare

FIDUCIARY NET POSITION

A summary of net position for the Fund at December 31, 2020 and 2019 is shown in the following table and discussion. These financial statements reflect the resources available to pay future benefits to retirees and beneficiaries at the close of the reported years. Details of fiduciary net position at December 31, 2020 and 2019 are found on page 5.

Condensed Statement of Fiduciary Net Position

	12/31/20	12/31/19	$ Change	% Change
ASSETS:				
Cash	$ 306,082	$ 243,150	$ 62,932	25.9%
Employer contributions receivable	88,127,000	87,319,000	808,000	0.9%
Due from broker	40,175,815	38,456,244	1,719,571	4.5%
Other receivables	3,230,238	3,579,469	(349,231)	-9.8%
Investments	1,498,905,113	1,422,895,959	76,009,154	5.3%
Securities lending collateral	6,841,775	12,776,445	(5,934,670)	-46.5%
Total assets	1,637,586,023	1,565,270,267	72,315,756	4.6%
LIABILITIES:				
Accounts payable	1,030,705	1,222,678	(191,973)	-15.7%
Due to broker	48,822,915	44,436,866	4,386,049	9.9%
Securities lending collateral	6,841,775	12,776,445	(5,934,670)	-46.5%
Total liabilities	56,695,395	58,435,989	(1,740,594)	-3.0%
NET POSITION	$ 1,580,890,628	$ 1,506,834,278	$ 74,056,350	4.9%

During 2020, the net position of the Fund increased $74 million or 4.9% from net position at December 31, 2019. This increase was primarily due to the increase in investment values, resulting from positive investment returns in 2020.

Other changes in the components of assets on the statement of fiduciary net position have a corresponding change in liabilities, resulting in no effect on net position. Specifically, the amounts for assets and liabilities for forward exchange contracts and securities lending collateral fluctuate from year to year depending on the amount of security transactions traded but not settled and on the amount of securities out on loan at year-end.

Fiduciary net position at December 31, 2020 was $1.58 billion, representing the amount available at year end to satisfy future pension benefit obligations.

CHANGES IN FIDUCIARY NET POSITION

A summary of changes in fiduciary net position for the Fund for the fiscal years ended December 31, 2020 and 2019 follows. This summary reflects changes in the sources (additions) and uses (deductions) of funds during these years; the net increase or decrease is the change in net position available for benefits since the end of the previous fiscal year. Details of changes in fiduciary net position during 2020 and 2019 can be found on page 6.

Condensed Statement of Changes in Fiduciary Net Position

	2020	2019	$ Change	% Change
ADDITIONS:				
Employer contributions	$ 107,852,191	$ 87,446,476	$ 20,405,715	23.3%
Employee contributions	20,982,056	21,182,425	(200,369)	-0.9%
Total contributions	128,834,247	108,628,901	20,205,346	18.6%
Net investment income	123,900,275	224,904,568	(101,004,293)	-44.9%
Net securities lending income	199,184	254,312	(55,128)	-21.7%
Total investment income	124,099,459	225,158,880	(101,059,421)	-44.9%
Other	2,738	3,058	(320)	-10.5%
Total additions	252,936,444	333,790,839	(80,854,395)	-24.2%
DEDUCTIONS:				
Retirement annuities	174,996,453	167,480,736	7,515,717	4.5%
Refunds	2,290,858	1,827,884	462,974	25.3%
Administrative expense	1,592,783	1,642,209	(49,426)	-3.0%
Total deductions	178,880,094	170,950,829	7,929,265	4.6%
INCREASE IN NET POSITION	74,056,350	162,840,010	(88,783,660)	-54.5%
Beginning net position	1,506,834,278	1,343,994,268	162,840,010	12.1%
Ending net position	$ 1,580,890,628	$ 1,506,834,278	$ 74,056,350	4.9%

CHANGES IN FIDUCIARY NET POSITION (CONTINUED)

Additions

Additions to fiduciary net position are accumulated through employer and employee contributions, and portfolio investment returns.

Total contributions for 2020 were $128.8 million, an increase of $20.2 million or 18.6% from 2019. Per current statutes, the District employer contributions will produce a sum that will be sufficient to meet the Fund's actuarially determined contribution requirement but shall not exceed an amount equal to employee contributions two years' prior times 4.19. In 2014, the District established a Funding Policy to contribute annually an amount that over time will increase the ratio of Fund assets to accrued liabilities to 100% by the year 2050. In addition, the Fund received a special contribution of $20 million from the District in March 2020.

Employee contributions were $21.0 million in 2020, a decrease of $200,000 or (0.9)% from 2019. In general, total employee contributions vary with changes in employer payroll.

Net investment income in 2020 was lower than the prior year by $101.1 million, reflecting total returns of 9.2%, compared to 18.3% in 2019. Positive returns were experienced in the U.S. and non-U.S. equity markets in 2020.

Investment income is a combination of unrealized gains (losses) on investments held at year end, realized gains (losses) on investment sales, and interest and dividend income earned during the year. Investment income is shown gross and net of investment expenses which consist of fees charged by the Fund's investment managers, investment consultant, and custodian.

The Fund has participated in the securities lending program offered by the Bank of New York Mellon, the Fund's custodian bank, since 2007. The Fund also participates in the securities lending program offered by State Street Global Advisors (SSGA) with regards to their pooled Aggregate Bond Index Fund. For the year ended December 31, 2020, securities lending activities generated net income of approximately $199,000 which is a decrease of -21.7% from 2019.

CHANGES IN FIDUCIARY NET POSITION (CONTINUED)

Deductions

Deductions from fiduciary net position are payments made by the Fund for benefits (to retirees, survivors, and disabled employees), refunds and administrative expenses. Total deductions in 2020 were $179.0 million compared to $171.0 million in 2019, an increase of $8 million, or 4.6%. The largest part of this change is due to an increase in benefit payments, primarily attributable to the 3% annual increase required by the Illinois pension code to qualified annuitants. In addition, annuity benefits generally increase as deceased annuitants, who had lower benefits, are removed from the annuitant payroll, and new retirees with higher benefits are added.

RETURN ON INVESTMENTS AND ASSET ALLOCATION

The Fund's rate of return on investments in 2020 was 9.2% net of fees, slightly lower than the return of 10% on the Policy Index. The rate of return on investments in 2019 was 18.3% net of fees, compared to the return of 18.8% on the Policy Index. The Fund's target allocations at December 31, 2020 are listed below:

- 41% domestic equities
- 22% international equities
- 27% fixed income
- 10% core open-end real estate

CURRENT ASSET BALANCES AND OUTLOOK

As of April 14, 2021, the Fund's investments had a fair value of $1.59 billion, an increase from the December 31, 2020 balance. The Fund manages risk by holding a diversified portfolio so that the impact of positive and negative market swings in the various sectors of the portfolio offset each other over time. With continual review the target asset allocation and intermittent rebalancing, the Fund expects to achieve investment returns that outperform the actuarial assumed rate of return over the long run.

CONTACT INFORMATION

This financial report is intended to provide our members and other interested parties with a general overview of the Metropolitan Water Reclamation District Retirement Fund's finances. Questions concerning this report or requests for additional information should be directed to the Metropolitan Water Reclamation District Retirement Fund at 111 East Erie Street, Suite 330, Chicago, Illinois 60611, by phone at (312) 751-3230, or by email at mohlerj@mwrdrf.org.

Metropolitan Water Reclamation District Retirement Fund

Statement of Fiduciary Net Position

December 31, 2020
(with comparative amounts for prior year)

	2020	2019
Assets		
Cash	$ 306,082	$ 243,150
Receivables		
Employer contributions	88,127,000	87,319,000
Due from broker	40,175,815	38,456,244
Accrued interest and dividends	3,123,574	3,501,623
Accounts receivables	106,664	77,846
Total receivables	131,533,053	129,354,713
Investments - at fair value		
Equities	389,988,687	546,409,484
U.S. Government and government agency obligations	93,678,203	91,856,633
Corporate and foreign government obligations	132,056,474	120,775,498
Mutual and exchange traded funds	97,691,014	96,417,811
Pooled funds - equity	460,933,943	250,570,901
Pooled funds - fixed income	164,604,327	165,734,711
Limited partnership - real estate	62,992,834	66,190,335
Real estate investment trust	68,176,270	40,681,532
Short-term investment fund	28,783,361	44,259,054
	1,498,905,113	1,422,895,959
Securities lending collateral	6,841,775	12,776,445
Total investments	1,505,746,888	1,435,672,404
Total assets	1,637,586,023	1,565,270,267
Liabilities and Net Position		
Liabilities		
Accounts payable	1,030,705	1,222,678
Due to broker	48,822,915	44,436,866
Securities lending collateral	6,841,775	12,776,445
Total liabilities	56,695,395	58,435,989
Net position restricted for pension benefits	$ 1,580,890,628	$ 1,506,834,278

See accompanying notes to financial statements.

Metropolitan Water Reclamation District Retirement Fund

Statement of Changes in Fiduciary Net Position

Year Ended December 31, 2020
(with comparative amounts for prior year)

	2020	2019
Additions		
Employer contributions	$ 107,852,191	$ 87,446,476
Employee contributions	20,982,056	21,182,425
Total contributions	128,834,247	108,628,901
Investment income		
Net appreciation in fair value of investments	106,380,332	204,118,604
Interest	7,767,240	7,666,016
Dividend income	14,424,224	18,275,337
Total investment income	128,571,796	230,059,957
Less investment expenses	(4,671,521)	(5,155,389)
Net investment income	123,900,275	224,904,568
Securities lending income		
Earnings	192,572	431,648
Less broker rebates	55,683	(104,883)
Less bank fees	(49,071)	(72,453)
Net securities lending income	199,184	254,312
Other	2,738	3,058
Total additions	252,936,444	333,790,839
Deductions		
Annuities and benefits		
Employee annuitants	146,762,252	139,787,569
Surviving spouse annuitants	27,322,271	26,741,289
Child annuitants	121,500	137,000
Ordinary disability benefits	706,057	747,456
Duty disability benefits	84,373	67,422
Total annuities and benefits	174,996,453	167,480,736
Refunds of employee contributions	2,290,858	1,827,884
Administrative expenses	1,592,783	1,642,209
Total deductions	178,880,094	170,950,829
Net increase	74,056,350	162,840,010
Net position restricted for pension benefits		
Beginning of year	1,506,834,278	1,343,994,268
End of year	$ 1,580,890,628	$ 1,506,834,278

See accompanying notes to financial statements.

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Metropolitan Water Reclamation District Retirement Fund (the Fund) is administered in accordance with Chapter 40 of the Illinois Compiled Statutes Act 5, Article 13.

Financial Reporting Entity - Accounting principles generally accepted in the United States of America define a financial reporting entity as consisting of the primary government and its component units for which the primary government is financially accountable. Financial accountability includes appointing a voting majority of a component unit's governing board, the ability of a primary government to impose its will on the component unit, or a potential for a component unit to provide specific financial benefits to or impose specific financial burdens on the primary government. The Fund has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in the Fund's financial statements.

The Fund is considered a fiduciary fund of the Metropolitan Water Reclamation District of Greater Chicago (the District) and, as such, is included in the District's financial statements.

Measurement Focus and Basis of Accounting - The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Employer contributions to the Fund are recognized as income pursuant to legal requirements as specified in the Illinois Compiled Statutes. Fund member (employee) contributions are recognized as additions in the period in which the contributions are due. Benefits and administrative expenditures are recognized when due and payable in accordance with the terms of the Fund.

Investments - The Fund reports investments at fair value, which generally represents reported market value as of the last business day of the year. The fair value of a financial instrument is the amount that would be received to sell that asset or paid to transfer that liability (exit price) in an orderly transaction between market participants at the measurement date.

Estimates - The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Subsequent Events - Subsequent events have been evaluated through April 30, 2021, which is the date the financial statements were available to be issued.

NOTE 2. FUND DESCRIPTION

The Fund is a single employer defined benefit fund, established by the Illinois State Legislature in 1931 to provide retirement annuities, death and disability benefits for certain employees of the District as well as Fund employees. The Fund is administered in accordance with 40 ILCS 5 of the Illinois Compiled Statutes.

The Board of Trustees is composed of a seven-member board, which consists of four member-elected employee Trustees, and three appointed Trustees, one of which is a retiree. State law authorizes the Board to make investments, pay benefits, hire staff and consultants and perform all necessary functions to carry out the provisions of the Illinois Compiled Statutes. The provisions of the Fund, including the defined benefits and the employer and employee contribution levels are established by those statutes and may be amended or terminated only by the Illinois State Legislature.

Membership

At December 31, 2020, the Fund's membership consisted of:

Active employees	1,769
Retirees and beneficiaries currently receiving benefits	
Retirees	1,917
Surviving spouses	546
Children	20
Total retirees and beneficiaries	2,483
Inactive employees entitled to benefits or a refund of contributions	132
Total members	4,384

The Fund's active membership includes District employees, District Commissioners, and Retirement Fund staff and is referred to as "employees" in the financial statements and notes.

Funding

Funding to meet the annuity and benefit obligations of the Fund is expected to come from employee contributions, employer contributions by the District and income earned on the Fund's investments.

Tier I employees (hired prior to January 1, 2011) are required to contribute 12% of their salary to the Fund since 2015; this contribution rate will remain in effect until such time as the Fund reaches a funding level of 90%. Tier II employees (hired on or after January 1, 2011) are required to contribute 9%. Contributions are collected as a payroll withholding. Employees made contributions of $20,982,056 for the year ended December 31, 2020.

NOTE 2. FUND DESCRIPTION (CONTINUED)

Funding (continued)

State statutes (40 ILCS 5/13-503) dictate that the District shall annually contribute a sum that

(i) will be sufficient to meet the Fund's actuarially determined contribution requirement, but

(ii) shall not exceed an amount equal to the total employee contributions 2 years prior to the year for which the tax is levied, multiplied by 4.19 (the tax multiple). The actuarially determined contribution requirement is equal to the employer's normal cost plus the annual amount needed to amortize the unfunded liability by the year 2050 as a level percent of payroll. The funding goal is to attain a funded ratio of at least 90% by the year 2050, with the funded ratio being the ratio of the actuarial value of assets to the total actuarial liability.

Per the statutes, the tax shall be levied and collected in the same manner as the general taxes of the District.

The tax rate is based on an actuarially determined rate recommended by an independent actuary subject to the statute noted above. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by the Fund participants during the year, with an additional amount to finance any net pension liability. For the year ended December 31, 2020, the District's contribution was 57.35% of covered payroll.

NOTE 2. FUND DESCRIPTION (CONTINUED)

Retirement Eligibility and Benefits

The following describe and reflect Fund provisions as described in Article 13 of the Illinois Pension Code.

Normal Retirement
An employee whose duties include service of 120 days or more per year and has at least 5 years of service at age 60 is eligible to receive an undiscounted retirement benefit (if hired before January 1, 2011). An employee with at least 10 years of service at age 67 is eligible to receive an undiscounted retirement benefit (if hired on or after January 1, 2011).

The normal retirement benefit is 2.2% of the final average salary for each of the first 20 years of service and 2.4% for each year of service in excess of 20 years. The benefit shall not exceed 80% of final average salary.

Early Retirement
An employee hired before January 1, 2011 who attains age 55 (50 if hired on or before June 13, 1997) with at least 10 years of service is entitled to receive a minimum retirement benefit. An employee hired on or after January 1, 2011 who attains age 62 with at least 10 years of service is entitled to receive a minimum retirement benefit.

If the employee retires prior to the attainment of age 60, the normal retirement benefit computed shall be reduced by 0.5% for each full month the member is less than age 60 or service is less than 30 years whichever is less (if hired before January 1, 2011). If hired on or after January 1, 2011, the normal retirement benefit is reduced by 0.5% for each full month the member is less than age 67. There is no discount if the employee has 30 years of service.

Alternate Provision for Commissioners
Any participant Commissioner may elect to establish alternate credits for an alternative annuity. An additional contribution of 3% of salary is required for participation. In lieu of the normal retirement benefits any Commissioner who has elected to participate, has attained age 55 and has 6 years of service is eligible for an enhanced benefit formula.

NOTE 2. FUND DESCRIPTION (CONTINUED)

Retirement Eligibility and Benefits (continued)

Surviving Spouse Annuity
Upon an employee's death an annuity will be payable to the eligible surviving spouse. If an employee was hired before June 13, 1997, a spouse is immediately eligible for a surviving spouse annuity if married on the date of an employee's death, or if married on the employee's date of retirement and remained married until retiree's death. Dissolution of a marriage after retirement shall not divest the spouse of entitlement if the marriage was in effect for at least 10 years on the date of retirement.

If an employee was hired on or after June 13, 1997, a spouse is eligible for a surviving spouse annuity after 3 years of member's service, with the same conditions for marriage as described for members hired prior to June 13, 1997.

If an employee was hired before January 1, 2011, the surviving spouse annuity is equal to 60% of the employee's retirement benefit at the time of death, plus 1% for each year of total service, to a maximum of 85%. If hired on or after January 1, 2011, an eligible surviving spouse will be entitled to an annuity equal to 66 2/3% of the employee's retirement benefit at time of death.

Under certain conditions, an age discount applies to the surviving spouse annuity if the employee was hired after January 1, 1992 for employees in service before January 1, 2011.

Children's Annuity
Each unmarried child, until the attainment of age 18 (23 if full-time student), of a member that dies in service or of a former employee that dies with at least 10 years of service, is eligible for a monthly annuity of $500 per month (if one parent is living) and $1,000 per month (if neither parent is living) to a maximum total benefit of $5,000 per month for all children of the employee.

Refunds

Upon withdrawal from service an employee hired before January 1, 2011, under age 55 (50 if hired on or before June 13, 1997), or age 55 (50 if hired on or before June 13, 1997) and less than age 60 with less than 20 years of service, or age 60 or over with less than 5 years of service, is eligible for a refund of accumulated employee contributions without interest upon request.

An employee hired on or after January 1, 2011, is eligible for a refund of accumulated employee contributions without interest if under age 62 regardless of service, or if less than 10 years of service regardless of age on withdrawal.

Upon receipt of a refund, the member forfeits rights to benefits from the Fund. Refund repayment provisions may apply in certain cases.

NOTE 2. FUND DESCRIPTION (CONTINUED)

Retirement Eligibility and Benefits (continued)

Disability Benefits

Duty Disability
An employee incurring injury or illness arising out of employment with the District and compensable under the Workers Compensation Act or the Occupational Disease Act may apply for duty disability benefits administered by the Fund. Duty disability benefits are 75% of the salary earned on the date of disability, less the amount paid by Worker's Compensation. The benefit is 50% of salary if disability resulted from a physical defect or disease that existed at the time injury was sustained. Benefits are payable during the period of disablement, but not beyond attainment of age 65. If the disability occurs at age 60 or older, benefits are payable for a maximum of 5 years.

Ordinary Disability
An employee who becomes disabled due to any cause other than illness or injury incurred in the performance of duty may apply for ordinary disability benefits administered by the Fund. Ordinary disability benefits provide 50% of employee's earnable salary at the date of disability, for a maximum period of the lesser of 25% of the employee's actual service prior to disablement or 5 years.

NOTE 3. PENSION LIABILITY OF THE DISTRICT

Net Pension Liability

The components of the net pension liability of the District as of December 31, 2020, were as follows:

Total pension liability	$ 2,701,962,060
Fund fiduciary net position	(1,580,890,628)
District's net pension liability	$ 1,121,071,432
Fund fiduciary net position as a percentage of the total pension liability	58.51%

See the schedule of changes in the District's net pension liability and related ratios on page 28 of the required supplementary information for additional information related to the funded status of the Fund.

NOTE 3. PENSION LIABILITY OF THE DISTRICT (CONTINUED)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of December 31, 2020, using the following actuarial methods and assumptions, applied to all periods included in the measurement.

Actuarial methods and assumptions:

Valuation date	12/31/20
Cost method	Entry age normal
Asset valuation method	Five Year Smoothing Method
Inflation	2.5%
Salary increases	Varies by service
Investment rate of return	7.25%
Postretirement annuity increases	Tier 1 participants - 3.00%
	Tier 2 participants - 1.25%

Healthy and disabled lives mortality rates were based on the RP-2000 Combined Healthy Mortality Table with Generational Mortality Improvements (Scale AA).

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study conducted by Foster & Foster, Inc. dated September 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current Fund members. Therefore, the long-term expected rate of return on pension Fund investments of 7.25% was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 3. PENSION LIABILITY OF THE DISTRICT (CONTINUED)

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

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.25% as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's net pension liability	$ 1,422,861,759	$ 1,121,071,432	$ 866,595,596

NOTE 4. DEPOSITS WITH FINANCIAL INSTITUTIONS

Custodial Credit Risk

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Fund's deposits may not be returned to it. The Fund does not have a formal policy for custodial credit risk. The Fund's deposits consist of monies held checking and money market accounts. The Fund places its cash with financial institutions deemed to be creditworthy. Balances are insured by FDIC up to $250,000 per financial institution. As of December 31, 2020, the Fund had approximately $83,000 of uninsured, uncollateralized deposits with financial institutions.

NOTE 5. INVESTMENTS

Investment Policy

The Illinois Statutes prescribe the "prudent person rule" as the Fund's investment authority, effective August 31, 2007. This rule requires the Fund to make investments with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an entity of like character with like aims. Within the "prudent person" framework, the Board of Trustees adopts investment guidelines for the Fund's investment managers which are included within their respective Investment Management Agreements. The Fund's adopted asset allocation policy is 41% domestic equities, 22% international equities, 27% fixed income and 10% core open-end real estate. During the year ended December 31, 2019, the Fund revised its investment policy to increase the core open-end real estate allocation from 5% to 10% while reducing the fixed income and equity allocations from 30% to 27% and 65% to 63%, respectively. There were no changes during the year ended December 31, 2020.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension Fund investments (i.e. the actuarial assumed investment rate of return of 7.25%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension Fund investment expenses and inflation) are developed for each major class.

These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension Fund's target asset allocation as of December 31, 2020, as reported by the Fund's investment consultant, are summarized in the following table:

Asset Class	Target Allocation %	Long-Term Expected Real Rate of Return
Domestic equity	41.0%	5.20%
International equity	22.0%	5.60%
Fixed income	27.0%	2.20%
Real Estate Funds	10.0%	5.60%
Total investments	100.0%	
Inflation rate of investment advisor		2.00%

NOTE 5. INVESTMENTS (CONTINUED)

Annual Money-Weighted Rate of Return

The annual money-weighted rate of return on pension Fund investments, net of pension Fund investment expense, was 8.67% for the year ended December 31, 2020. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Investment Risk

Generally accepted accounting principles specify the disclosure requirements for deposits that are not covered by depository insurance and investment securities that are uninsured and are not registered in the name of the government or a trust agent. By statute, all investments are held in the name of the Metropolitan Water Reclamation District Retirement Fund.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Fund will not be able to recover the value of its investments or collateral securities in the possession of an outside party.

As of December 31, 2020, the Fund had minimal exposure to custodial credit risk since all investments were insured, registered, and/or held in the Fund's name.

Concentration of Investment Risk

No investments that represent 5% or more of the Fund's net position restricted for pension benefits were identified.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. One strategy to manage exposure to interest rate risk is to purchase a combination of short-term and long-term investments, while considering cash flow needs of the Fund. The Fund does not maintain an investment policy relative to interest rate risk. However, the Board of Trustees recognizes that its investments are subject to short-term volatility and their goal is to maximize total return within prudent risk parameters.

NOTE 5. INVESTMENTS (CONTINUED)

Investment Risk (continued)

Interest Rate Risk (continued)

The following table presents a summarization of the Fund's debt investments at December 31, 2020, using the segmented time distribution method:

Type of Investment	Maturity	Fair Value	Percentage
U.S. Government and			
government agency obligations	< 1 year	$ 18,440,594	19.7%
	1 - 5 years	9,222,706	9.8%
	5 - 10 years	22,587,665	24.1%
	Over 10 years	43,427,238	46.4%
		$ 93,678,203	100.0%
Corporate and foreign			
government obligations	< 1 year	$ 375,254	0.3%
	1 - 5 years	26,536,981	20.1%
	5 - 10 years	42,594,849	32.2%
	Over 10 years	62,549,390	47.4%
		$ 132,056,474	100.0%
Pooled funds - fixed income	5-10 years	$ 164,604,327	100.0%
Short-term investment fund	< 1 year	$ 28,783,361	100.0%

NOTE 5. INVESTMENTS (CONTINUED)

Investment Risk (continued)

Credit Risk

Credit risk is defined as the risk that the issuer of a debt security will not pay its par value upon maturity. The Illinois Statutes prescribe the "prudent person rule" as the Fund's investment authority and within the "prudent person" framework, the Board of Trustees adopts investment guidelines that consider credit risk for the Fund's investment managers which are included within their respective investment Management Agreements.

Quality ratings are as provided by Standard & Poor's. For the pooled funds - fixed income investments an average credit quality rating is provided by Bank of America Merrill Lynch and Bloomberg Barclays. The following table presents a summarization of the credit quality ratings of the holdings within the investments at December 31, 2020:

Type of Investment	Rating	Fair Value	Percentage
U.S. Government and government agency obligations	AA	$ 80,376,130	85.8%
	Not Rated	13,302,073	14.2%
		$ 93,678,203	100.0%
Corporate and foreign government obligations	AAA	$ 7,597,634	5.8%
	AA	21,141,399	16.0%
	A	29,657,036	22.4%
	BBB	55,418,114	42.0%
	BB	2,181,570	1.7%
	B	1,317,181	1.0%
	CCC	113,376	0.1%
	Not Rated	14,630,164	11.0%
		$ 132,056,474	100.0%
Pooled funds - fixed income	AAA	$ 151,306,153	91.9%
	BB	13,298,174	8.1%
		$ 164,604,327	100.0%
Short-term investment fund	Not Rated	$ 28,783,361	100.0%

NOTE 5. INVESTMENTS (CONTINUED)

Investment Risk (continued)

Foreign Currency Risk

Foreign currency risk is the risk of loss arising from changes in currency exchange rates. All foreign currency-denominated investments held by the Fund are in equities, fixed income and foreign cash. The Fund's exposure to foreign currency risk at December 31, 2020 is presented as follows:

Type of Investment	Fair Value	Percentage
Equities		
Australian dollar	$ 7,026,187	1.8%
British pound sterling	15,655,219	4.0%
Danish krone	1,975,095	0.5%
European euro	19,606,696	5.0%
Hong Kong dollar	2,731,950	0.7%
Israeli shekel	959,346	0.3%
Japanese yen	23,956,829	6.1%
New Zealand dollar	783,947	0.2%
Norwegian krone	2,169,241	0.5%
Singapore dollar	1,470,465	0.4%
Swedish krona	5,850,037	1.5%
Swiss franc	4,198,869	1.1%
U.S. dollar	303,604,806	77.9%
Total equities	$ 389,988,687	100.0%
Corporate and foreign government obligations		
U.S. dollar	$ 132,056,474	100.0%
Total corporate and foreign government obligations	$ 132,056,474	100.0%

NOTE 5. INVESTMENTS (CONTINUED)

Investment Risk (continued)

Foreign Currency Risk (continued)

Type of Investment		Fair Value	Percentage
Short-term investment funds			
Australian dollar	$	249,819	0.9%
British pound sterling		53,723	0.2%
Canadian dollar		60,225	0.2%
Danish krone		70,172	0.2%
European euro		183,889	0.6%
Hong Kong dollar		106,944	0.4%
Israeli shekel		11,269	0.0%
Japanese yen		335,386	1.2%
New Zealand dollar		9,858	0.0%
Norwegian krone		47,797	0.2%
Singapore dollar		75,407	0.3%
South African rand		1	0.0%
Swedish krona		230,760	0.8%
Swiss franc		23,807	0.1%
U.S. dollar		27,324,304	94.9%
Total short-term investment fund	$	28,783,361	100.0%

NOTE 6. WHEN-ISSUED TRANSACTIONS

The Fund may purchase securities on a when-issued basis, that is, obligate itself to purchase securities with delivery and payment to occur at a later date. At the time the Fund enters into a commitment to purchase the security, the transaction is recorded at the purchase price which equals fair value. The value at delivery may be more or less than the purchase price. No interest accrues to the Fund until delivery and payment takes place. As of December 31, 2020, the Fund contracted to acquire securities on a when-issued basis with a total principal amount of approximately $13,302,073.

NOTE 7. FAIR VALUE MEASUREMENTS

GASB Statement No. 72, *Fair Value Measurement and Application*, established a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

<u>Basis of Fair Value Measurement</u>

Level 1	Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities
Level 2	Quoted prices in markets that are not considered to be active or financial instruments for which all significant inputs are observable, either directly or indirectly
Level 3	Prices or valuations that require inputs that are both significant to the fair value measurement and unobservable

The methods used to measure fair value may produce an amount that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Fund believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following tables set forth, by level within the fair value hierarchy, the Fund’s investment assets at fair value as of December 31, 2020 and 2019. As required, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. In accordance with generally accepted accounting principles, certain investments that are measured at fair value using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in the following tables are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the statements of net assets available for benefits.

NOTE 7. FAIR VALUE MEASUREMENTS (CONTINUED)

The Fund categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Fund has the following recurring fair value measurements as of December 31, 2020.

		Fair Value Measurements at 12/31/20 Using		
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Equities	$ 389,988,687	$ 389,988,687	$ -	$ -
U.S. Government and government agency obligations	93,678,203	24,685,044	68,993,159	-
Corporate and foreign government obligations	132,056,474	-	132,056,474	-
Mutual and exchange traded funds	97,691,014	97,691,014	-	-
Total investments by fair value level	713,414,378	$ 512,364,745	$ 201,049,633	$ -
Investments measured at net asset value	785,490,735			
Total investments at fair value	$ 1,498,905,113			

Level 1 Measurements

Equities, mutual and exchanged traded funds, and U.S. Treasury securities are traded in active markets on national and international securities exchanges and are valued at closing prices on the last business day of the period presented.

Level 2 Measurements

U.S. Government and government agency obligations and corporate and foreign government obligations are generally valued by benchmarking model-derived prices to quoted market prices and trade data for identical or comparable securities. To the extent that quoted prices are not available, fair value is determined based on a valuation model that include inputs such as interest rate yield curves and credit spreads. Securities traded in markets that are not considered active are valued based on quoted market prices, broker to dealer quotations, or alternative pricing sources with reasonable levels of price transparency. Securities that trade infrequently and therefore have little or no price transparency are valued using the investment manager’s best estimates.

NOTE 7. FAIR VALUE MEASUREMENTS (CONTINUED)

The valuation methods for investments measured at net asset value (NAV) are presented on the following table.

	Fair Value	Unfunded Commitments	Redemption Frequency (If Eligible)	Redemption Notice Period
Investments measured at net asset value:				
Pooled funds - equity (1)				
SSGA S&P 500 Flagship Fund	$ 244,162,873	$ -	Daily	N/A
SSGA S&P Midcap Index Fund	63,967,999	-	Daily	N/A
SSGA MSCI ACWI Fund	152,803,071	-	Daily	N/A
Pooled funds - fixed income (2)				
SSGA U.S. Aggregate Bond Index	151,306,153	-	Daily	N/A
Neuberger Berman High Income Fund	13,298,174	-	Monthly	N/A
Limited partnership - real estate (3)				
Trumbull Property Fund	62,992,834	-	Quarterly	60 days
Real estate investment trust (4)				
RREEF America REIT II	68,176,270	-	Quarterly	45 days
Short-term investment fund (5)				
BNY Mellon EB Temporary Investment Fund	28,783,361	-	Daily	N/A
Total investments measured at net asset value	$ 785,490,735			

(1) Pooled funds - equity - The investment objective of these investments is to track the performance of the S&P 500, S&P MidCap 500 and MSCI ACWI ex USA indexes over the long term. The fair value of the investments in these funds has been determined using the NAV per share of the investments.

(2) Pooled funds - fixed income - The investment objective of the U.S. Aggregate Bond Index is to track the performance of the Barclays U.S. Aggregate Bond Index over the long term. The investment objective of the High Income Fund is to achieve an attractive total return of income and capital appreciation by investing primarily in high yield fixed income securities and bank loan interests, including secured and unsecured bank loans. The fair value of the investments in these funds has been determined using the NAV per share of the investments.

(3) Limited partnership - real estate - The partnership's investment objective is to actively manage a core portfolio of primarily equity real estate investments located in the United States. The fair value of the investments in these funds has been determined using the NAV per share of the investments.

(4) Real estate investment trust - The Fund's investment objective is to generate attractive, predictable investment returns from a target portfolio of low-risk equity investments in income-producing real estate while maximizing the total return. The fair value of the investments in these funds has been determined using the NAV per share of the investments.

NOTE 7. FAIR VALUE MEASUREMENTS (CONTINUED)

(5) Short-term investment - This investment's objective is to invest in short-term investments of high quality and low risk to protect capital while achieving investment returns. The fair value of the investments in these funds has been determined using the NAV per share of the investments.

NOTE 8. SECURITIES LENDING

State Statutes and the investment policy permit the Fund to lend its securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The Bank of New York Mellon, the Fund's custodian, requires collateral in the form of cash, U.S. Government obligations and irrevocable letters of credit or other securities worth at least 102% of the lent securities' market value, and for international securities, collateral worth at least 105%. The contract with the Fund's custodian requires it to indemnify the Fund if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the Fund for income distributions by the securities issuers while the securities are out on loan.

The relationship between the maturities of the investment pool and the Fund's loans is affected by the maturities of the securities loans made by other entities that use the agent's pool, which the Fund cannot determine. The Fund cannot pledge or sell collateral securities without borrower default; as such, the collateral security or non-cash collateral is not reported in the financial statements. The average term of securities loaned was 148 days for 2020; however, all securities loans can be terminated on demand by either the Fund or the borrower. Cash collateral is invested in the lending agent's short-term investment pool, which at year-end has a weighted average maturity of 4 days.

Although the Fund's securities lending activities are collateralized as described above, they involve both market and credit risk. In this context, market risk refers to the possibility that the borrower of securities will be unable to collateralize the loan upon a sudden material change in the fair value of the loaned securities or the collateral. Credit risk refers to the possibility that counterparties involved in the securities lending program may fail to perform in accordance with the terms of their contracts.

Indemnification deals with the situation in which a client's securities are not returned due to the insolvency of a borrower. The contract with the lending agent requires it to indemnify the Fund if borrowers fail to return the securities or fail to pay the Fund for income distributions by the issuers of securities while the securities are on loan.

During 2020, there were no losses due to default of a borrower or the lending agent.

NOTE 8. SECURITIES LENDING (CONTINUED)

A summary of securities loaned at fair value as of December 31, 2020 is as follows:

Securities loaned - backed by cash collateral	
U.S. and international equities	$ 5,054,263
Agency/other securities	396,472
Corporate bonds	1,131,942
Total securities loaned - backed by cash collateral	6,582,677
Securities loaned - backed by non-cash collateral	
U.S. and international equities	22,978,516
Corporate bonds	672,606
Total securities loaned - backed by non-cash collateral	23,651,122
Total	$ 30,233,799

As of December 31, 2020, the fair value (carrying amount) of loaned securities was $30,233,799. As of December 31, 2020, the fair value (carrying amount) of cash collateral received by the Fund was $6,841,775. The cash collateral is included as an asset and a corresponding liability on the accompanying statement of fiduciary net position. As of December 31, 2020, the fair value (carrying amount) of noncash collateral received by the Fund was $24,330,052.

The Fund also participates in the securities lending programs offered by State Street Global Advisors (SSGA) with regards to their pooled funds. Securities lending income earned by SSGA serves as a credit to quarterly management fees, and any remainder is used for purchasing additional units in the SSGA fixed income pooled fund.

NOTE 9. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

In June 2017, GASB issued Statement No. 87, *Leases*. Statement No. 87 was issued to improve accounting and financial reporting for leases by governments. This Statement increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Statement No. 87 is effective for the Fund's fiscal year ending December 31, 2022.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. If it applies, Statement No. 89 is effective for the Fund's fiscal year ending December 31, 2021.

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations.* The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. If it applies, Statement No. 91 is effective for the Fund's fiscal year ending December 31, 2022.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020.* The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. If it applies, Statement No. 92 is effective for the Fund's fiscal year ending December 31, 2022.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Statement No. 93 was issued to address the result of global reference rate reform, when London Interbank Offered Rate (LIBOR) is expected to cease to exist in its current form at the end of 2021, and other accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). Statement No. 93 is effective for the Fund's fiscal year ending December 31, 2022.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. Statement No. 94 was issued to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). Statement No. 94 is effective for the Fund's fiscal year ending December 31, 2023.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements.* The objective of this Statement is to address contracts that convey control of the right to use another party's information technology software and provides capitalization criteria for outlays other than subscription payments. If it applies, Statement No. 96 is effective for the Fund's fiscal year ending December 31, 2023.

NOTE 9. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (CONTINUED)

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an Amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* The objective of this Statement is to increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform. If it applies, Statement No. 97 is effective for the Fund's fiscal year ending December 31, 2022, except for paragraph 4 and 5 which are effective immediately.

The Fund's management has not yet determined the effect, if any; these Statements will have on the Fund's financial statements.

NOTE 10. RISKS AND UNCERTAINTIES

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Fund though the potential impact and duration is unknown as of the date the financial statements were available to be issued.

Several major legislative relief packages were enacted in response to the coronavirus outbreak, containing numerous tax, emergency funding and other regulatory provisions. The Fund will evaluate the impact of any new legislation that may affect the Fund's operations and cash flows.

The Fund's attorney and management report that the Fund is not involved with any pending or current litigation as of the issuance date of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- Schedule of Changes in the District's Net Pension Liability and Related Ratios
- Schedule of District Contributions and Related Note
- Schedule of Investment Returns

Metropolitan Water Reclamation District Retirement Fund
Required Supplementary Information
Schedule of Changes in the District's Net Pension Liability and Related Ratios
Last Seven Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
tal Pension liability							
Service cost	$ 32,591,914	$ 33,039,382	$ 32,212,530	$ 32,370,187	$ 32,057,687	$ 32,228,341	$ 31,602,22
Interest	188,334,503	183,916,142	182,881,416	179,038,283	173,861,700	168,530,178	163,338,37
Differences between expected and actual experience	4,553,932	17,732,815	12,157,757	(1,990,761)	13,813,742	14,421,984	10,861,10
Changes of assumptions	-	-	35,593,015	-	-	-	-
Benefit payments, including refunds of employee contributions	(177,287,311)	(169,308,620)	(161,323,522)	(154,713,043)	(147,336,015)	(140,509,756)	(133,897,84
t change in total pension liability	48,193,038	65,379,719	101,521,196	54,704,666	72,397,114	74,670,747	71,903,86
tal pension liability							
Beginning of year	2,653,769,022	2,588,389,303	2,486,868,107	2,432,163,441	2,359,766,327	2,285,095,580	2,213,191,71
End of year	$ 2,701,962,060	$ 2,653,769,022	$ 2,588,389,303	$ 2,486,868,107	$ 2,432,163,441	$ 2,359,766,327	$ 2,285,095,58
ange in fiduciary net position							
Contributions - employer	$ 107,852,191	$ 87,446,476	$ 87,167,339	$ 89,858,224	$ 80,259,713	$ 71,041,361	$ 73,906,16
Contributions - employee	20,982,056	21,182,425	21,032,601	20,839,829	20,830,779	21,385,212	18,974,95
Net investment income (loss)	124,099,459	225,158,880	(103,006,062)	194,821,459	113,585,872	(1,427,839)	81,600,56
Benefit payments, including refunds of employee contributions	(177,287,311)	(169,308,620)	(161,323,522)	(154,713,043)	(147,336,015)	(140,509,756)	(133,897,84
Administrative expense	(1,592,783)	(1,642,209)	(1,685,479)	(1,613,976)	(1,502,639)	(1,659,917)	(1,406,50
Other	2,738	3,058	15,415	3,100	107,175	28,817	4,46
t change in fiduciary net position	74,056,350	162,840,010	(157,799,708)	149,195,593	65,944,885	(51,142,122)	39,181,79
t position restricted for pension benefits							
Beginning of year	1,506,834,278	1,343,994,268	1,501,793,976	1,352,598,383	1,286,653,498	1,337,795,620	1,298,613,82
End of year	$ 1,580,890,628	$ 1,506,834,278	$ 1,343,994,268	$ 1,501,793,976	$ 1,352,598,383	$ 1,286,653,498	$ 1,337,795,62
trict's net pension liability	$ 1,121,071,432	$ 1,146,934,744	$ 1,244,395,035	$ 985,074,131	$ 1,079,565,058	$ 1,073,112,829	$ 947,299,96
nd fiduciary net position as a percentage f the total pension liability	58.51%	56.78%	51.92%	60.39%	55.61%	54.52%	58.54
vered payroll	$ 188,072,970	$ 189,961,010	$ 187,849,708	$ 184,385,188	$ 182,640,163	$ 177,792,309	$ 176,183,94
ployer's net pension liability as a perecentage of covered payroll	596.08%	603.77%	662.44%	534.25%	591.09%	603.58%	537.68

Metropolitan Water Reclamation District Retirement Fund

Required Supplementary Information

Schedule of District Contributions and Related Note

Last Ten Years

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially Determined Contribution (ADC)	$ 69,393,171	$ 74,828,844	$ 68,414,142	$ 64,477,662	$ 62,603,576	$ 64,596,066	$ 65,727,912	$ 64,988,583	$ 74,279,999	$ 77,392,414
Contributions in Relation to the ADC	37,379,137	65,097,835	92,944,381	73,906,168	71,041,361	80,259,713	89,858,224	87,167,339	87,446,476	107,852,191
Contribution deficiency (excess)	$ 32,014,034	$ 9,731,009	$ (24,530,239)	$ (9,428,506)	$ (8,437,785)	$ (15,663,647)	$ (24,130,312)	$ (22,178,756)	$ (13,166,477)	$ (30,459,777)
Covered payroll	$ 164,275,424	$ 163,816,934	$ 169,375,857	$ 176,183,941	$ 177,792,309	$ 182,640,163	$ 184,385,188	$ 187,849,708	$ 189,961,010	$ 188,072,970
Contributions as a percentage of covered payroll	22.75%	39.74%	54.87%	41.95%	39.96%	43.94%	48.73%	46.40%	46.03%	57.35%

NOTE TO SCHEDULE:

Valuation date:
Actuarially determined contribution rates are calculated as of December 31, one year prior to the fiscal year in which contributions are reported.

Methods and assumptions used to determine contributions:	
Actuarial cost method	Entry Age Normal
Amortization method	Level percent of pay, closed.
Remaining amortization period	31 years remaining amortization as of 1/1/20.
Actuarial asset method	Assets are valued with an adjustment to expected assets to uniformly spread actuarial investment gains and losses (measured by the difference in actual fair value investment return and expected market value investment return) over a five year period.
Investment rate of return	7.25% per year compounded annually, net of investment related expenses.
Inflation	2.5% per year
Salary increases	Vary by service.
Payroll growth	3.0% per year
Termination rates	Termination rates vary by age and gender.
Retirement rates	Retirement rates are based on the most recent experience analysis and vary by age of member.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF INVESTMENT RETURNS

LAST SEVEN FISCAL YEARS

	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expense	8.67%	18.25%	-7.44%	15.62%	9.43%	-0.15%	6.67%

Supplementary Information

Other supplementary information includes financial information and disclosures that are not required by GASB and are not considered a part of the basic financial statements. Such information includes:

- Schedule of Administrative Expenses
- Schedule of Investment Expenses
- Schedule of Payments to Consultants
- Postemployment Healthcare Disclosure

METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND

SUPPLEMENTARY INFORMATION

SCHEDULE OF ADMINISTRATIVE EXPENSES

YEAR ENDED DECEMBER 31, 2020
(WITH COMPARATIVE AMOUNTS FOR PRIOR YEAR)

	2020	2019
Salaries and wages		
Regular employees	$ 1,128,393	$ 1,112,821
Employee benefits	182,787	178,786
Professional services		
Actuarial	52,940	54,850
Legal and lobbyist	49,211	51,583
Audit and state regulatory fees	40,000	40,000
Public stenographer	11,263	11,508
Medical	3,751	8,495
Investigation	1,530	1,652
Printing and publication	2,958	5,085
Postage	4,633	11,646
Office supplies and furniture	4,396	4,477
Travel	89	4,035
Maintenance and repair	2,877	1,970
Payments to consultants	42,059	91,352
Membership dues, conference fees, subscriptions and publications	8,896	7,479
Computer hardware and software	15,205	16,939
Insurance	23,396	23,118
Miscellaneous	18,399	16,413
Total administrative expenses	$ 1,592,783	$ 1,642,209

Metropolitan Water Reclamation District Retirement Fund

Supplementary Information

Schedule of Investment Expenses

Year ended December 31, 2020
(with comparative amounts for prior year)

	2020	2019
Investment manager fees	$ 4,312,220	$ 4,811,132
Custodian fees	179,301	168,424
Investment consulting fees	180,000	175,833
Investment expenses	$ 4,671,521	$ 5,155,389

Schedule of Payments to Consultants

Year Ended December 31, 2020
(with comparative amounts for prior year)

Firm / Individual	Services	2020	2019
Novitas (formerly JC Consulting Group, Inc.)	Benefit system maintenance and development	$ -	$ 42,569
Provaliant	RFP Development	19,736	
Elizabeth Cautadella	Benefits consultant	14,663	35,277
Crestwood Associates	MS Dynamics upgrade	6,274	4,972
Nancy Maize	Organizational Consultant	-	2,481
Daniel W. Ryan	Organizational Consultant	-	3,688
Omnificent Systems, LLC	IT Services	-	1,500
HR Boost, LLC	HR Consulting	1,386	865
Total payments to consultants		$ 42,059	$ 91,352

Metropolitan Water Reclamation District Retirement Fund

Supplementary Information

Postemployment Healthcare Disclosure

The Fund does not provide any health insurance supplement. Employee and survivor annuitants may elect coverage under the insurance programs offered through the Metropolitan Water Reclamation District of Greater Chicago (the District), the former employer of employee annuitants. The District offers these programs to retirees on a year-by-year basis. Retirees are not guaranteed coverage under the District's insurance programs. The Fund withholds the prescribed annuitant portion of the monthly medical premium and forwards it in total to the District, which subsidizes the medical coverage. The District provides full disclosure in its Comprehensive Annual Financial Report.

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INVESTMENT SECTION

BNY MELLON

June 1, 2021

To the Board of Trustees of the Metropolitan Water Reclamation District Retirement Fund:

The Bank of New York Mellon as custodian of the assets of the Metropolitan Water Reclamation District Retirement Fund (fund) held by it in a custodial account has provided annual accounting statements to the fund which represents The Bank of New York Mellon's record of investments, receipts, disbursements, purchases and sales of securities and other transactions pertinent to the custody accounts for the period of January 1, 2020 through December 31, 2020.

In addition to the custody of assets in the custody accounts, and pursuant to the Master Custody Agreement among the Board of Trustees and The Bank of New York Mellon dated May 2, 2107 and the securities lending contract dated June 27, 2007 the Bank of New York Mellon provides the following services:

- Maintain safe custody of the assets owned by MWRD Retirement Fund.
- Settle trades in accordance with manager instructions.
- Collect dividends and registered interest payments.
- Provide proxy processing and corporate action services.
- Sweep cash balances of manager accounts in end of day sweep vehicle.
- Provide MWRD with monthly and annual audited investment accounting statements.
- Provide Periodic reports summarizing the investment activity of the Fund's assets.
- Administer a securities lending program for MWRD Retirement Fund's assets and invest cash collateral received from such loans.

Sincerely,

Jon Bangor

Jon Bangor
Relationship Manager
412-234-8544

BNY Mellon Center, 500 Grant Street Suite 151-0625, Pittsburgh, PA 15258
bnymellon.com

MarquetteAssociates

March 15, 2021

Board of Trustees
Metropolitan Water Reclamation District Retirement Fund
100 East Erie Street
Chicago, IL 60611

To the Board of Trustees:

Marquette Associates ("Marquette") is the independent investment consultant for the Metropolitan Water Reclamation District Retirement Fund ("MWRDRF"). Marquette is responsible for the implementation of the MWRDRF's allocation, trustee education, the selection and monitoring of investment managers as well as investment performance analysis. Marquette follows the CFA® Institute's Performance Presentation Standards for calculating and reporting performance returns.

The assumed actuarial rate of return for the MWRDRF is 7.25%. In 2020, the MWRDRF returned 9.2% net of fees. Over the same period, the policy index returned 10%.

The year 2020 was ultimately characterized by the global COVID-19 pandemic, extreme market volatility and social unrest. U.S. Treasury yields fell from 1.92% at the beginning of the year to a low of 0.76% as panic swelled on March 23rd.

The Fed, Treasury, Congress, and White House subsequently teamed up to provide unprecedented backstop and support at breakneck speed, aiding the markets with ample liquidity as spreads gradually tightened and flows returned from April through the end of the year. The Agg returned 7.5% in 2020 as bank loans returned 2.8%, high yield returned 7.1%, and emerging markets debt returned 5.3%. At the end of 2020, the MWRDRF had approximately 26% allocated to Fixed Income. The composite returned 8% versus the benchmark which returned 7.5%.

The S&P 500 index plunged nearly 35% in late February and March, marking the fastest bear market in history. The drop precipitated a spike in the CBOE Volatility index, which reached a level in March not seen since the Global Financial Crisis. The policy relief efforts in 2020 came to roughly 18% of 2019 GDP, dwarfing the 5% of GDP spent during the Global Financial Crisis. U.S. equities rebounded

MarquetteAssociates

nicely since their March trough in part because of this aid. The S&P 500 finished the year up 18.4%. The Russell 2000 index, which tracks U.S. small companies, also finished the year in positive territory, returning 20.0%. Both indices ended 2020 near all-time highs despite unprecedented levels of volatility and uncertainty. At the end of 2020, the MWRDRF had approximately 41% allocated to domestic equities. The composite returned 12.4% versus the benchmark which returned 13.7%.

International equities saw a sharp rebound in the second quarter of 2020 as there were signs of slowing COVID-19 cases in Europe and China, advances in vaccine developments, and a tempered but gradual economic re-opening filtered into the market. The year ended on a positive performance note, with emerging markets (+18.3%) handily outpacing their developed markets counterparts (+7.8%). Small-cap stocks outperformed in both developed markets (+12.3%) and emerging markets (+19.3%). At the end of 2020, the MWRDRF had approximately 23% allocated to international equities. The composite returned 7.8% versus the benchmark which returned 10.7%.

With respect to Private Real Estate, 2020 was a year of sizeable performance dispersion across the main real estate sectors (Industrial +4.7%, Apartments +1%, Office +0.5%, Retail -1.2% and Hotel -3.3%) as a result of the economic shut down, along with technology disruptions and evolving societal trends. At the end of 2020, the MWRDRF had approximately 9% allocated to open end real estate. The composite returned -2% versus the benchmark which returned 0.3%.

2020 was truly a year unlike any other. The end of both the longest bull market in history (nearly 11 years) and the shortest bear market in history (less than a month) coincided with a global pandemic. Thus far in 2021, the markets have continued to exhibit a healthy degree of volatility, underscoring that there may be some speed bumps ahead both economically and politically.

Sincerely,

Kweku Obed, CFA, CAIA

INVESTMENT PREFACE

INVESTMENT AUTHORITY

The Metropolitan Water Reclamation District Retirement Fund's (Fund) investment authority is established by and subject to the provisions of the Illinois Compiled Statutes, Chapter 40, Act 5, Articles 1 and 13.

The Retirement Fund Board of Trustees (Board) invests the Fund's reserves according to the Prudent Person Rule. This rule requires a Trustee, who is a fiduciary by way of title, to discharge their duties with the care, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in a similar situation.

INVESTMENT RESPONSIBILITY

The duties of the Board include the appointment and review of investment managers as fiduciaries to manage the investment assets of the Fund. The investment managers are granted discretionary authority to manage stated assets and vote all proxies for the Board. The investment managers must discharge their duties with respect to the Fund solely in the interest of the Fund's contributors and beneficiaries.

INVESTMENT POLICY & OBJECTIVES

The Fund's asset allocation strategy is based on a combination of long-term investment return expectations and the Fund's expected cash requirements for payments of benefits and expenses. The investment objective of the total portfolio is to maximize the rate of return within a prudent level of risk.

The Fund is expected to meet or exceed the actuarial return assumption on average over 5-year rolling quarterly periods. During 2020, the Fund's actuarial return assumption was 7.25%. The Fund's policy index since January 1, 2020 is as follows:

21%	S&P 500 Index
10%	Russell MidCap Index
10%	Russell 2000 Index
10%	MSCI ACWI ex-US Index
6%	S&P Developed Small Cap ex-U.S.
6%	MSCI Emerging Markets Index
27%	Bloomberg Barclays US Aggregate Index
10%	NFI-ODCE Index

Individual goals are established for each investment manager and incorporated into the contracts with those managers. The Board hires and reviews investment managers based on an evaluation of their investment philosophy, long-term performance and ability to complement existing portfolio styles. Investment managers must adhere to their stated investment philosophy and strive to attain their performance goals. The formal investment policy is reviewed annually.

INVESTMENT ALLOCATION

The Investment Policy of the Fund establishes asset allocation targets and ranges for each asset class to achieve risk and return objectives. Fund staff, in collaboration with the Fund's investment consultant, monitors the investment allocation monthly. Rebalancing is normally recommended by the consultant when variances approach 5% over or under the targets. In addition, strategic withdrawals for payment of benefits are used to fine-tune the allocations.

As of December 31, 2020, and 2019, the Fund's asset allocation percentages, are listed below.

Asset Class	2020 Actual Asset Allocation	2019 Target Allocation	2019 Actual Asset Allocation
Domestic Equity	41.9%	41.0%	41.4%
International Equity	22.7%	22.0%	22.6%
Domestic Fixed income	25.5%	27.0%	26.6%
Real Estate	8.8%	10.0%	9.4%
Total	100.0%	100.0%	100.0%

INVESTMENT MANAGEMENT

The Fund's stated investment objective is to maximize the rate of return within a prudent level of risk. During 2020, the Board of Trustees, with the assistance of the Fund's investment consultant Marquette Associates when warranted, undertook the following investment activities related to the Fund's stated investment objective:

- The Fund received a $20.0 million special contribution from the District in March, which was invested in the SSgA Bond Index, the SSgA S&P500 Index, and the SSgA MSCI ACWI Index funds.

- At the February Board meeting, the Board approved the termination of one of the Fund's Large Cap Value mandates. The $58.8 million mandate was transitioned to the SSgA S&P500 Index Fund in March.

- In April, the Board approved the termination of the Fund's International Large Cap Equity mandate, and $58.6 million was transitioned to the SSgA MSCI ACWI Index fund in May.

- In June, the Board approved the termination of the Fund's Small Cap Core mandate, and $32.4 million was transitioned to the existing Wasatch and Mesirow Small Cap Value mandates in July.

- The Board approved the termination of the Fund's remaining Large Cap Value mandate; $40.0 million was transitioned to the SSgA S&P500 Index fund in November.

- In accordance with the Board approved increased allocation to Core Real Estate, approved in late 2019, in January and October 2020 additional allocations to the DWS RREEF Core Real Estate fund were made totaling $27.0 million.

INVESTMENT MANAGEMENT, CONTINUED

- In June, The Board approved increasing the Fund's minority (MWDBE) broker/dealer commission goals. The goal for domestic equity trades was increased from 30% to 40%. International equity trades increased from 10% to 20%. The goal for fixed income trades increased from 20% of par value traded to 25%. For full year 2020, the Fund exceeded the new goals in all categories.

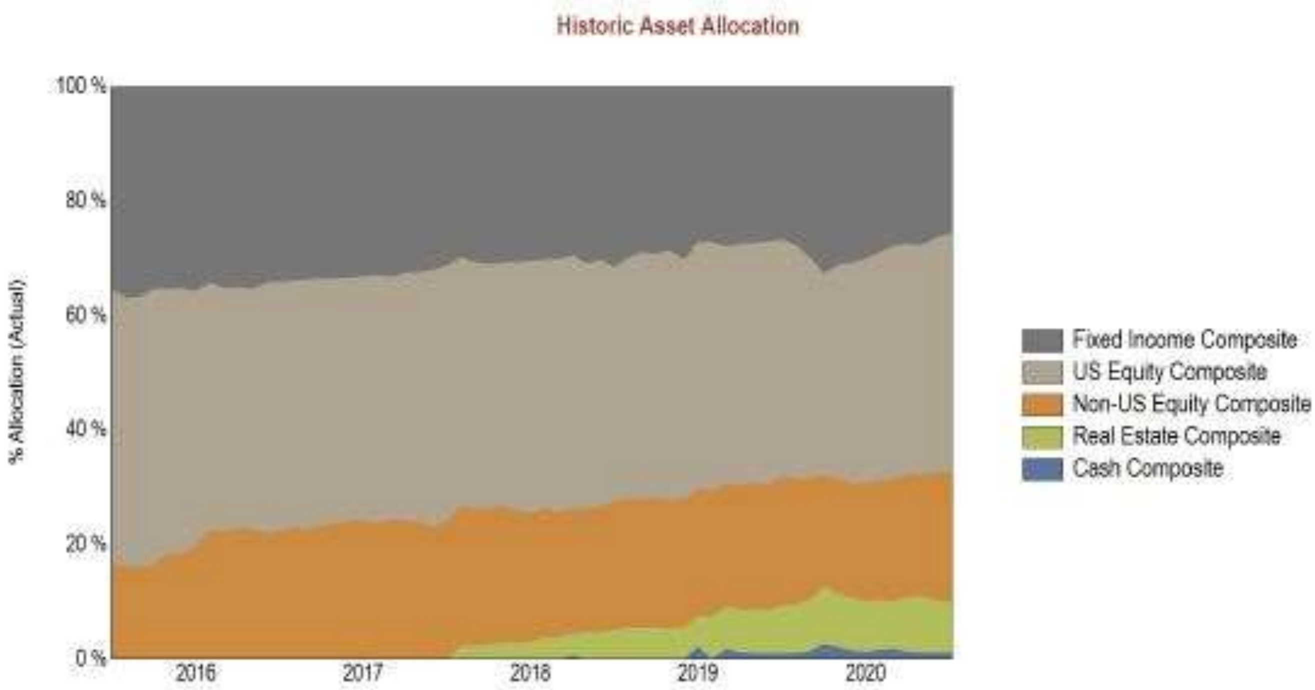
INVESTMENT PERFORMANCE

Marquette Associates evaluates investment manager performance as well as overall performance on a monthly and quarterly basis and presents their reports to the Trustees at the monthly Board meetings. Investment returns are calculated based on a time-weighted rate of return based on market values and in compliance with industry accepted reporting standards. Rates of returns are reported net of investment fees. The Fund's investment managers report performance in compliance with Global Investment Performance Standards. This reporting requirement is also included in the managers' contractual agreements with the Fund.

The time weighted market value rate of return on invested assets for the year ending December 31, 2020 was +9.2% net of fees. The Fund's performance over the long term against the actuarial rate of return assumption, the various component indices, and the Policy Index is an important indicator of how well the Fund is accomplishing its investment objectives. Data for trend analysis is also included in this section.

PORTFOLIO ASSET ALLOCATION

	December 31, 2020			December 31, 2019		
	Market Value	Actual	Policy	Market Value	Actual	Policy
Fixed Income	380,492,611	25.5 %	25.5 %	378,273,899	26.6 %	27.0 %
U.S. Equity	625,810,363	41.9	41.9	587,509,264	41.4	41.0
Non-U.S. Equity Investments	338,861,887	22.7	22.7	320,745,625	22.6	22.0
Real Assets	131,861,303	8.8	8.8	119,351,510	8.4	10.0
Other	16,429,568	1.1	1.1	14,556,885	1.0	-
Total Investments	$1,493,455,732	100.0 %	100.0 %	$1,420,437,183	100.0 %	100.0 %



Source: Marquette Associates

PORTFOLIO PERFORMANCE

	Year ending 12/31/20[2]	3-Year Annualized	5-Year Annualized	10-Year Annualized
Total Fund Composite	**9.2%**	**6.2%**	**8.7%**	**8.2%**
Policy Index [1]	*10.0%*	*6.7%*	*8.9%*	*8.5%*
Actuarial Rate 7.25%	*7.2%*	*7.3%*	*7.4%*	*7.5%*
Fixed Income Composite	**8.0%**	**5.5%**	**4.9%**	**4.1%**
BBgBarc US Aggregate TR	*7.5%*	*5.3%*	*4.4%*	*3.8%*
US Equity Composite	**12.4%**	**8.9%**	**12.0%**	**11.2%**
US Equity Custom Benchmark	*13.7%*	*9.9%*	*12.7%*	--
Large Cap Core Composite	**22.5%**	**16.2%**	**16.2%**	**--**
Russell 1000	*21.0%*	*14.8%*	*15.6%*	*14.0%*
Mid Cap Composite	**10.7%**	**6.8%**	**10.3%**	**--**
Russell MidCap	*17.1%*	*11.6%*	*13.4%*	*12.4%*
Small Cap Composite	**10.0%**	**5.8%**	**10.4%**	**--**
Small Cap Benchmark	*19.8%*	*10.2%*	*13.2%*	--
Non-US Equity Composite	**7.6%**	**3.0%**	**8.2%**	**7.4%**
MSCI ACWI ex USA	*10.7%*	*4.9%*	*8.9%*	*4.9%*
Real Estate Composite	**-2.0%**	**--**	**--**	**--**
NFI	*0.3%*	*4.0%*	*5.3%*	*8.9%*

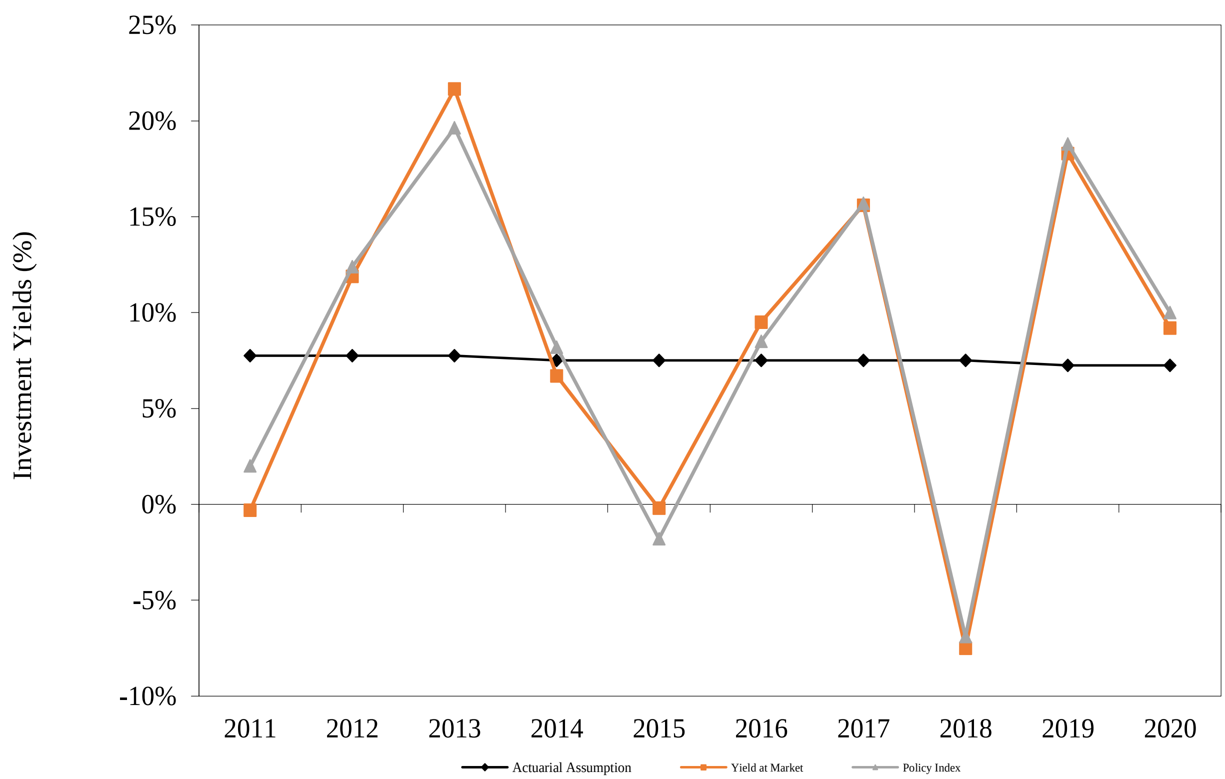
1 See current Policy Index in Investment Preface. Policy index has been modified over time based on changes to the Fund's asset allocation.

2 Investment returns are reported net of investment fees. The calculation is based on a time-weighted rate of return at market and is in compliance with industry accepted reporting standards. Quarterly reports of the Fund's Investment Consultant can be obtained upon request.

Source: Marquette Associates

INVESTMENT RETURNS
Last Ten Years

December 31st	Invested Assets	Actuarial Assumption	Portfolio Return	Fund's Policy Index[2]
2011	$ 979,087,210	7.75%	-0.3%	2.0%
2012	1,064,586,807	7.75%	11.9%	12.4%
2013	1,246,898,339	7.75%	21.7%	19.6%
2014	1,281,356,457	7.50%	6.7%	8.2%
2015	1,221,831,791	7.50%	-0.2%	-1.8%
2016	1,271,792,170	7.50%	9.5%	8.5%
2017	1,383,772,856	7.50%	15.6%	15.7%
2018	1,242,672,493	7.50%	-7.5%	-6.9%
2019	1,422,895,959	7.25%	18.3%	18.8%
2020	1,498,905,113	7.25%	9.2%	10.0%



1 Time weighted investment returns are reported net of investment fees.

2 See current Policy Index in Investment Preface. Policy index has been modified over time based on changes to the Fund's asset allocation.

EQUITY DIVERSIFICATION
as of December 31, 2020

	Market Value	% of Total Equity
Domestic Equities		
Information Technology	$ 137,678,280	22.0 %
Financials	85,736,020	13.7
Industrials	83,858,589	13.4
Consumer Discretionary	83,232,778	13.3
Healthcare	73,219,812	11.7
Communication Services	47,561,588	7.6
Real Estate	27,535,656	4.4
Consumer Staples	26,284,035	4.2
Materials	21,903,363	3.5
Unclassified	16,271,069	2.6
Energy	11,890,397	1.9
Utilities	10,638,776	1.7
Total Domestic Equities	625,810,363	100.0
International Equities		
Financials	54,559,753	16.1
Industrials	48,459,905	14.3
Consumer Discretionary	47,104,383	13.9
Materials	44,393,340	13.1
Consumer Staples	33,210,285	9.8
Unclassified	24,738,273	7.3
Health Care	22,366,110	6.6
Information Technology	21,010,588	6.2
Real Estate	14,571,860	4.3
Communication Services	12,538,577	3.7
Utilities	9,488,653	2.8
Energy	6,438,729	1.9
Total International Equities	$ 338,880,456	100.0 %

Source: Marquette Associates

TOP 10 DOMESTIC EQUITY HOLDINGS
as of December 31, 2020

Company Name	Industry	Shares	Fair Value
Apple Inc	Computers	61,167	$ 8,116,249
Microsoft Corp	Software	28,750	6,394,575
Amazon.com Inc	Internet	1,640	5,341,365
Kadant Inc	Machinery-Diversified	29,401	4,144,953
Mattel Inc	Toys/Games/Hobbies	234,200	4,086,790
Altria Industrial Motion Corp	Machinery-Diversified	71,059	3,938,800
Envista Holdings Corp	Health Care	113,900	3,841,847
Lazard Ltd	Diversified Financial Services	87,300	3,692,790
Jones Lang LaSalle Inc	Real Estate Management & Development	24,645	3,656,579
Kennametal Inc	Hand/Machine Tools	100,835	3,654,260

TOP 10 INTERNATIONAL EQUITY HOLDINGS
as of December 31, 2020

Company Name	Industry	Shares	Fair Value
3i Group Plc	Specialty Finance	54,100	$ 856,364
Highland Gold Mining Ltd	Gold Mining	201,500	825,220
Vistry Group PLC	Home Construction	60,518	777,202
Mizrahi Tefahot Bank Ltd	Banks	33,200	767,753
Baloise Holding AG	Insurance	4,300	766,163
Jet2 PLC	Airlines	38,900	760,393
Paragon Banking Group PLC	Consumer Finance	110,200	736,017
Signify NV	Electrical Equipment	17,000	718,236
Inwido AB	Building Materials	46,100	676,410
Bilia AB	Retail	51,500	635,868

Source: Marquette Associates

FIXED INCOME DIVERSIFICATION
as of December 31, 2020

	Market Value	% of Total Fixed Income
Treasuries & Government	$ 113,389,135	29.8 %
Corporate	136,980,163	36.0
Mortgage-backed	89,798,107	23.6
Asset-Backed	7,610,009	2.0
Foreign	16,742,020	4.4
Municipals	30,440,036	8.0
Other	(14,459,017)	-3.8
Total Fixed Income	$ 380,500,452	100.0 %

Source: Marquette Associates

TOP 10 DOMESTIC FIXED INCOME HOLDINGS
as of December 31, 2020

Security Name		Sub-Asset Class	Fair Value
U S Treasury Note	1.500% 02/15/2030 DD 02/15/20	U. S. Government Securities	$ 7,193,924.00
U S Treasury Note	2.375% 05/15/2027 DD 05/15/17	U. S. Government Securities	6,575,459.85
Federal Agric Mtg Corp Note	VAR RT 01/25/2022 DD 06/22/20	U. S. Government Securities	4,772,994.50
US Treas-CPI Inflat	0.125% 01/15/2030 DD 01/15/20	U. S. Government Securities	3,499,531.26
JP Morgan Chase & Co	VAR RT 10/15/2030 DD 09/12/19	Corporate Debt Instruments	3,082,580.55
Federal Home Ln Bk Cons Bd	VAR RT 12/17/2021 DD 06/17/20	U. S. Government Securities	2,706,298.40
PNC Bank NA	VAR RT 07/27/2022 DD 07/28/17	Corporate Debt Instruments	2,414,160.00
Bank of America Corp	VAR RT 02/07/2030 DD 02/07/19	Corporate Debt Instruments	2,355,660.00
Federal Home Ln Bk Cons Bd	VAR RT 08/24/2021 DD 02/24/20	U. S. Government Securities	2,259,887.00
Federal Home Ln Bk Cons Bd	VAR RT 09/13/2021 DD 09/13/19	U. S. Government Securities	2,070,207.00

TOP 10 INTERNATIONAL FIXED INCOME HOLDINGS
as of December 31, 2020

Security Name		Sub-Asset Class	Fair Value
Societe Generale SA	VAR RT 12/14/2026 DD 12/14/20	Corporate Debt Instruments	$ 418,664.45
Panama Government Int	3.750% 03/16/2025 DD 03/16/15	Non-US Government Bonds	403,784.90
Avolon Holdings Ltd	3.250% 02/15/2027 DD 01/14/20	Corporate Debt Instruments	403,026.40
Japan Bank for International Cooperation	0.625% 07/15/2025 DD 07/15/20	Non-US Government Bonds	365,127.75
Romanian Government Int	6.125% 01/22/2044 DD 01/22/14	Non-US Government Bonds	352,600.00
Dominican Republic Int	5.875% 04/18/2024 DD 04/18/13	Non-US Government Bonds	328,128.00
Philippine Government Int	3.950% 01/20/2040 DD 01/20/15	Non-US Government Bonds	302,682.45
HSBC Holdings Plc	VAR RT 09/22/2028 DD 09/22/20	Corporate Debt Instruments	302,000.35
Kazakhstan Government Int	5.125% 07/21/2025 DD 07/21/15	Non-US Government Bonds	301,315.65
Hungary Government Int	7.625% 03/29/2041 DD 03/29/11	Non-US Government Bonds	301,095.50

Source: Marquette Associates

ASSETS UNDER MANAGEMENT
By Asset Type and Manager

	December 31, 2020		December 31, 2019	
	Market Value	% of Total	Market Value	% of Total
Fixed Income Managers				
Neuberger Berman	$ 112,314,554	7.5 %	$ 112,828,646	7.9 %
Ramirez Asset Management	59,826,895	4.0	55,745,038	3.9
State Street Global Advisors	151,306,153	10.1	153,332,069	10.8
Garcia Hamilton & Associates	57,045,008	3.9	56,368,145	4.0
Total Fixed Income	380,492,610	25.5	378,273,898	26.6
Equity Managers				
Domestic Equity				
Ariel Investments	92,669,675	6.3	84,883,090	6.0
Decatur Capital Management, Inc.	70,682,472	4.7	67,898,076	4.8
Mesirow Financial Management	53,794,356	3.6	29,700,443	2.1
LSV Asset Management	-	-	70,737,064	5.0
Matarin Capital Management	-	-	39,071,142	2.8
O'Shaughnessy Asset Management, LLC.	-	-	42,487,938	3.0
State Street Global Advisors S&P500	244,162,873	16.3	118,067,789	8.3
State Street Global Advisors S&P400	63,967,999	4.3	59,864,860	4.2
Wasatch Advisors	100,532,988	6.7	74,798,862	5.3
Subtotal	625,810,363	41.9	587,509,264	41.4
International Equity				
Hexavest Inc.	-	-	73,875,323	5.2
Dimensional Fund Advisors	97,691,014	6.5	85,798,469	6.0
LSV Asset Management	88,367,802	5.9	88,433,582	6.2
State Street Global Advisors MSCI-ACWI	152,803,071	10.3	72,638,251	5.1
Subtotal	338,861,887	22.7	320,745,625	22.6
Total Equities	964,672,250	64.6	908,254,889	64.0
Real Estate Managers				
DWS RREEF America II	68,735,552	4.6	53,022,700	3.7
UBS Trumbull Property Fund	63,125,751	4.2	66,328,810	4.7
Total Real Estate	131,861,303	8.8	119,351,510	8.4
Cash	16,429,568	1.1	14,556,886	1.0
Total Investments	$ 1,493,455,731	100.0 %	$ 1,420,437,183	100.0 %

Source: Marquette Associates

INVESTMENT MANAGER COMPENSATION

Investment Managers:[1]	2020	2019
Ariel Investments	$ 363,508	$ 396,754
DWS	542,518	356,874
Decatur Capital Management, Inc.	382,857	373,496
Garcia Hamilton & Associates	110,021	105,088
Hexavest Inc.	128,961	391,804
LSV Asset Management	710,872	1,002,424
Matarin Capital Management	115,029	347,639
Mesirow Financial Management	216,852	183,745
Neuberger Berman	272,208	263,646
O'Shaughnessy Asset Management, LLC.	141,384	192,547
Ramirez Asset Management	108,509	5,979
Standish Mellon Asset Management	-	102,624
State Street Global Advisors	151,522	112,042
UBS Realty Investors	539,139	432,885
Wasatch Advisors	528,840	543,585
Total	$4,312,220	$4,811,132

CUSTODIAL FEES[2]

Institution		
Bank of New York Mellon Co.	$ 179,301	$ 168,424

INVESTMENT CONSULTANT FEES

Consulting Firm		
Marquette Associates	$ 180,000	$ 175,833
Total Investment Expenses	$4,671,521	$5,155,389

[1] Investment manager compensation is reflected in the financial statements along with other direct investment expenses as an offset to investment income and is so described within the notes to the financial statements.
[2] Custodial fees do not include management fees related to the Fund's commingled assets custodied by State Street.

SCHEDULE OF 2020 DOMESTIC BROKERAGE COMMISSIONS

Broker Name	Commissions[1]	% of Total
Loop Capital Markets [2]	$ 41,280	16.0
Drexel Hamilton LLC [2]	38,108	14.8
Penserra Securities LLC[2]	34,446	13.4
Castleoak Securities [2]	18,131	7.0
CL King & Associates Inc [2]	17,755	6.9
Robert W Baird & Co. Incorporated	16,255	6.3
Stifel, Nicolaus & Company, Incorporated	12,713	4.9
Raymond James & Associates Inc	10,088	3.9
Siebert Williams Shank & Co LLC [2]	9,762	3.8
Academy Securities Inc. [2]	7,958	3.1
Jeffries & Co	6,399	2.5
Cabrera Capital Markets LLC [2]	6,283	2.4
Virtu ITG LLC	4,010	1.6
Goldman Sachs & Co. LLC	3,975	1.5
Jones Trading	3,572	1.4
Capital Institutional Services Inc [2]	3,355	1.3
Susquehanna Investment Group	2,492	1.0
Subtotal	236,582	91.8
All Others[3]	21,218	8.2
Total	$ 257,800	100.0

1 Investment brokerage commissions are accounted for as an additional cost to a security when the security is purchased, and as a reduction to the cash amount received when the security is sold.

2 Brokerage for stock trades executed by Minority/Women/Disabled/Veteran – Owned Business Enterprises.

3 Brokerage firms that each received less than 1.0% of the total commissions.

SCHEDULE OF 2020 INTERNATIONAL BROKERAGE COMMISSIONS

Broker Name	Commissions[1]	% of Total
Mischler Financial Group, Inc.[2]	$ 10,499	17.0
Credit Suisse Securities	7,096	11.5
UBS Securities LLC	6,646	10.8
Morgan Stanley & Co. Inc.	4,212	6.8
Bank of America/Merrill Lynch	3,292	5.3
Loop Capital Markets, LLC[2]	3,168	5.1
J.P. Morgan Securities LLC	3,042	4.9
Cabrera Capital Markets LLC[2]	2,603	4.2
CLSA LLC	2,071	3.4
ITG Canada	1,984	3.2
Pictet Overseas Inc	1,937	3.1
SMBC Nikko Securities Ltd	1,936	3.1
Mizuho Securities LLC	1,802	2.9
Instinet LLC	1,483	2.4
Redburn LLC	1,276	2.1
Barclays Capital Inc	1,244	2.0
Goldman Sachs & Co LLC	1,174	1.9
Societe Generale Securities Corporation	1,112	1.8
Liquidnet Inc	1,054	1.7
Citigroup Global Markets Inc	899	1.5
RBC Capital Markets LLC	590	1.0
Subtotal	59,118	95.7
All Others[3]	2,508	4.3
Total	$ 61,626	100.0

1 Investment brokerage commissions are accounted for as an additional cost to a security when the security is purchased, and as a reduction to the cash amount received when the security is sold.

2 Brokerage for stock trades executed by Minority/Women/Disabled/Veteran - Owned Business Enterprises.

3 Brokerage firms that each received less than 1.0% of the total commissions.

ACTUARIAL SECTION

FOSTER & FOSTER
ACTUARIES AND CONSULTANTS

April 22, 2021

Board of Trustees
Metropolitan Water Reclamation District Retirement Fund
111 E. Erie St.
Chicago, IL 60611

Dear Board:

We are pleased to present to the Board this report of the December 31, 2020 actuarial valuation of the Metropolitan Water Reclamation District Retirement Fund.

The valuation was performed as of December 31, 2020 to determine the current funding status and to develop the appropriate funding requirements for the applicable plan year. Successive valuations will be performed every year.

Included are the related results for GASB Statements No. 67 and No. 68. The total pension liability, net pension liability, and certain sensitivity information shown in the GASB results are based on an actuarial valuation performed as of the valuation date. The calculation of the liability for GASB results was performed for the purpose of satisfying the requirements of GASB Statements No. 67 and No. 68. Use of the results for other purposes may not be applicable and produce significantly different results.

Data Sources
In preparing this report, we have relied on personnel, plan design and asset information supplied by the Fund. The actuarial value of assets was determined based on audited financial statements supplied by Legacy Professionals LLP, the auditor for the Fund. In our opinion, the assumptions used in the valuation, as adopted by the Board of Trustees, represent reasonable expectations of anticipated fund experience. While we cannot verify the accuracy of all this information, the supplied information was reviewed for consistency and reasonableness. As a result of this review, we have no reason to doubt the substantial accuracy of the information and believe that it has produced appropriate results. This information, along with any adjustments or modifications, is summarized in various sections of this report.

Experience
The experience of the Fund over the last year is outlined in this report. Overall, the Fund experienced an actuarial gain of $5,448,697 which consists of a $10,483,804 gain on the Fund's actuarial value of assets and a $5,035,107 loss on the Fund's actuarial accrued liability. Based on the actuarial value of assets, the Fund earned 7.98% compared to the assumed 7.25% return. The primary source of liability loss was due to more retirements than expected. These losses were offset somewhat by lower than assumed salary increases and higher than expected mortality experience for surviving spouses.

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Changes Since Prior Report
The valuation reflects no changes since the prior report.

Contribution Amounts
The statutory funding objective of the Fund is to attain a funded ratio of at least 90% by the year 2050. However, an additional contribution requirement has been determined based on achieving a funding level of 100%. District contributions equal an amount that will be sufficient to meet the Fund's actuarially determined contribution requirement but shall not exceed an amount equal to the total employee contributions 2 years prior multiplied by 4.19.

Based on the results of this valuation, the actuarially determined contribution applicable for the fiscal year ending December 31, 2021 is $76,841,344. This contribution is based on a 100% funding target. Based on the pension code, the maximum employer contribution (based on the 4.19 multiplier) is $88,754,000.

We estimate that a multiplier of 3.63 is required to cover the full actuarially determined contribution requirement for the year 2021.

Illinois Public Act 97-0894 (effective 8/3/2012) provided for changes to member contribution requirements and the required multiplier. The expected member contributions reflect the same rates as the prior year valuation.

Schedules for Annual Financial Report
The report includes information and trend data schedules for use in the Annual Financial Report. The following information and exhibits are included in the body of the report and Supplementary Tables section:

- Recommended Employer Multiple
- Present Value of Future Benefits
- Membership Note Data
- Participant Statistics
- History of Change in Unfunded Accrued Liability
- History of Annuitants and Surviving Spouses Added/Dropped from Rolls
- Summary of Annuitants and Surviving Spouses by Age
- History of Average Annuities at Retirement
- Breakdown of Aggregate Accrued Liabilities

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Actuarial Certification
The valuations have been conducted in accordance with generally accepted actuarial principles and practices, including the applicable Actuarial Standards of Practice as issued by the Actuarial Standards Board, and reflects laws and regulations issued to date pursuant to the provisions of Article 13, Illinois Pension Code, as well as applicable federal laws and regulations. Future actuarial measurements may differ significantly from the current measurements presented in this report for a variety of reasons including changes in applicable laws, changes in plan provisions, changes in assumptions, or plan experience differing from expectations. Due to the limited scope of the valuation, we did not perform an analysis of the potential range of such future measurements.

In our opinion, the assumptions and method used to determine the annual required contribution, as adopted by the Board of Trustees, represent reasonable expectations of anticipated plan experience.

In our opinion, the following valuation results fairly present the financial condition of the Metropolitan Water Reclamation District Retirement Fund as of December 31, 2020.

The undersigned is familiar with the immediate and long-term aspects of pension valuations and meets the Qualification Standards of the American Academy of Actuaries necessary to render the actuarial opinions contained herein. All the sections of this report are considered an integral part of the actuarial opinions.

To our knowledge, no associate of Foster & Foster, Inc. working on this report has any direct financial interest or indirect material interest in the Metropolitan Water Reclamation District, nor does anyone at Foster & Foster, Inc. act as a member of the Board of Trustees of the Metropolitan Water Reclamation District Retirement Fund. Thus, there is no relationship existing that might affect our capacity to prepare and certify this actuarial report.

We look forward to discussing the results with you.

Regards,

Jason L. Franken, FSA, EA, MAAA

Enrollment Number: 20-06888
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ACTUARIAL PREFACE

PENSION FINANCING

The approaches used to finance pensions can be divided into two basic categories. Under Pay-As-You-Go Financing the benefits called for by the plan would be paid out directly by the employer as they become due. Most public retirement plans including the MWRD Retirement Fund use Actuarial Funding, a form of Advance Funding, which is designed to set aside money during an employee's working career so that sufficient funds are accumulated at the time of retirement to pay the employee's future pension. This method builds up a pool of assets which will generate investment income, thereby reducing the contribution requirements to meet the pension costs.

ACTUAL FUNDING

The Fund is financed by employee contributions, employer contributions (i.e. the MWRD tax levy) and investment earnings; investment earnings and employer funding are the primary determinants of the Fund's financial status.

Through fiscal year 2013, employer contributions were set at 2.19 times employee contributions made in the calendar year two years prior. Beginning in 2013, employer contributions were increased to the lesser of the amount resulting from using a 4.19 multiple, or the actuarially determined contribution requirement.

Prior to 2013, employee contributions were 9% of salary for all employees. Contributions for Tier I employees, who became members before January 1, 2011, increased to 10% of salary in 2013, to 11% in 2014 and to 12% in 2015; the Tier I contribution rate remains at 12%. Contributions for Tier II employees, who became members after January 1, 2011, are 9% of salary.

ACTUARIAL FUNDING

The Fund's actuary performs an annual actuarial valuation which includes the determination of the Actuarial Accrued Liability, the Actuarial Value of Assets and what is known as the Actuarially Determined Contribution Requirement. Actuaries use demographic data (such as employee age, salary, and service credits), economic assumptions (such as estimated salary increases and interest rates), and decrement assumptions (such as employee turnover, mortality, and retirement rates) in performing these valuations. The actuarial valuation process is generally as follows:

1. Based on the demographic data and actuarial assumptions described above, the amount and timing of benefits payable in the future are estimated by the actuary for all participants at the valuation date. Important assumptions in this computation are the turnover, retirement age, and earnings progression for active members, and mortality for all participants.

2. The actuary then calculates the actuarial present value of these future benefits. This is the amount necessary to be invested at the valuation interest rate, at the valuation date, to provide benefit payments as they come due. Each year's estimated benefit payments are discounted by an assumed interest rate to determine the present dollar value of benefits.

3. The final step is to apply a cost method assigning portions of the total value of benefits to past, present and future periods of employee service. This allocation is accomplished by the development of normal cost and accrued benefit cost.

One of the most important actuarial assumptions is the assumed rate of return on investments. The Fund's current assumed rate is 7.25% as of the 12/31/20 valuation. It is believed to be appropriate based on the actuary's review of capital market assumptions and other factors which are part of the annual valuation. Based on common actuarial practice this return has been determined reasonable and achievable through asset allocation, on average, over the long-term.

The Fund uses the entry age normal actuarial cost method with costs allocated on the basis of earnings, one of several accepted actuarial cost methods. Under this cost method, the Actuarial Present Value of the projected pension of each member included in the valuation is assumed to be funded by annual installments, equal to a level percent of the member's earnings for each year between entry age and assumed exit age. The normal cost for the member for the current year is equal to the portion of the value so determined, assigned to this year. The normal cost for the plan for the year is the sum of the normal costs of all active members. The normal cost for the year beginning January 1, 2021 was determined to be $30.8 million or 16.36% of payroll (11.07% of payroll is expected from employee contributions, 5.29 of payroll is the employer's portion, and 0.85% of payroll for administrative expenses.)

Accrued benefit cost, or the Actuarial Accrued Liability (AAL), is the portion of the present value of benefits assigned by the cost method to years of service up to the valuation date (i.e. for past service). This value changes as the member's salary and years of service change, and as some members leave and are replaced by new members. Future normal cost is the portion of the present value of benefits assigned to future years of service (i.e. for future service) and is assumed to be funded annually.

To the extent that current assets plus future normal costs (assumed to be funded annually) do not support members' expected future benefits, an Unfunded Actuarial Accrued Liability (UAAL) develops. The UAAL is generally amortized over a fixed period of time (e.g. 30 years) from the date incurred. Actuarial funding of plan benefits would require annual District (employer) contributions which at least cover the employer's normal cost, plus an amortization of the UAAL. In the past the District funded the plan according to statute as described above, which until the 2013 tax levy resulted in actual contributions that often fell short of the actuarial requirement. Legislation passed in 2012 changed the computation of the tax levy, resulting in higher District contributions that more closely approximate the actuarial funding requirement. The legislation which increased both the employer and employee contribution requirements is expected to eliminate the UAAL by the year 2050.

The information following this Preface is from the December 31, 2020 actuarial valuation performed by Foster & Foster, which was based upon:

a) Membership data - provided by Fund staff

b) Assets of the Fund - audited financial statements

c) Actuarial Method – entry age actuarial cost method, approved by the Board

d) Actuarial Assumptions – summarized in this section, approved by the Board

SUMMARY OF VALUATION RESULTS

	December 31, 2020	December 31, 2019
Total Actuarial Liability	$ 2,714,192,284	$ 2,666,221,630
Actuarial Value of Assets	1,556,056,167	1,489,266,144
Unfunded Actuarial Liability	$ 1,158,136,117	$ 1,176,955,486
Funded Ratio	57.3%	55.9%
Market Value of Assets	$ 1,580,890,628	$ 1,506,834,278
Unfunded Liability (MVA basis)	$ 1,133,301,656	$ 1,159,387,352
Funded Ratio (MVA basis)	58.2%	56.5%
Employer Normal Cost as % of Payroll:		
Tier 1 Benefits	6.36%	6.38%
Tier 2 Benefits	2.87%	3.19%
Administrative Expenses	0.85%	0.86%
Total Employer Normal Cost	6.14%	6.38%
Applicable Fiscal Year[1]	**2021**	**2020**
Actuarially Determined Contribution	$ 76,841,344	$ 77,392,414
Contribution Requirement For Fiscal Year[2]	$ 76,841,344	$ 77,392,414
Expected Employer Contribution for Fiscal Year	$ 88,754,000	$ 88,127,000

[1] The contribution requirements are levied in the applicable fiscal year and deposited into the Fund during the following fiscal year.

[2] See details of calculation on page 84.

Source: Foster & Foster

ACTUARIAL LIABILITY AND FUNDED RATIO

Below are details regarding the actuarial liability and funded ratio as of December 31, 2020.

1.	Present Value of Future Benefits	$	2,978,314,242
2.	Active Members		
	Retirement	$	632,213,871
	Termination		19,422,959
	Death		22,224,419
	Disability		6,561,245
	Total	$	680,422,494
3.	Members Receiving Benefits		
	Retirement Annuities	$	1,781,297,562
	Survivor Annuities/Children		232,466,316
	Total	$	2,013,763,878
4.	Inactive Members	$	20,005,912
5.	Total Actuarial Liability (2. + 3. + 4.)	$	2,714,192,284
6.	Actuarial Value of Assets	$	1,556,056,167
7.	Unfunded Actuarial Liability	$	1,158,136,117
8.	Funded Ratio		57.3%

Source: Foster & Foster

UNFUNDED ACTUARIAL LIABILITY

1.	Unfunded Actuarial Accrued Liability (UAAL) as of December 31, 2019	$ 1,176,955,486
2.	Employer Normal Cost, Developed as of December 31, 2019	12,115,137
3.	Expected Interest (7.25%) on 1. and 2.	86,207,620
4.	Employer Contributions	107,852,191
5.	Expected Interest (7.25%, mid-year) on 4.	3,841,238
6.	Expected UAAL as of December 31, 2020 (1)+(2)+(3)-(4)-(5)	1,163,584,814
7.	Change in UAAL Due to Actuarial (Gain)/Loss, by component	
	Decrease in UAAL due to investment return higher than assumed	(10,483,804)
	Decrease in UAAL due to salary increases lower than assumed	(6,558,614)
	Increase in UAAL due to decrement experience	18,970,774
	Decrease in UAAL due to inactive mortality experience	(1,824,785)
	Decrease in UAAL due to other changes	(5,552,268)
	Net decrease in UAAL due to actuarial experience	(5,448,697)
8.	Change in UAAL Due to Assumption Changes	-
9.	Unfunded Actuarial Accrued Liability as of December 31, 2020	$ 1,158,136,117

Source: Foster & Foster

ACTUARIALLY DETERMINED CONTRIBUTION

The actuarially determined contribution requirement based on the provisions applicable for fiscal years 2013 and later, according to section 13-503 of Article 13 of the Illinois Pension Code, is below.

1.	Employer's Share of Normal Cost	$	11,530,925
2.	Amortization Payment (annual amount to amortize 100% of the unfunded liability by 2050)		
	Actuarial Liability	$	2,714,192,284
	Actuarial Assets	$	1,556,056,167
	Unfunded Accrued Liability	$	1,158,136,117
	Amortization Period		30 years
	Amortization Payment	$	65,310,419
3.	Actuarially Determined Contribution for Year Beginning January 1, 2021	$	76,841,344
	as a percentage of pensionable payroll		40.86%
4.	District's Funding Policy (4.19 x Total Member Contributions for two years prior)	$	88,754,000
	as a percentage of pensionable payroll		47.19%
5.	Statutory Employer Contribution (lesser of 3 and 4)	$	76,841,344

Source: Foster & Foster

PARTICIPANT DATA

Participant Information	**December 31, 2020**	**December 31, 2019**	**Change**
Number Active Members - Total	1,769	1,817	-2.6%
Number Active Members - Fully Vested	1,095	1,174	-6.7%
Number Receiving Benefits			
Retirement Annuities	1,917	1,883	1.8%
Surviving Spouse Annuities	546	561	-2.7%
Children’s Annuities	20	21	-4.8%
Number Inactive Members - Total	132	131	0.8%
Number Inactive Members - Vested	37	38	-2.6%
Total Members	4,384	4,413	-0.7%
Total Pensionable Salary	$ 188,072,970	$ 189,961,010	-1.0%
Active Statistics – Tier 1			
Number	1,124	1,225	-8.2%
Average Age	53.44	53.20	0.4%
Average Service	17.96	17.68	1.6%
Total Pensionable Salary	$ 130,079,718	$ 138,352,537	-6.0%
Average Salary	$ 115,729	$ 112,941	2.5%
Active Statistics – Tier 2			
Number	645	592	9.0%
Average Age	43.31	42.95	0.8%
Average Service	4.39	3.80	15.6%
Total Salary	$ 58,463,131	$ 51,942,396	12.6%
Average Salary	$ 90,641	$ 87,741	3.3%
Pensionable Salary	$ 57,993,252	$ 51,608,473	12.4%
Average Pensionable Salary	$ 89,912	$ 87,176	3.1%
Annual Benefit Payments for Members Receiving Benefits			
Retirement Annuities	$ 149,537,047	$ 142,324,135	5.1%
Surviving Spouse Annuities	$ 27,722,263	$ 27,127,117	2.2%
Children’s Annuities	$ 120,000	$ 126,000	-4.8%

Source: Foster & Foster

ACTUARIAL ASSUMPTIONS AND METHODS

Below is a summary of the actuarial assumptions for the December 31, 2020 valuation. An experience study was performed in September of 2018 based on data for the period December 31, 2012 through December 31, 2017. The assumptions below are based on the experience study and were recommended by Foster & Foster Actuaries, and adopted by the Board of Trustees effective December 31, 2018.

Interest Rate	7.25%
Mortality Rates – Healthy & Disabled Lives	RP-2000 Combined Healthy Mortality Table with Generational Mortality Improvements (Scale AA). Female rates are adjusted by a factor of 1.04 and male rates are unadjusted.
Cost-of-Living Adjustment - Annuitants	
Members Hired On Or After January 1, 2011	1.25%
Members Hired Before January 1, 2011	3.00%
Inflation Rate	2.50%
Payroll Growth	3.00%
Salary Increases	See Table 1
Retirement Rates	See Table 2
Termination Rates	See Table 3
Disability Rates	See Table 4
Load for Reciprocal Benefits	1.5% of active member costs and liabilities.
Assumed Administrative Expenses	Administrative expenses paid from the trust during the prior year.
Percent Married	76%
Spousal Age Difference	Spouse of male member assumed to be 4 years younger than member; Spouse of female member assumed to be 4 years older than member.

ACTUARIAL ASSUMPTIONS AND METHODS, CONTINUED

Actuarial Cost Method	Entry Age Normal, with costs allocated on basis of earnings. Actuarial gains and losses are reflected in the unfunded actuarial liability.
Actuarially Determined Contribution Requirement	Section 13-503. Employer's normal cost plus the annual amount needed to amortize the unfunded liability by the year 2050 as a level percent of payroll. The funding goal is to attain a funded ratio of at least 100% by the year 2050.
Actuarial Asset Method	Market value of assets adjusted by the unrecognized investment gains and losses for each of the five years prior to the valuation date. Gains and losses are recognized at a rate of 20% per year. Actuarial Assets shall not be less than 80% nor greater than 120% of Market Value of Assets.
Payroll Growth	3.00%
Assumed Administrative Expenses	Administrative expenses paid from the trust during the prior year.
Source of Data	Data and audited financial information is provided by the Fund.
Valuation Date	December 31, 2020.

Changes in Funding Assumptions/Methods Since the Prior Valuation

The valuation reflects no assumption or method changes since the prior year.

ACTUARIAL ASSUMPTIONS AND METHODS, CONTINUED

Table 1 – Salary Increase Rates

Service	Salary Increase Rate
0	7.00%
1	6.50%
2	5.75%
3	5.50%
4	5.25%
5	6.00%
6	5.00%
7	4.75%
8	4.50%
9	4.25%
10	5.00%
11 - 14	4.00%
15	5.00%
16 - 19	4.00%
20	5.00%
21+	3.50%

Table 2 – Retirement Rates

Age	Retirement Rate
50 - 59	7%
60	20%
61 - 64	10%
65	15%
66	18%
67	25%
68	15%
69	30%
70	35%
71 - 74	20%
75	100%

Table 3 – Termination Rates

Service	Male Rate	Female Rate
0	5.00%	7.75%
1	3.50%	6.75%
2	3.50%	5.75%
3	2.60%	4.75%
4	2.24%	4.52%
5	2.15%	4.49%
6	1.75%	4.19%
7	1.70%	3.94%
8	1.65%	3.74%
9	1.55%	3.54%
10	1.55%	3.34%
11	1.55%	3.14%
12	1.45%	2.94%
13	1.40%	2.85%
14	1.35%	2.52%
15	1.20%	2.52%
16+	1.00%	2.52%

Table 4 – Disability Rates (Sample Rates)

Age	Disability Rate
20	0.002%
25	0.003%
30	0.006%
35	0.014%
40	0.033%
45	0.065%
50	0.120%
55	0.225%
60	0.490%
65	0.000%

PLAN PROVISIONS

The following describe and reflect provisions in effect as described in Article 13 of the Illinois Pension Code. The provisions below reflect changes included in Public Act 96-0889 and Public Act 96-1490, which created the second "tier" of benefits for members hired on or after January 1, 2011 and provided clarifying changes.

Eligibility	All employees of the District whose duties indicate service during the calendar year for a minimum of 120 days are eligible.
Normal Retirement Eligibility	Hired before January 1, 2011: Age 60 and 5 years of service Hired on or after January 1, 2011: Age 67 and 10 years of service
Normal Retirement Benefit	The annual benefit payable immediately is equal to the sum of: (a) 2.2% of Average Final Salary for each year of service up to 20 years. (b) 2.4% of Average Final Salary for each year of service in excess of 20 years The benefit shall not exceed 80% of Average Final Salary.
Early Retirement Eligibility	Hired before January 1, 2011: Age 55 (50 if hired before June 13, 1997) and 10 years of service Hired on or after January 1, 2011: Age 62 and 10 years of service
Early Retirement Benefit	Normal Retirement Benefit reduced as follows: Hired before January 1, 2011: If member retires before reaching age 60 with less than 30 years of service, 0.5% for each full month the member is less than age 60 or service is less than 30 years, whichever is less. Hired on or after January 1, 2011: 0.5% per month the member is less than age 67
Deferred Retirement Eligibility	Tier 1: Age 55 (50 if hired before June 13, 1997) and 5 years of service. Tier 2: 10 years of service

Deferred Retirement Benefit	The annual benefit payable at the following ages: Hired before January 1, 2011: Age 62, if withdraw on or after age 55 (50 if hired before June 13, 1997) with at least 5 years of service and less than 10 years Age 55 (50 if hired before June 13, 1997), if withdraw with 10 years of service Hired on or after January 1, 2011: Age 62, if withdraw with 10 years of service The annual benefit amount equals the Normal Retirement Benefit reduced with Early Retirement Reductions.
Minimum Retirement Annuity	10 years of service: $500 per month plus $25 per month for each year of service in excess of 10 years, not to exceed $750 with 20 years of service Less than 10 years of service or retirement before age 60: $250 per month
Duty Disability Eligibility	Member incurs injury or sickness due to employment with the District and is compensable under the Workers' Compensation Act or the Occupational Disease Act.
Duty Disability Benefit	75% of salary earned on the date of disability, less the amount paid by Workers' Compensation Benefit is 50% of salary if disability resulted from physical defect or disease that existed at the time injury was sustained. Benefits are payable during period of disablement, but not beyond attainment of age 65. If disability occurs at age 60 or older, benefits are payable for a maximum of 5 years.
Ordinary Disability Eligibility	Member becomes disabled due to any cause other than injury or illness incurred in the performance of duty.
Ordinary Disability Benefit	50% of earnable salary at the date of disability Member may receive ordinary disability benefits for a maximum period of the lesser of 25% of member's actual service prior to disablement or 5 years.

Surviving Spouse Annuity Eligibility	Hired before June 13, 1997: Immediately eligible if married to member on date of member's death while in service or married to member on member's date of termination from service and remained married until member's death. Dissolution of marriage after retirement shall not divest the member's spouse of entitlement if marriage was in effect for at least 10 years on the date of retirement. Hired on or after June 13, 1997: Eligible after 3 years of service. Conditions for marriage described for members hired prior to June 13, 1997 apply.
Surviving Spouse Benefit	Hired before January 1, 2011: Retirement annuity earned at the time of death multiplied by a factor of 60% plus 1% for each year of member's total service, to a maximum of 85%. If hired after January 1, 1992, annuity is reduced by 0.25% for each full month spouse is younger than member to maximum reduction of 60%. Discount is reduced by 10% for each year marriage is in effect. Hired on or after January 1, 2011: 66 2/3% of retirement annuity earned at the time of death.
Minimum Surviving Spouse Annuity	Member with 10 years of service: greater of (a) $500 per month plus $25 per month for each year of service in excess of 10, not to exceed $750 per month, or (b) 50% of the retirement annuity of member at time of death. Member with less than 10 years of service: $250 per month.
Children's Annuity Eligibility	Member parent dies in service or deceased parent was former member with at least 10 years of service. Child is unmarried and less than age 18 (23, if full-time student).
Children's Annuity Benefit	$500 per month for each child if have living parent and $1,000 per month for each child if neither parent is living to a maximum of $5,000 per month.

Cost-of-Living Adjustments

Hired before January 1, 2011: Retirement annuity is increased on the anniversary of retirement by 3% of the monthly annuity payable at the time of increase.

Spouse annuity is increased on the earlier of the anniversary of the member's death or retirement (whichever occurs first) by 3% of the monthly annuity payable at the time of increase.

Hired on or after January 1, 2011: increase percentage is the lesser of 3% or ½ the increase in CPI-U during the previous calendar year. Increase is based on the originally granted retirement or spouse's annuity.

Member Contributions – retiree annuity

Pay period:	Contribution % Annuity:	Contribution % Annual Inc.:
Before January 1, 2013	7.0%	0.5%
During calendar year 2013	7.5%	1.0%
During calendar year 2014	8.0%	1.5%
During calendar year 2015 and until fund is 90% funded	8.5%	1.5%
After fund is 90% funded	7.0%	0.5%

Members hired on or after January 1, 2011 have member contributions of 7.5% (7.0% of pay for the annuity and 0.5% of pay for annual increases).

Member Contributions – spouse annuity

Pay period:	Contribution percentage:
Before January 1, 2015	1.5%
During calendar year 2015 and until fund is 90% funded	2.0%
After fund is 90% funded	1.5%

Members hired on or after January 1, 2011 contribute 1.5% of pay.

Refund to Member upon Termination	Hired before January 1, 2011: Eligible for refund of all member contributions without interest if under age 55 (50 if hired before June 13, 1997); if age 60 with less than 20 years of service; or if 60 with less than 5 years of service. Upon receipt of refund, member forfeits rights to benefits from the Fund. Hired on or after January 1, 2011: Eligible for refund of all member contributions without interest if under age 62; or if have less than 10 years of service on termination. Upon receipt of refund, member forfeits rights to benefits from the Fund.
Refund for Surviving Spouse's Annuity	Members unmarried at the time of retirement will receive a refund of contributions for spouse annuity with interest at 3% per year, compounded annually.
Refund of Remaining Amounts	If upon death the total amount contributed by the member with 3% interest per year has not been paid to the member, the spouse or designated beneficiaries or estate receives a refund of the excess amount.
Required Tax Levy – Illinois Pension Code	Lesser of actuarially determined contribution and 4.19 multiplied by total member contributions for the two years prior.
District's Funding Policy	Effective August 27, 2014, the District implemented a policy of contributing an amount equal to 4.19 multiplied by total member contributions for the two years prior until the Fund reaches a funded ratio of 100%.
Pension Service	Any employment, excluding overtime or extra service for which salary is received.
Average Final Salary	Hired before January 1, 2011: Highest average annual salary for any 52 consecutive bi-weekly pay periods within the last 10 years of service immediately preceding the date of retirement. Hired on or after January 1, 2011: Highest average annual salary for 96 consecutive months of service within last 120 months of service, limited to $106,800 (automatically increased by lesser of 3% or ½ the increase in CPI-U during the previous calendar year).

Pensionable Salary	Salary paid to a Fund member for service to the District or to the Fund, including salary paid for vacation and sick leave and any amounts deferred under a deferred compensation plan established under the Code, but excluding the following: payment for unused vacation or sick leave, overtime pay, termination pay and any compensation in the form of benefits other than salary. Salary for members hired on or after January 1, 2011 is subject to the salary limitations established in the Illinois Pension Code. For calendar year 2020, the statutory salary limitation is $115,928.92.

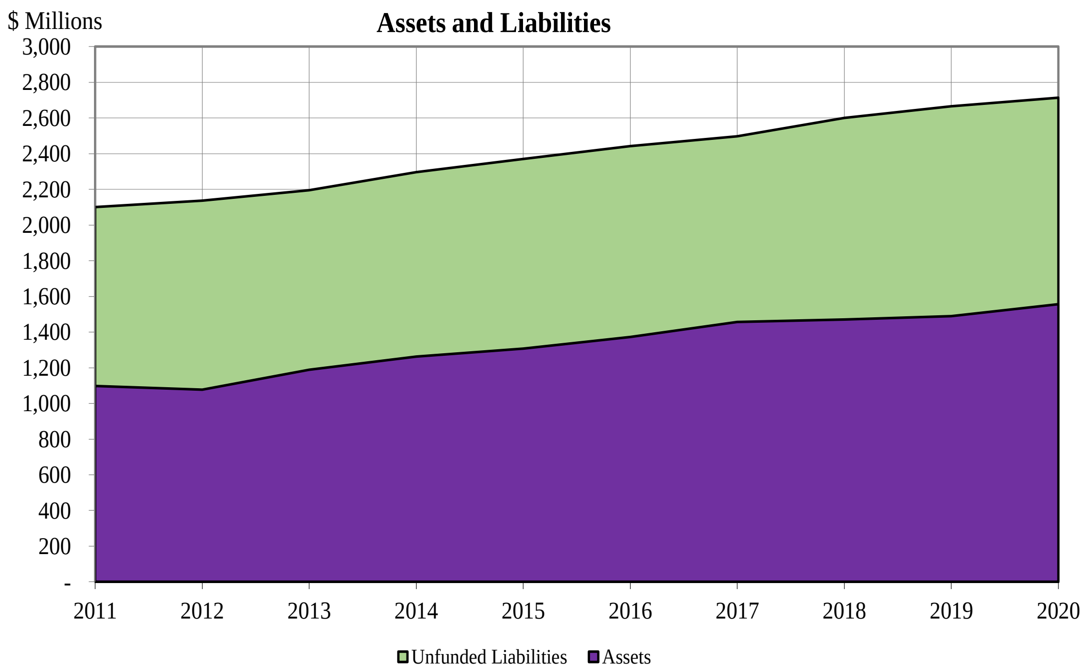
Changes in Fund Provisions Since the Prior Valuation

- None

SCHEDULE OF FUNDING PROGRESS
(Actuarial Funding - Going Concern, Entry Age Normal Method)

Year End	Total Actuarial Accrued Liability (AAL)	Actuarial Value of Assets [1]	Funded Ratio	Unfunded AAL (UAAL)	Active Pensionable Payroll[3]	UAAL as a % of Payroll
2011	$2,101,319,098	$1,097,397,206	52.2%	$1,003,921,892	$164,275,424	611.1%
2012 [2]	2,136,508,223	1,076,740,164	50.4%	1,059,768,059	163,816,934	646.9%
2013	2,194,911,693	1,188,503,716	54.1%	1,006,407,977	169,375,857	594.2%
2014 [2]	2,296,438,698	1,263,287,068	55.0%	1,033,151,630	176,183,941	586.4%
2015	2,371,031,195	1,307,982,039	55.2%	1,063,049,156	177,507,159	598.9%
2016	2,443,291,644	1,372,361,950	56.2%	1,070,929,694	182,640,163	586.4%
2017	2,497,890,179	1,456,195,876	58.3%	1,041,694,303	184,385,188	565.0%
2018 [2]	2,601,163,632	1,470,308,639	56.5%	1,130,854,993	187,849,708	602.0%
2019	2,666,221,630	1,489,266,144	55.9%	1,176,955,486	189,961,010	619.6%
2020	2,714,192,284	1,556,056,167	57.3%	1,158,136,117	188,072,970	615.8%

[1] Assets are stated using 5-year smoothing Actuarial Asset Method.
[2] Change in actuarial assumptions.
[3] Pensionable payroll is annualized based on actual payroll paid to active members on the last paydate of the year.



The table and graph above illustrate the growth of the unfunded liability over the last ten years. The unfunded AAL (UAAL) as a percentage of active member payroll, the last column of the table above, provides a helpful index which shows the smaller the ratio, the stronger the Fund. Observation of the trend of this index will give an indication of whether the Fund is becoming financially stronger or weaker.

SOLVENCY TEST

The prioritized solvency test is another means of checking a system's progress under its funding program. It shows the percentage of future benefit promises that are covered by the current Actuarial Value of Assets. In a short-term solvency test the plan's present assets (cash and investments) are compared with actuarial accrued liabilities classified into the following categories:

1. liability for active member contributions on deposit;
2. liability for future benefits to present retired lives; and
3. liability for the employer financed portion of service already rendered by active members.

If a system has been following the discipline of level percent of payroll financing, the liabilities for active member contributions on deposit (i.e. the present value of liability 1) and the liabilities for future benefits to present retired lives (i.e. the present value of liability 2) will be fully covered by present assets (except in rare circumstances). In addition, the liabilities for the employer financed portion of benefits for present active members (i.e. the present value of liability 3) will normally be partially covered by the remainder of present assets. In addition, if a system has been using a level cost financing, the funded portion of the present value of liability 3 will increase over time. The Fund has not received employer contributions according to level cost financing, but rather has been financed in accordance with Illinois statutes.

	Actuarial Accrued Liabilities				Portion of Liabilities Covered by Assets		
	(1)	(2)	(3)		(1)	(2)	(3)
Year Ended	Active and Inactive Member Contributions	Retirees and Survivors	Active and Inactive Members (ER Financed)	Actuarial Value of Assets	Active and Inactive Member Contributions	Retirees and Survivors	Active and Inactive Members (ER Financed)
12/31/2011	199,015,897	1,433,294,765	469,008,436	1,097,397,206	100%	63%	0%
12/31/2012	213,323,414	1,431,829,221	491,355,588	1,076,740,164	100%	60%	0%
12/31/2013	223,354,127	1,463,856,177	507,701,389	1,188,503,716	100%	66%	0%
12/31/2014	231,430,077	1,541,326,692	422,154,924	1,263,287,068	100%	67%	0%
12/31/2015	236,967,954	1,616,195,435	517,867,805	1,307,982,039	100%	66%	0%
12/31/2016	244,239,334	1,676,732,070	522,320,240	1,372,361,950	100%	67%	0%
12/31/2017	247,730,731	1,745,598,298	504,561,150	1,456,195,876	100%	69%	0%
12/31/2018	251,845,144	1,843,563,888	505,754,600	1,470,308,639	100%	66%	0%
12/31/2019	251,719,321	1,929,940,867	484,561,442	1,489,266,144	100%	64%	0%
12/31/2020	249,921,777	2,013,763,878	450,506,629	1,556,056,167	100%	65%	0%

Source: Foster & Foster

HISTORY OF CHANGE IN UNFUNDED LIABILITY
(Actuarial Funding - Going Concern, Entry Age Normal Method)

Year	Salary Scale	Investment Returns[1]	Employer Contribution[2]	Legislative Amendments
2011	$ (25,334,699)	$ 71,034,993	$ 49,402,422	$ -
2012	(23,145,806)	58,584,984	31,300,739	-
2013	(6,368,436)	(48,963,802)	3,395,524	-
2014	(5,667,229)	(26,867,032)	16,960,113	-
2015	(3,201,181)	3,056,008	17,070,881	-
2016	(844,096)	(15,960,567)	9,554,045	-
2017	(11,576,111)	(27,925,002)	154,718	-
2018	(7,369,068)	40,260,410	540,397	-
2019	(4,517,433)	23,071,682	4,872,323	-
2020	(6,558,614)	(10,483,804)	(13,370,672)	-
	$ (94,582,673)	$ 65,807,870	$ 119,880,490	$ -

Year	Changes in Actuarial Assumptions	(see assumption reference key 3)	All Other Miscellaneous Experience	Total Increase (Decrease) in Unfunded Liability
2010	39,769,482	(m, r, t)	7,577,298	123,722,539
2011	$ -		$ 23,734,658	$ 118,837,374
2012	7,171,009	(d)	(18,064,759)	55,846,167
2013			(1,423,368)	(53,360,082)
2014	32,494,969	(i, m, r, s , t, d)	9,822,832	26,743,653
2015	-		12,971,818	29,897,526
2016	-		15,131,156	7,880,538
2017	-		10,111,004	(29,235,391)
2018	37,438,859	(i, m, r, s, t)	18,920,092	89,790,690
2019	-		22,673,921	46,100,493
2020	-		11,593,721	(18,819,369)
	$ 77,104,837		$ 105,471,075	$ 273,681,599

[1] Represents investment income deficiency (excess) over expected returns.
[2] Represents employer contributions deficiency (excess) from normal cost plus interest.
[3] Key to changes in assumptions:

i = interest rate d=disability assumption
r = retirement rates s = salary

The table above illustrates that over the last 10 years, the unfunded liability has increased by $273.7 million. Of this increase, $65.8 million has been due to investment returns being lower than assumed and $119.9 million has been due to employer contributions that were less than normal cost plus interest on the UAAL. These increases in the unfunded liability, plus the effects of other actuarial experience, were partially offset by a $94.6 million reduction for overall salary increases being less than assumed over the last ten years.

During the year 2020 the unfunded liability decreased by $18.8 million due to a combination of investment returns and employer contributions being higher than assumed, salary increases being lower than assumed, offset by other actuarial experience.

HISTORY OF ACTIVE MEMBER VALUATION DATA

Year End	Members in Service	% Change	Annual Payroll[1]	% Change	Average Salary	% Change	Actuarial Salary % Increase[3]	CPI Chicago[2]
2011	1,888	(6.7)	$ 164,275,424	(5.9)	$ 87,010	0.9	5.0	2.7 %
2012	1,856	(1.7)	163,816,934	(0.3)	88,263	1.4	5.0	1.5
2013	1,858	0.1	169,375,857	3.4	91,160	3.3	5.0	1.1
2014	1,873	0.8	176,183,941	4.0	94,065	3.2	Range	1.7
2015	1,846	(1.4)	177,507,159	0.8	96,158	2.2	Range	(0.3)
2016	1,843	(0.2)	182,640,163	2.9	99,099	3.1	Range	0.7
2017	1,835	(0.4)	184,385,188	1.0	100,482	1.4	Range	1.9
2018	1,832	(0.2)	187,849,708	1.9	102,538	2.0	Range	1.8
2019	1,817	(0.8)	189,961,010	1.1	104,547	2.0	Range	1.5
2020	1,769	(2.6)	188,072,970	(1.0)	106,316	1.7	Range	1.1
10 year average change:		(1.3) %		0.8 %		2.1 %		1.4 %

[1] Payroll is annualized based on actual pensionable salary paid to active members on the last paydate of the year.

[2] Represents average annual change in Consumer Price Index (CPI-U All Urban Consumers for Chicago-Gary-Kenosha) per the U.S. Bureau of Labor Statistics through 2016. The Index was renamed to CPI-U All Urban Consumers for Chicago-Naperville-Elgin, IL-IN-WI in 2017.

[3] As of the December 31, 2014 valuation, the salary increase assumption was updated from a flat 5.0% to a table of rates from 3.5%-7.0% based on years of service.

HISTORY OF EMPLOYER CONTRIBUTIONS

Year Ended	Actuarially Determined Contribution for Fiscal Year End	Maximum Employer Contribution	Employer Contribution[1]	% of Actuarially Determined Contribution Contributed	Estimated Multiplier Necessary to Match ADC
12/31/2011	$ 69,393,171	$ 34,362,000	$ 37,379,137	53.87%	4.42
12/31/2012	74,828,844	34,761,000	65,097,835	87.00%	2.82
12/31/2013	74,774,148	62,984,000	92,944,381	124.30%	2.98
12/31/2014	69,924,438	61,654,000	73,906,168	105.69%	3.94
12/31/2015	62,603,576	70,772,000	71,041,361	113.48%	3.71
12/31/2016	64,596,066	79,505,000	80,259,713	124.25%	3.40
12/31/2017	65,727,912	89,604,000	89,858,224	136.71%	3.07
12/31/2018	64,988,583	87,281,000	87,167,339	134.13%	3.12
12/31/2019	74,279,999	87,319,000	87,446,476	117.73%	3.56
12/31/2020	77,392,414	88,127,000	107,852,181	139.36%	3.68

[1] In 2012, 2013, 2014 and 2020 the Fund received special contributions of $30.0 million, $30.0 million $12.0 million, amd $20.0 million, respectively, from the District in addition to the employer contribution based upon the District's Funding policy.

HISTORY OF RETIREES AND BENEFICIARIES ADDED TO AND REMOVED FROM BENEFIT PAYROLL

Employee Annuitants (Male and Female)

	Added to Payroll		Removed from Payroll		Annual Payroll		Average	Increase
Year	No.	Annuity Benefits [1]	No.	Annuity Benefits	No.	Annuity Benefits [2]	Annuity Benefits	to Avg Benefits
2011	146	$12,073,715	66	$2,827,418	1,683	$101,092,773	$60,067	4.8
2012	60	6,027,239	62	3,098,526	1,681	104,021,486	61,881	3.0
2013	75	6,497,171	52	2,345,133	1,704	108,173,524	63,482	2.6
2014	80	7,583,277	55	2,677,032	1,729	113,079,769	65,402	3.0
2015	101	9,640,885	70	3,828,434	1,760	118,892,220	67,552	3.3
2016	87	8,688,540	68	4,089,312	1,779	123,491,448	69,416	2.8
2017	98	20,067,179	68	3,780,260	1,809	129,366,688	71,513	3.0
2018	99	6,049,960	60	3,769,202	1,848	135,435,622	73,288	2.5
2019	94	10,830,012	59	3,941,499	1,883	142,324,135	75,584	3.1
2020	104	11,484,248	70	4,271,335	1,917	149,537,047	78,006	3.2

Surviving Spouse Annuitants (Male and Female)

	Added to Payroll		Removed from Payroll		Annual Payroll		Average	Increase
Year	No.	Annuity Benefits [1]	No.	Annuity Benefits	No.	Annuity Benefits [2]	Annuity Benefits	to Avg Benefits
2011	34	$1,528,506	38	$460,244	628	$17,961,273	$28,601	7.0
2012	38	1,969,114	47	858,542	619	19,071,845	30,811	7.7
2013	29	1,718,098	43	1,021,552	605	19,768,391	32,675	6.1
2014	28	1,846,441	40	931,782	593	20,683,050	34,879	6.7
2015	34	2,313,674	47	1,160,738	580	21,835,986	37,648	7.9
2016	42	3,096,415	32	1,162,089	590	23,770,312	40,289	7.0
2017	25	3,925,789	39	1,146,717	576	24,615,058	42,734	6.1
2018	30	1,798,261	35	1,046,607	571	25,965,116	45,473	6.4
2019	28	2,408,555	38	1,246,555	561	27,127,117	48,355	6.3
2020	34	2,659,591	49	2,064,444	546	27,722,263	50,773	5.0

[1] Includes 3% annual statutory increase for qualified employee and surviving spouse annuitants.

[2] Annual payroll is an annualized amount and represents twelve times the December 1st paid annuities.

Source: Foster & Foster

STATISTICAL SECTION

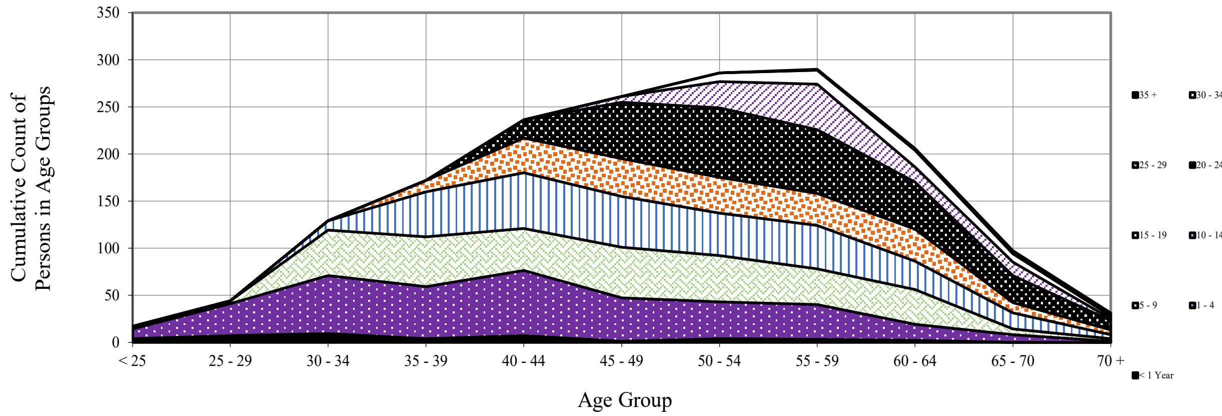
PARTICIPANT STATISTICS
Year 2020

Changes in Active Participants	Number at Beginning of Year	Additions	Decreases	Number at Year End
Tier 1				
Male	898	6	83	821
Female	327	5	29	303
Total Active	1,225	11	112	1,124
Tier 2				
Male	446	50	12	484
Female	146	22	7	161
Total Active	592	72	19	645
Total Active				
Male	1,344	56	95	1,305
Female	473	27	36	464
Total Active	1,817	83	131	1,769
Changes in Annuitants and Beneficiaries				
Employee Annuitants				
Male	1,431	78	57	1,452
Female	452	26	13	465
Total Employee Annutitants	1,883	104	70	1,917
Spouse Annuitants				
Male	21	3	0	24
Female	540	31	49	522
Total Spouse Annutitants	561	34	49	546
Child Annuities	21	0	1	20
Total Annuitants	2,465	138	120	2,483
Percentage of Active Participants to Annuitants and Beneficiaries	73.7%			71.2%

The above schedule provides details about the changes in the number and gender of active participants, as well as the changes in the number and type of annuitants for the year. A percentage of active participants to annuitants less than 100% indicates that there are more retirees/payees than working members of the Fund.

EMPLOYEE AGE AND SERVICE DISTRIBUTION
ACTIVE MEMBER COUNT & PENSIONABLE SALARIES - BY AGE AND SERVICE
Male and Female Combined

12/31/20



AGE	YEARS OF SERVICE									
	< 1	1 - 4	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	30 - 34	35 +	Total
< 25	4	10	3							17
	$74,657	$63,405	$78,749							$68,760
25-29	7	34	3							44
	74,963	73,570	$106,935							76,067
30-34	9	62	48	10						129
	64,784	80,630	93,718	111,899						86,817
35-39	4	55	53	48	12					172
	60,046	86,954	93,159	119,888	$121,561					99,846
40-44	7	69	45	59	37	19				236
	65,437	94,718	104,437	109,722	118,476	$118,114				105,062
45-49	1	46	54	54	40	60	6			261
	103,334	90,976	101,032	109,573	125,604	132,669	$203,955			114,440
50-54	4	39	49	45	38	74	28	9		286
	81,541	93,183	98,362	103,693	110,766	124,064	121,191	108,336		109,106
55-59	3	37	38	46	34	68	48	15	1	290
	57,249	92,561	100,790	103,203	113,304	122,334	135,094	125,835	$105,906	113,182
60-64	2	17	37	30	34	50	16	18	2	206
	55,806	90,952	103,725	95,397	109,140	128,657	122,600	113,086	127,735	110,455
65-69		8	6	17	11	29	14	9	3	97
		86,750	90,473	93,344	107,294	119,326	122,057	105,294	152,265	109,047
70 +		1	3	4	5	10	2	3	3	31
		103,334	83,307	99,830	98,480	102,609	114,115	111,810	109,061	101,997
Total Number	41	378	339	313	211	310	114	54	9	1,769
Average Salary	$68,720	$87,407	$98,610	$107,111	$115,220	$124,591	$131,581	$114,466	$127,261	$106,316

The above table provides detail about the number of active members categorized in 5-year bands of age and years of service. The above chart illustrates that the largest age segment of active members is 55-59 years of age with average pensionable salary of $113,182. By years of service, the largest segment of active members has 1 - 4 years of service with an average pensionable salary of $87,407.

DISTRIBUTION OF ANNUITANTS BY TYPE OF BENEFIT

Annual Benefit	Retirees	Survivors	Children	Total
Under $20K	131	121	20	272
$20K - $30K	102	60	0	162
$30K - $40K	118	63	0	181
$40K - $50K	154	50	0	204
$50K - $60K	166	59	0	225
$60K - $70K	208	51	0	259
$70K - $80K	231	47	0	278
$80K - $90K	175	30	0	205
$90K - $100K	164	20	0	184
$100K - $110K	122	13	0	135
$110K - $120K	65	8	0	73
$120K - $130K	82	10	0	92
$130K - $140K	47	4	0	51
$140K - $150K	26	2	0	28
Over $150K	126	8	0	134
Total	1,917	546	20	2,483

The above schedule provides detail about the number, amount, and type of monthly benefits paid by the Fund in the last pay period of the year.

HISTORY OF ANNUITANTS BY TYPE OF BENEFIT
at Year End

Year	Employee Annuitants [1]	Spouse Annuitants [1,2]	Child Annuitants	Total Annuitants	Ordinary Disability	Duty Disability
2011	1,683	628	17	2,328	18	22
2012	1,681	619	17	2,317	20	23
2013	1,704	605	20	2,329	18	17
2014	1,729	593	21	2,343	16	16
2015	1,760	580	19	2,359	16	14
2016	1,779	590	25	2,394	12	11
2017	1,809	576	23	2,408	23	7
2018	1,848	571	24	2,443	19	13
2019	1,883	561	21	2,465	13	7
2020	1,917	546	20	2,483	14	6

[1] Includes reciprocal annuitants
[2] Includes reversionary annuitants

The above schedule provides historical perspective about the number and types of beneficiaries paid by the Fund in the last pay period of the year.

HISTORY OF ANNUITY PAYMENTS
at Year End

	Employee Annuitants (Male and Female)		Spouse Annuitants (Male and Female)	
Year	Number of Annuitants	Annuity Payments [1]	Number of Annuitants	Annuity Payments [1]
2011	1,683	$ 101,092,773	628	$ 17,961,273
2012	1,681	104,021,486	619	19,071,845
2013	1,704	108,173,524	605	19,768,391
2014	1,729	113,079,769	593	20,683,050
2015	1,760	118,892,219	580	21,835,988
2016	1,779	123,491,448	590	23,770,312
2017	1,809	129,366,689	576	24,615,058
2018	1,848	135,435,625	571	25,965,116
2019	1,883	142,324,135	561	27,127,167
2020	1,917	149,537,047	546	27,722,263

The above schedule provides historical perspective about the number, type, and annual amount of annuity payments made by the Fund.

Distribution of Retirement Annuities by Age and Gender

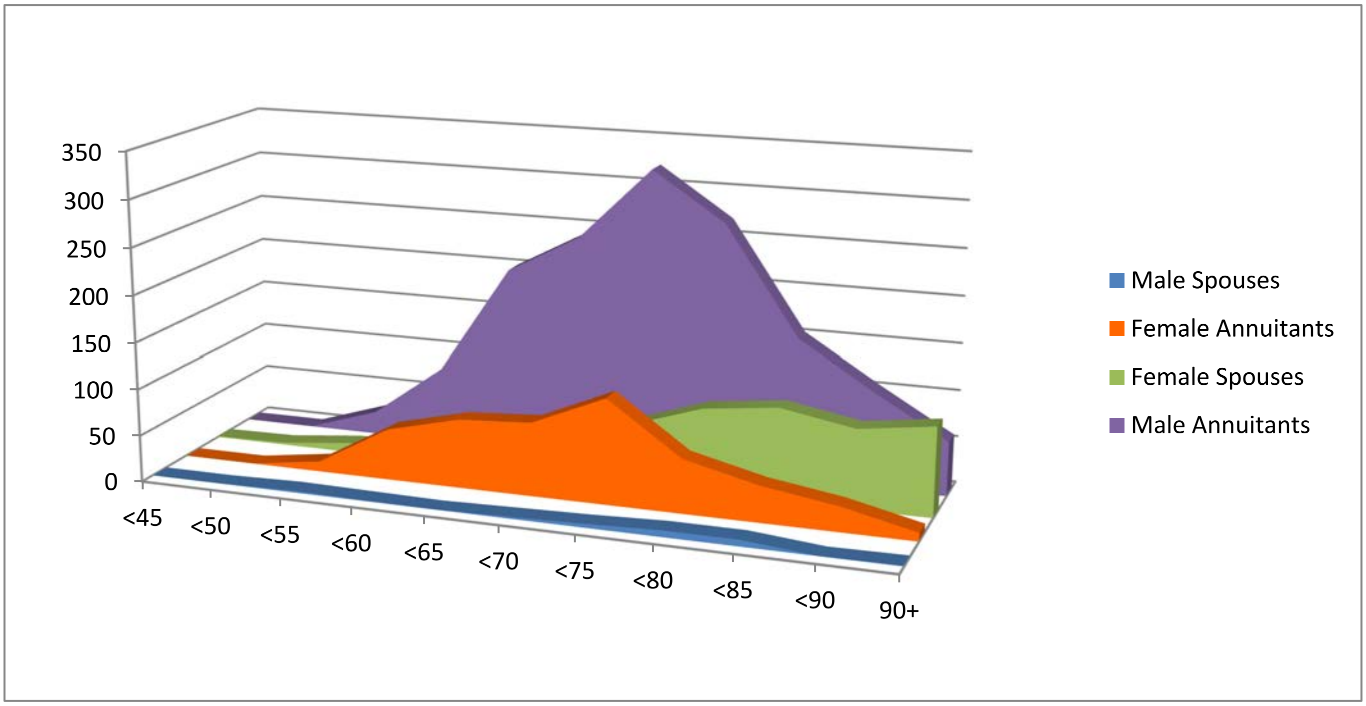
	Male			Female			Total		
	Count	Total Annuities	Average Annuities	Count	Total Annuities	Average Annuities	Count	Total Annuities	Average Annuities
x < 45	0	0	0	0	0	0	0	0	0
45 <= x < 50	0	0	0	0	0	0	0	0	0
50 <= x < 55	25	2,300,601	92,024	11	712,080	64,735	36	3,012,681	83,686
55 <= x < 60	82	6,547,477	79,847	55	4,010,444	72,917	137	10,557,921	77,065
60 <= x < 65	200	15,808,836	79,044	74	5,631,168	76,097	274	21,440,004	78,248
65 <= x < 70	242	18,709,017	77,310	79	5,112,518	64,715	321	23,821,535	74,210
70 <= x < 75	320	28,682,699	89,633	113	6,948,109	61,488	433	35,630,808	82,288
75 <= x < 80	268	22,264,496	83,076	58	3,296,752	56,841	326	25,561,248	78,409
80 <= x < 85	153	13,096,478	85,598	39	1,794,982	46,025	192	14,891,460	77,560
85 <= x < 90	104	8,469,026	81,433	27	1,388,248	51,417	131	9,857,274	75,246
90 <= x	58	4,462,013	76,931	9	302,102	33,567	67	4,764,115	71,106
Total	1,452	120,340,643	82,879	465	29,196,404	62,788	1,917	149,537,047	78,006

Distribution of Surviving Spouse Annuities by Age and Gender

	Male			Female			Total		
	Count	Total Annuities	Average Annuities	Count	Total Annuities	Average Annuities	Count	Total Annuities	Average Annuities
x < 45	0	0	0	1	52,525	52,525	1	52,525	52,525
45 <= x < 50	0	0	0	2	82,511	41,255	2	82,511	41,255
50 <= x < 55	2	14,848	7,424	10	420,769	42,077	12	435,617	36,301
55 <= x < 60	1	4,501	4,501	13	577,332	44,410	14	581,834	41,560
60 <= x < 65	0	0	0	24	1,169,155	48,715	24	1,169,155	48,715
65 <= x < 70	2	177,158	88,579	38	2,300,233	60,532	40	2,477,390	61,935
70 <= x < 75	4	265,083	66,271	64	3,898,285	60,911	68	4,163,368	61,226
75 <= x < 80	7	285,132	40,733	90	5,022,259	55,803	97	5,307,392	54,715
80 <= x < 85	7	211,577	30,225	99	5,837,752	58,967	106	6,049,328	57,069
85 <= x < 90	0	0	0	85	4,017,186	47,261	85	4,017,186	47,261
90 <= x	1	65,435	65,435	96	3,320,522	34,589	97	3,385,957	34,907
Total	24	1,023,734	42,656	522	26,698,529	51,147	546	27,722,263	50,773

The above schedules provide detail about the age, gender and average annual amounts paid to annuitants by the Fund in the current year. The age and gender information above is graphically represented on the following page.

ANNUITANTS BY AGE AND GENDER
(Reflects the data on the previous page)



HISTORY OF AVERAGE ANNUITIES AT RETIREMENT

Retirement Year	Number of Retirees[1]	Average Retirement Age[2]	Average Years of MWRDGC Service[2]	Average Annual Annuity[2]
2011	146	62.7	27.35	5,285
2012	60	61.7	21.48	4,264
2013	75	60.7	21.07	3,836
2014	80	61.7	23.28	4,661
2015	101	61.4	24.11	5,139
2016	87	62.6	22.88	4,889
2017	98	59.6	24.32	5,333
2018	99	60.5	24.06	5,087
2019	94	60.9	24.70	6,129
2020	104	61.1	24.00	5,989

[1]Data from Actuary
[2]Data calculated by Fund staff

The above schedule provides summary information about the changes in the number, age, service and monthly pension benefit of the Fund's new retirees from year to year.

SCHEDULE OF AVERAGE BENEFIT PAYMENTS AT RETIREMENT[1]

	Years of Credited Service							
	0-5	5-10	10-15	15-20	20-25	25-30	30+	Total
Period 1/1/11 to 12/31/11								
Average Pension	$618	$1,124	$2,612	$3,490	$4,524	$5,406	$6,945	$5,285
Average Final Average Salary	$6,879	$5,475	$7,786	$7,288	$7,394	$7,367	$8,774	$7,898
Number of Retired Members	2	3	10	14	32	28	57	146
Period 1/1/12 to 12/31/12								
Average Pension	$632	$1,040	$2,090	$3,238	$5,511	$5,984	$5,531	$4,264
Average Final Average Salary	$7,169	$6,670	$7,403	$7,671	$9,437	$8,466	$7,017	$8,006
Number of Retired Members	4	4	6	10	14	12	10	60
Period 1/1/13 to 12/31/13								
Average Pension	$273	$2,077	$2,210	$2,863	$3,586	$6,208	$5,255	$3,836
Average Final Average Salary	$6,130	$9,343	$7,585	$7,024	$6,782	$8,698	$6,677	$7,513
Number of Retired Members	3	3	13	12	19	19	6	75
Period 1/1/14 to 12/31/14								
Average Pension	$500	$868	$1,784	$3,018	$4,560	$6,287	$6,493	$4,661
Average Final Average Salary	$8,176	$5,588	$6,145	$7,522	$7,882	$8,332	$8,262	$7,788
Number of Retired Members	2	2	9	11	19	29	8	80
Period 1/1/15 to 12/31/15								
Average Pension	$406	$1,090	$2,339	$2,949	$4,806	$6,321	$7,541	$5,139
Average Final Average Salary	$7,361	$6,460	$8,489	$7,986	$8,184	$8,738	$9,664	$8,560
Number of Retired Members	2	4	10	14	11	46	14	101
Period 1/1/16 to 12/31/16								
Average Pension	-	$1,542	$1,841	$2,800	$5,034	$6,524	$7,112	$4,889
Average Final Average Salary	-	$7,889	$7,263	$7,308	$8,800	$9,030	$9,316	$8,499
Number of Retired Members	-	8	8	13	15	33	10	87
Period 1/1/17 to 12/31/17								
Average Pension	$150	$1,623	$1,925	$2,930	$3,967	$7,014	$7,694	$5,333
Average Final Average Salary	$6,249	$8,142	$7,544	$7,487	$7,563	$9,671	$9,952	$8,739
Number of Retired Members	2	1	8	13	19	46	9	98
Period 1/1/18 to 12/31/18								
Average Pension	$0	$1,336	$1,951	$3,145	$4,422	$6,635	$6,831	$5,087
Average Final Average Salary	$0	$7,215	$7,696	$8,347	$8,750	$9,130	$8,911	$8,636
Number of Retired Members	-	4	16	9	14	29	27	99
Period 1/1/19 to 12/31/19								
Average Pension	$452	$1,069	$1,643	$3,166	$5,678	$7,310	$8,240	$6,129
Average Final Average Salary	$7,927	$6,577	$6,572	$8,723	$10,956	$10,256	$10,447	$9,772
Number of Retired Members	3	2	7	13	11	22	36	94
Period 1/1/20 to 12/31/20								
Average Pension	$534	$977	$2,315	$3,353	$4,280	$7,989	$8,666	$5,989
Average Final Average Salary	$9,741	$7,051	$8,584	$8,841	$8,677	$10,603	$10,949	$9,811
Number of Retired Members	2	2	10	16	17	35	22	104

[1]Average Monthly Benefit amount is rounded to the nearest dollar and does not include Survivor Annuities.
Years of Credited Service does not include reciprocal service. Calculated by Fund staff.

The above schedule provides historical perspective and detail about average initial pensions for retirees categorized by years of service.

ADDITIONS BY SOURCE AND DEDUCTIONS BY TYPE
Last Ten Years
(in Thousands of Dollars)

ADDITIONS BY SOURCE

Year Ending December 31	Employee Contributions	Employer Contributions	as a % of Covered Payroll	Investment Income [1]	Total Additions
2011	$15,032	$37,379	22.8	($1,376)	$51,035
2012	14,714	65,098	39.7	116,325	196,137
2013	16,891	92,944	54.9	226,102	335,937
2014	18,975	73,906	41.9	81,605	174,486
2015	21,385	71,041	40.0	(1,399)	91,027
2016	20,831	80,260	43.9	113,693	214,784
2017	20,840	89,858	48.7	194,825	305,523
2018	21,033	87,167	46.4	(102,991)	5,209
2019	21,182	87,446	46.0	225,163	333,791
2020	20,982	107,852	57.3	124,102	252,936

DEDUCTIONS BY TYPE

Year Ending December 31	Benefits	Refunds	Administrative Expenses	Total Deductions	Change in Net Position
2011	$118,102	$2,711	$1,399	$122,212	($71,177)
2012	122,714	1,195	1,297	125,206	70,931
2013	127,206	1,129	1,391	129,726	206,211
2014	132,913	984	1,407	135,304	39,182
2015	139,161	1,348	1,660	142,169	(51,142)
2016	145,325	2,011	1,503	148,839	65,945
2017	152,153	2,560	1,614	156,327	149,196
2018	159,561	1,762	1,685	163,008	(157,799)
2019	167,481	1,828	1,642	170,951	162,840
2020	174,996	2,291	1,593	178,880	74,056

[1] Investment Income is net of investment expenses, and includes miscellaneous income and securities lending income.

Last Ten Years
(in Thousands of Dollars)
EMPLOYEE CONTRIBUTIONS

Year	Regular Contributions[1]	Prior Service Payments[2]	Commissioners' Alternative Plan[3]	Total
2011	$14,733	$286	$13	$15,032
2012	14,377	326	11	14,714
2013	16,422	454	15	16,891
2014	18,575	385	15	18,975
2015	21,315	54	16	21,385
2016	20,768	13	50	20,831
2017	20,824	1	15	20,840
2018	20,949	70	14	21,033
2019	21,139	24	19	21,182
2020	20,937	25	19	20,981

EMPLOYER CONTRIBUTIONS

Year	Regular Contributions[4]	Special Contributions[5]	Total
2011	$37,379	-	$37,379
2012	35,098	$30,000	65,098
2013	62,944	30,000	92,944
2014	61,906	12,000	73,906
2015	71,041	-	71,041
2016	80,260	-	80,260
2017	89,858	-	89,858
2018	87,167	-	87,167
2019	87,446	-	87,446
2020	87,852	20,000	107,852

[1] Includes employee contributions towards employee and surviving spouse annuities, and annual statutory increases.
[2] Prior Service Payments include leave of absence, refund repayment and military service.
[3] Contributions by elected Commissioners to an enhanced benefit plan.
[4] Employer contributions based on two years prior employee contributions; since 2014 employer contributions are based on the MWRD Funding Policy.
[5] Special contributions from the MWRD

The schedules above provide historical financial information and detail about the types of contributions received by the Fund.

BENEFIT EXPENSES BY TYPE (in Thousands of Dollars)

Year	Employee Annuities	Spouse Annuities	Child Annuities [1]	Ordinary Disabilities	Duty Disabilities	Total Benefits
2011	$99,601	$17,523	$112	$650	$216	$118,102
2012	103,043	18,675	114	678	204	122,714
2013	106,624	19,432	114	822	214	127,206
2014	111,352	20,444	157	821	140	132,914
2015	116,885	21,279	116	722	159	139,161
2016	121,730	22,920	153	412	110	145,325
2017	127,099	24,203	142	632	77	152,153
2018	133,184	25,264	143	856	114	159,561
2019	139,788	26,741	137	747	67	167,481
2020	146,762	27,322	122	706	67	174,996

PERCENT OF TOTAL BENEFITS

Year	Employee Annuities	Spouse Annuities	Child Annuities	Ordinary Disabilities	Duty Disabilities
2011	84.33 %	14.84 %	0.09 %	0.55 %	0.18 %
2012	83.97	15.22	0.09	0.55	0.17
2013	83.82	15.28	0.09	0.65	0.17
2014	83.78	15.38	0.12	0.62	0.11
2015	83.99	15.29	0.08	0.52	0.11
2016	83.76	15.77	0.11	0.28	0.08
2017	83.53	15.91	0.09	0.42	0.05
2018	83.47	15.83	0.09	0.54	0.07
2019	83.46	15.97	0.08	0.45	0.04
2020	83.87	15.61	0.07	0.40	0.04

PERCENT CHANGE FROM YEAR TO YEAR

Year	Employee Annuities	Spouse Annuities	Child Annuities	Ordinary Disabilities	Duty Disabilities	Total Benefits
2011	10.12 %	5.48 %	7.69 %	-20.05 %	-10.74 %	9.13 %
2012	3.46	6.57	1.79	4.31	-5.56	3.91
2013	3.48	4.05	0.00	21.24	4.90	3.66
2014	4.43	5.21	37.72	-0.12	-34.58	4.49
2015	4.97	4.08	-26.11	-12.06	13.57	4.70
2016	4.15	7.71	31.90	-42.94	-30.82	4.43
2017	4.41	5.60	-7.19	53.40	-30.00	4.70
2018	4.79	4.38	0.70	35.44	48.05	4.87
2019	4.96	5.85	-4.20	-12.73	-41.23	4.96
2020	4.99	2.17	-10.95	-5.49	0.00	4.49

[1] Child Annuities include children age 18-23 who are enrolled as full-time students.

The schedules above provide historical information about the types of benefits, the relative dollar amounts, as well as the total and relative growth or decline in the amount of benefits paid by the Fund.

REFUNDS BY TYPE (in Thousands of Dollars)

Year Ending December 31	Inherited Rollovers	Refund Commissioners Alternative	Refunds Regular Contribution	Refunds to Estate	Refund No Surviving Spouse	Refund Excess Optional Contributions	Total
2015	-	$6	$281	$163	$759	$140	$1,349
2016	$127	-	430	718	678	59	2,011
2017	439	-	512	320	1,208	81	2,560
2018	-	-	564	38	1,063	98	1,762
2019	413	13	207	306	744	146	1,828
2020	444	2	315	316	1,116	97	2,291

The schedule above provides historical financial information and detail about the types of refunds paid to members by the Fund.

Note: Schedule above was created in 2019 and will contain 10 years of data in 2024.

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STATEMENT OF CHANGES IN FIDUCIARY NET POSITION[1]
Last 10 Years

Additions:	2020	2019	2018	2017	2016
Employer contributions	$ 107,852,191	$ 87,446,476	$ 87,167,339	$ 89,858,224	$ 80,259,713
Employee contributions	20,982,056	21,182,425	21,032,601	20,839,829	20,830,779
Total contributions	128,834,247	108,628,901	108,199,940	110,698,053	101,090,492
Investment income					
Net appreciation (depreciation) in fair value of investments	106,380,332	204,118,604	(122,365,473)	177,341,970	92,762,607
Interest on fixed income investmen	7,767,240	7,587,473	8,269,739	7,679,730	11,347,002
Interest on short-term investments		78,543	48,251	20,697	23,036
Dividend income	14,424,224	18,275,337	15,758,513	14,054,030	13,633,175
Total investment income (loss)	128,571,796	230,059,957	(98,288,970)	199,096,427	117,765,820
Less investment expenses	(4,671,521)	(5,155,389)	(5,024,180)	(4,620,753)	(4,613,683)
Investment income (loss) net of expenses	123,900,275	224,904,568	(103,313,150)	194,475,674	113,152,137
Security lending activities					
Securities lending income	192,572	431,648	555,840	448,326	265,142
Broker rebates	55,683	(104,883)	(164,155)	(13,332)	294,951
Bank fees	(49,071)	(72,453)	(84,597)	(89,209)	(126,358)
Net income from securities lending	199,184	254,312	307,088	345,785	433,735
Other	2,738	3,058	15,415	3,100	107,175
Total additions	252,936,444	333,790,839	5,209,293	305,522,612	214,783,539
Deductions:					
Annuities and benefits					
Employee annuitants	146,762,252	139,787,569	133,184,182	127,098,834	121,729,901
Surviving spouse annuitants	27,322,271	26,741,289	25,264,246	24,203,400	22,919,525
Child annuitants	121,500	137,000	143,000	142,000	153,500
Ordinary disability benefits	706,057	747,456	856,301	631,401	412,706
Duty disability benefits	84,373	67,422	113,318	77,279	109,753
Total annuities and benefits	174,996,453	167,480,736	159,561,047	152,152,914	145,325,385
Refunds of employee contributions	2,290,858	1,827,884	1,762,475	2,560,129	2,010,630
Administrative expenses	1,592,783	1,642,209	1,685,479	1,613,976	1,502,639
Total deductions	178,880,094	170,950,829	163,009,001	156,327,019	148,838,654
Net increase (decrease)	**74,056,350**	**162,840,010**	**(157,799,708)**	**149,195,593**	**65,944,885**
Net position held in trust for pension benefits					
Beginning of year	1,506,834,278	1,343,994,268	1,501,793,976	1,352,598,383	1,286,653,498
End of year	$ 1,580,890,628	$ 1,506,834,278	$ 1,343,994,268	$ 1,501,793,976	$ 1,352,598,383

[1] Prior to 2012 the financial statement that showed additions and deductions was entitled "Statement of Changes in Plan Net Assets".

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Continued)
Last 10 Years

Additions:	2015	2014	2013	2012	2011
Employer contributions	$ 71,041,361	$ 73,906,168	$ 92,944,381	$ 65,097,835	$ 37,379,137
Employee contributions	21,385,212	18,974,954	16,890,798	14,714,496	15,031,961
Total contributions	92,426,573	92,881,122	109,835,179	79,812,331	52,411,098
Investment income					
Net appreciation (depreciation) in fair value of investments	(20,894,824)	63,589,719	211,132,376	103,332,085	(9,430,774)
Interest on fixed income investments	10,369,440	8,933,924	7,044,688	3,064,231	-
Interest on short-term investments	2,589	2,008	2,295	10,218	7,754
Dividend income	14,072,578	14,539,290	12,836,171	13,885,983	12,102,449
Total investment income (loss)	3,549,783	87,064,941	231,015,530	120,292,517	2,679,429
Less investment expenses	(5,542,836)	(5,899,566)	(5,465,211)	(4,755,254)	(4,389,141)
Investment income (loss) net of expenses	(1,993,053)	81,165,375	225,550,319	115,537,263	(1,709,712)
Security lending activities					
Securities lending income	98,280	64,302	89,443	131,240	93,329
Broker rebates	645,265	505,896	630,124	851,467	275,018
Bank fees	(178,331)	(135,007)	(174,283)	(233,885)	(77,124)
Net income from securities lending	565,214	435,191	545,284	748,822	291,223
Other	28,817	4,460	6,833	40,046	42,126
Total additions	91,027,551	174,486,148	335,937,615	196,138,462	51,034,735
Deductions:					
Annuities and benefits					
Employee annuitants	116,884,577	111,351,904	106,623,945	103,043,445	99,600,881
Surviving spouse annuitants	21,279,363	20,443,693	19,431,705	18,674,499	17,523,246
Child annuitants	116,000	157,500	114,000	114,000	112,012
Ordinary disability benefits	721,720	820,626	821,914	677,523	650,220
Duty disability benefits	159,251	139,779	214,417	204,441	216,010
Total annuities and benefits	139,160,911	132,913,502	127,205,981	122,713,908	118,102,369
Refunds of employee contributions	1,348,845	984,346	1,128,922	1,195,737	2,711,115
Administrative expenses	1,659,917	1,406,507	1,391,487	1,296,826	1,398,695
Total deductions	142,169,673	135,304,355	129,726,390	125,206,471	122,212,179
Net increase (decrease)	**(51,142,122)**	**39,181,793**	**206,211,225**	**70,931,991**	**(71,177,444)**
Net position held in trust for pension benefits					
Beginning of year	1,337,795,620	1,298,613,827	1,092,402,602	1,021,470,611	1,092,648,055
End of year	$ 1,286,653,498	$ 1,337,795,620	$ 1,298,613,827	$ 1,092,402,602	$ 1,021,470,611

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LEGISLATIVE CHANGES SECTION

Legislative Changes

1979 Session

PA 81-0634 Disability benefits payable for alcoholism if the employee participates in a rehabilitation program.

PA 81-0679 Reciprocal Act: changes proportionate pension credits under the "alternate" formula.

PA 81-1187 Under IRS Code Section 414(h), employer may pick up the employee contributions for all compensation earned after December 31, 1980, by a reduction in the cash salary or an offset to a future salary increase or by a combination of both.

1980 Session

PA 81-1536 Reversed all changes made by PA 81-1187 and put the pickup section as a new paragraph. They are treated as employee contributions for all purposes, including refunds; and determination of the tax levy.

1981 Spring Session

PA 82-0690 Effective January 1, 1982, signed November 12, 1981.

Post-retirement increases from 2% to 3% for new retirements only.

Maximum spouse benefit from $500 to $600.

Disability benefits payable to age 70 in some cases.

Increase in employee pensions of $25 per month.

Increase in spouse pension of $25 per month or up to $250.

Children's annuities to $100 and $140.

Reduction in spouse age discount.

Increase in tax multiple to 2.34 in 1984 and after.

PA 82-0308 Authorizes investments in conventional mortgage pass-through securities.

PA 82-0256 Financial statement required by Department of Insurance within 6 months and actuarial statement within 9 months; $100 per day penalty if late.

1982 Spring Session

PA 82-0960 Expanded fiduciary standards, prohibited transactions, civil action may be brought by Attorney General or by a participant.

PA 82-0768 Clarifies compulsory retirement age to 70 rather than 67.

1983 Spring Session

PA 83-0827 Effective January 1, 1984, signed September 24, 1983.

2% benefit accrual formula.

Maximum spouse benefit from $600 to $800.

No reduction for spouse age difference.

Eliminates 30 day wait for refund.

Interest rate on refund repayments from 6% to 8%.

Eliminates second doctor's report for duty disability under certain conditions.

PA 83-0861 Minimum reporting and actuarial information for 1984.

PA 83-0869 10% prudent person investment category.

PA 83-0970 Delegation of investment authority restrictions.

1984 Session No legislative changes

1985 Spring Session

PA 84-0733 Signed September 21, 1985.

Early Retirement Contribution (ERC) Plan: Elimination of age discount factor with one-time employee and employer contribution for those who retire after July 1, 1985 and before June 30, 1995.

Post-retirement annuity increases to begin upon the first anniversary of retirement for those who retire on or after July 1, 1985.

$800 maximum on surviving spouse benefit removed.

Remarriage will terminate spouse annuity only for remarriage before July 1, 1985.

Optional term annuity if life annuity less than $200.

1986 Spring Session

PA 84-1472 Changes the requirement from 10 years to 5 years for allowance after withdrawal while disabled.

Optional Plan of 3% contributions for 1% additional benefit per year of service. Provisions for payment of past service with interest. Provisions expire July 1, 1992. Such plan if elected by a member, would require a 3% of salary contribution (with interest for past service) and would produce an additional 1% per year of service benefit and would increase the employee annuity, post-retirement increase and spouse annuity. Additional optional benefits may not be established for more than 10 years of service. Membership in this plan is optional and as such, it is possible to delay election to just prior to retirement. The effective date of this optional plan is July 31, 1987 the date upon which approval was received from the Internal Revenue Service.

1987 Spring Session

PA 85-0964 Eligibility for retirement at age 50 instead of age 55.

No discount for age less than 60 with 30 or more years of service.

Accrual rate of 2.15% per year of service instead of 2%.

80% maximum benefit for future retirees instead of 75%.

Annuity based on 2 year final average salary instead of 4 year final average salary.

Ad hoc increases for present retiree, widow(er)'s and children.

Increase in employee contribution to 9%.

Decrease in the multiple to 2.19.

An alternative benefit for District Commissioners effective upon IRS approval (which was approved June 22, 1988).

1988 Session No legislative changes.

1989 Session

PA 86-0273 Signed August 24, 1989.

Average salary 104 consecutive weeks instead of 24 months.

Accrual rate of 2.2% of average salary for each of the first 20 years of service and 2.4% for each year of service in excess of 20.

Increase for surviving spouse of 3% of the amount of annuity on the date of employee's retirement or death in service.

Alternative annuity for commissioners age 60 with 6 years of service.

Widow(er)'s allowance of 60% plus 1% for each year of service of employee's annuity at the date of employee's death.

Ad hoc increases for widow(er)'s.

1990 Session

PA 86-0957 Amends Chapter 120, Paragraph 671 of the Revenue Act to provide for a separate listing on the tax bill of the dollar amount of tax due from the person assessed which is allocable to a tax levied under the Illinois Pension Code, or any other tax levied by a municipality or township for public pension or retirement purposes. Effective January 1, 1990.

PA 86-1488 Clarifies the date of 3% increase for surviving spouse.

Allows any City officer to transfer his MWRD service to the Municipal Fund.

1991 Session

PA 87-0794 Article 13 rewritten to preserve existing benefits, signed November 20, 1991.

Average salary 52 consecutive pay periods instead of 104 consecutive weeks.

Retirement annuity with 5 years' service and age 60 instead of 10 years.

Early Retirement Contribution (ERC) Plan extended to June 30, 1997.

Age discount .5% for each full month employee is less than age 60 or each full month employee's service is less than 30 years, whichever is less.

Optional Plan extended to July 1, 1997.

Surviving spouse of employee who withdraws from service not eligible for annuity unless employee had 10 years of service.

Dissolution of marriage after retirement shall not divest spouse of an annuity if they had been married 10 years on the date of retirement.

For employee with Reciprocal service who retires on or after July 1, 1985 and dies after January 1, 1991 with 15 years in MWRD and service prior to September 5, 1975 spouse annuity shall be calculated as a percentage of total annuity minus amount payable by other fund as of date of death.

Surviving spouse annuity shall be discounted .25% for each full month the spouse is younger than the employee, with maximum 60%. The discount shall be reduced 10% for each full year the marriage was in effect as of the date of withdrawal or death in service.

Child annuity $250 with one parent alive or $350 when neither is alive.

1992 Session

PA 87-1265 Beginning January 1, 1993, all employee annuity increases are 3% compounded.

Beginning January 1, 1993, all non-term employee annuitants retiring at age 60 or older with at least 10 years of service get a $500 minimum annuity.

Beginning January 1, 1993, all non-term, non-Reciprocal, non-Disability (Annuity) employees who qualify for an annuity will get a $250 minimum annuity.

Employee may now purchase up to 15 years of optional service (previously 10 years).

Beginning January 1, 1993 all surviving spouse annuities are increased annually by 3% compounded if the employee had at least 10 years of service.

Starting January 1, 1993 all surviving spouse annuitants of non-term employee annuitants who retired at age 60 or older with at least 10 years of MWRD service get a $500 minimum annuity.

Starting January 1, 1993 all surviving spouses of non-term, non-Reciprocal, non-Disability (Annuity) employee annuitants get a $250 minimum annuity.

Alternative annuity for commissioners at age 55 (previously 60).

"No spouse" refunds include 3% interest (previously without interest).

Signed January 25, 1993.

1993 Session No legislative changes

1994 Session No legislative changes

1995 Session No legislative changes

1996 Session No legislative changes

1997 Session

PA 90-0012 Approved June 13, 1997.

Allows equity investments to be up to 50% of total investments.

Excludes future Civil Service Board members from participation in the retirement fund.

Raises eligibility for retirement for new entrants from age 50 to 55.

Extends the Early Retirement Contribution (ERC) Plan to December 31, 2002 for employees with at least 10 years of MWRD service and raises the age of eligibility for new employees to age 55.

Extends the Optional Plan to December 31, 2002 for employees in service on or before June 30, 1997, limits annual contributions, and allows contributions within 30 days of withdrawal. Any employees entering service after June 30, 1997, are not eligible to participate in this Plan.

Clarifies that a disability annuity is not payable if the employee is able to work.

For all employees hired after June 13, 1997, the early retirement discount requires at least 10 years of District service to be eligible to make the early retirement contribution even if they have 30 years total, including reciprocal service.

Bases calculation of contribution to eliminate the early retirement discount on the highest salary used in the benefit calculation and clarifies that the contribution will be based on a portion of years.

1997 Session, continued

PA 90-0012, continued

Clarifies that 3% annual compounded cost of living increases apply to employees and spouses whose annuities began under predecessor provisions of the statutes and provides annual cost of living increases to a small group of employees who retired before July, 1985 with at least 10 years of service who previously did not receive these increases.

Requires that new employees have at least 3 years of service before a surviving spouse benefit is payable, if employee dies in service or 10 years of service if employee withdraws before age 55; minimum service is required for a non-duty related death (no minimum service is required for a duty related death).

Subjects the minimum surviving spouse annuities to the discount for age differential and requires the marriage to have been in continuous effect for 10 years to eliminate the discount for the age differential.

Provides a child's annuity to children of former employees with at least 10 years of service and to children of retired annuitants. Increases the minimum service requirement of new employees from 2 to 3 years before a child's annuity would be payable.

Clarifies that the determination of the amount of a child's annuity is dependent on the life status of the child's parent and not the employee's surviving spouse.

Removes the age limitation for eligibility for duty and ordinary disability benefits and provides that disability for new employees will not be paid for the first 3 days of the disability payment period unless the disability continues for at least 11 more days.

Eliminates benefits for children of employees receiving duty disability benefit.

Allows payment of disability for up to 5 years if disability occurs at age 60 or later.

Clarifies that calculation of the benefit under the alternative annuity plan be based on the final average salary as a commissioner instead of salary at the time of termination of service.

Requires that new employees return to work for at least one year before becoming eligible to make contributions for a period of leave of absence.

Clarifies that a year of service credit for purposes other than an annuity is to be based on 26 pay periods in 12 consecutive months.

1998 Session No legislative changes

1999 Session No legislative changes

2000 Session

PA 91-0887 Signed July 6, 2000

Allows the Fund’s Trustees to approve use of the actuarial table recommended by the actuarial consultant for purpose of calculating a reversionary annuity.

In cases where a Workers’ Compensation claim is in dispute, clarifies that duty disability benefits are paid only for the period of disability determined by the Illinois Industrial Commission or acknowledged by the employer.

Ordinary and duty disability benefits are terminated if the employee does not provide the Fund with access to medical and/or employment records, or refuses to follow medical advice and treatment to enable the employee to return to work.

No interest is used when calculating retroactive duty disability benefits.

Allows lump-sum payments for optional credit on past service by commissioners electing the Alternative provision.

Refund repayments are calculated using a compound interest rate equal to 8% or the actuarial investment return assumption used in the most recent Annual Actuarial Statement, whichever is greater.

2001 Session

PA 92-0053 Signed July 12, 2001

Provides automatic annual increases of retirement annuities to commence on the first day of the month in which the first anniversary of the date of retirement occurs.

Provides a minimum retirement annuity equal to $500 per month for an employee with at least 10 years of District service, plus $25 per month for each year of service in excess of 10 years, to a maximum of $750 per month.

Provides a minimum surviving spouse annuity equal to the greater of:

a) $500 per month for the surviving spouse of an employee with at least 10 years of District service, plus $25 per month for each year of service in excess of 10 years, to a maximum of $750 per month; or
b) 50% of retirement annuity to of the deceased spouse at the time of death.

Provides an increase in a child's annuity to $500 per month for 1 child and $350 per month for each additional child if one parent is living. If neither parent is living, provides an increase in a child's annuity to $1,000 per month for one child and $500 for each additional child. In either case, the maximum benefit is $2,500 per month for all children of the employee, to be divided equally among the children.

Allows equity investments to be up 65% of total investments.

2002 Session

PA 92-0599 Signed June 28, 2002

Provides for early retirement without discount for any employee who retires on or after January 1, 2003 but on or before December 31, 2007 if the employee is at least age 50 but less than age 60 and has at least 10 years of service credit exclusive of any reciprocal service and the sum of his years of creditable service and his age equals at least 80.

Provides for a revised Optional plan of additional benefits and contributions for the period from January 1, 2003 to December 31, 2007. The rate of contributions is 4% of pensionable earnings. The additional benefit is 1% per year of Optional contributions. Participation is limited to employees with at least 10 years of creditable service with this Fund. The maximum additional benefit that may be accumulated under this plan,

2002 Session, continued

PA 92-0599, continued

including any additional benefit accumulated under a prior optional benefit plan, is 12%. Participation requires an irrevocable written election. Payment for service prior to the irrevocable election is limited to the same calendar year. The cost of payment to establish Optional credit before the election is 4% of the salary for the applicable period of service, plus interest from the date of service to the date of payment at the higher of 8% per year or the actuarial investment return assumption. The tax levy for Optional contributions is equal to the amount of Optional contributions.

2003 Session

PA 93-0334 Signed July 24, 2003

Provides for active employees having at least ten years of MWRD service credit and meeting other requirements to purchase up to 2 years of active military credit toward their retirement annuity. The employees' contributions are to be calculated based upon the starting salary and are to include the employer's normal cost at the time of payment, plus regular interest of 3% per year compounded annually.

2004 Session

No legislative changes

2005 Session

PA 94-0621 Signed August 18, 2005

For all new entrants, requires that disability annuitants have a minimum of five years of service exclusive of disability service to qualify for a benefit.

Provides for the minimum annuity as detailed in HB 478 for all employee and surviving annuitants regardless of whether an age discount applied to the employee's annuity calculation.

Clarifies surviving spouse annuity eligibility for the spouse of an employee who withdraws from service prior to the attainment of the minimum retirement age yet who has enough service to qualify for a future annuity. Changes make reference to a minimum retirement age, which varies dependent on start date, rather than a fixed age. Changes also provide for surviving spouse annuity eligibility for the spouse of a withdrawn employee who was eligible for an annuity at age 62 but died prior to annuity application.

Provides for calculation method for the surviving spouse annuity of a vested employee who separated from service before minimum retirement age and had not yet begun to receive an annuity.

Grants child annuities to children of deceased employees and former annuitants if the child is over age 18 but under age 23 and is a full time student.

Eliminates the three-day wait (for employees hired after June 13, 1997) for duty disability benefits that did not continue 11 additional days.

Provides ordinary disability benefits for employees hired after June 13, 1997 beginning the 31st day after the last day work provided all sick leave is exhausted.

Allows commissioner alternative contributions to be made pre-tax, pending IRS approval.

Provides an annuity for the surviving spouse of a commissioner who elects the commissioner's alternative plan from a fixed 66 2/3% of the commissioner's annuity at death to the greater of 66 2/3% or 60% plus 1% per year of service up to a maximum of 85% of the annuity earned by the commissioner on the date of death. The number

2005 Session, continued

PA 94-0621, continued

of years used to calculate the commissioner's annuity would also be used to calculate the annuity for the surviving spouse.

Changes refund eligibility to allow for a refund of contributions for a separated employee who was hired on or after June 13, 1997 who is between ages 50 and 55 with over 20 years of service.

Clarifies that interest paid on a refund to estate should be calculated through the date of withdrawal.

Allows for refunds to be repaid within 90 days of withdrawal.

Empowers the Board to assess and collect interest on amounts due the Fund using the current actuarial interest rate assumption.

2006 Session No legislative changes

2007 Session Signed August 17, 2007

PA 95-0279 Modifies child annuity eligibility requirements for adopted children. Removes the stipulation that proceedings to adopt the child must have begun at least one year prior to death.

PA 95-0521 Signed August 28, 2007

Requires the retirement system or pension fund to divest its assets with an Illinois finance entity if the entity does not annually certify that it complies with the requirements of the High Risk Home Loan Act.

PA 95-0586 Signed August 31, 2007

Effective January 1, 2008, the annuity effective date for employee and spouse annuities is the first of the month following retirement. Employee and spouse annuities are payable for the full month if the annuitant was alive on the first day of the month.

The $10.00 per child monthly duty disability benefit was placed back into legislation for employees who were in service before June 13, 1997. This provision was inadvertently eliminated from the language at the time of the 1991 re-draft of 40 ILCS 5/13.

The contribution definition was revised to clarify that the 7 ½ % contribution for the employee's and child's annuity consisted of a 7% contribution for the retirement annuity and ½ % for the annual retiree cost of living increase.

The method of calculation of refunds after death was amended to clarify that the ½% allocated for the retiree cost of living was not included in a refund payable upon death. Further, to whom payment of a refund after death should be distributed was clarified. Payment is first made to a spouse, then to beneficiary as designated by the employee, and if there is no beneficiary form, then to the late employee's children in equal parts. If there is no spouse, then payment is made to the designated beneficiary.

If there is no spouse or designated beneficiary, then payment is made to any children of the deceased employee. If there is no spouse, designated beneficiary, or child then distribution is made to the heirs in accordance with the laws of descent and distribution in the State of Illinois.

2007 Session, continued

PA 95-0586, continued

The Retirement Fund Board of Trustees was granted authority to invest the Fund's reserves according to the Prudent-Person Rule. This rule requires a fiduciary (trustee) to discharge his/her duties with the care, prudence and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with such matters would use in a similar situation.

2008 Session

PA 95-0891 Signed August 22, 2008.

Amends the MWRDGC statutes, 70 ILCS 2605/5.9, to allow the MWRDGC to transfer interest income to the Retirement Fund.

PA 95-0923 Signed August 26, 2008.

Adds two additional Trustees to the Retirement Fund Board, one appointed retiree and one elected active employee. The appointed retiree is recommended by the Board of Commissioners and approved by the Board Trustees of the Fund. Each of the three appointed trustees now serves a term of three years and each of the four elected active employees will now serve a term of four years. The term of one appointed and one elected trustee expires each year.

2009 Session

PA 96-0006 Signed April 3, 2009.

Expands the Illinois Governmental Ethics Act (5 ILCS 420/4A-101) to require that pension board members annually file a statement of economic interest.

Expands the definition of "fiduciary" (40 ILCS 5/1-101.2) to include any person who, with respect to a pension fund or retirement system, "renders advice on the selection of fiduciaries for a fee or other compensation, direct or indirect, with respect to any moneys or other property of the pension fund or retirement system, or has any authority or responsibility to do so." It also provides an expanded definition of "consultant" (40 ILCS 5/1-101.5)

Sets out specific goals, targets, and reporting requirements for the utilization of emerging investment managers by pension funds. Provides a definition of "emerging manager" as "a qualified investment advisor that manages an investment portfolio of at least $10 million but less than $10 billion and is a 'minority owned business,' 'female owned business,' or 'business owned by a person with a disability' as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act."

Imposes conflict-of-interest prohibitions that involve an investment transaction with an investment adviser when the pension board member, employee, consultant, or their spouse: (1) has a direct interest in the income gains, or profits of the investment advisor; or (2) has a relationship with that investment adviser that would result in a pecuniary benefit to the board member, employee, or consultant (40 ILCS 5/1-110)

Makes several changes regarding the use of investment advisers and investment services (40 ILCS 5/1-113.14).

Requires that every retirement system and pension fund governed by the Illinois Pension Code is subject to the Illinois Open Meetings Act (40 ILCS 5/1-113.16). All retirement systems and pension funds, must maintain an official website, updated at least quarterly with information concerning the investment of funds.

2009 Session, continued

PA 96-0006, continued

Requires all board members to attend at least 8 hours of training per year on the topics of ethics, fiduciary duty and investments. Each pension board must annually certify that its members received the required training. The certification must be sent to the Division of Insurance of the Department of Financial and Professional Regulation (40 ILCS 5/1-113.18).

Expands the gift ban provisions to all of the pension systems (40 ILCS 5/1-125) and enumerates the number of allowable exemptions.

PA 96-0251 Signed August 11, 2009.

Technical clarification regarding the effective date of a reversionary annuity. The benefit would begin on the first of the month following the death of the annuitant and would be payable for the full month if the reversionary annuitant was alive on the day of the month.

Increased child annuity benefits to an unmarried child under the age of 18 years (under the age of 23 years in the case of a full-time student) to $500 per month for each child, up to a maximum of $5,000 for all children of the employee if one parent is alive. The child's annuity shall be $1,000 for each child, up to a maximum of $5,000 if neither parent is alive. The effective date of the child's annuity benefit shall be the first of the month following the death of the employee or annuitant. The benefit would be payable for the full month if the annuitant was less than age 18 (or 23 if a full-time student) on the first of the month.

2010 Session

PA 96-0889 Signed April 14, 2010.

The provisions apply to a person who first becomes an employee and a participant of any retirement system in Illinois, other than a retirement system established under Article 2,3,4,5,6,or 18 of the Illinois Compiled Statutes, on or after January 1, 2011.

The major changes from the existing benefit structure are as follows:

- Normal retirement age to receive full benefits is increased to 67.
- The age to receive a reduced (early retirement) benefit is increased to 62.
- The reduction for early retirement is one-half of one percent for each month a member's age is under 67.
- Increases in the number of months used to calculate the final average salary to the highest 96 months over the last 120 months of service.
- Caps the final rate of earnings at $106,800 in 2011, which will increase annually by three percent or one-half of the increase of the Consumer Price Index.
- Changes the surviving spouse pension to sixty-six and two-thirds percent of the pension of the deceased member.
- Limits the annual pension increase for retirees to three percent or one-half of the increase in the Consumer Price Index, whichever is lower based on the original amount of the pension.
- Modifies the date the retiree cost of living increase would be paid to the first of the month following the attainment of age 67 or the first anniversary of the commencement of the annuity, whichever is later.

2010 Session, continued

PA 96-1490 Signed December 30, 2010.

This bill made technical changes to the two-tier system implemented by Public Act 96-0889.

2011 Session

PA 96-1513 Signed February 1, 2011

Effective June 1, 2011, two persons of either the same or opposite gender may enter into a legal relationship referred to as a civil union. Parties to the civil union have the same obligations, responsibilities, protections and benefits afforded by Illinois law to a married couple.

PA 97-0504 Signed August 23, 2011

Effective January 1, 2012, elected or appointed members of a public body subject to the Open Meetings Act must complete the electronic training on the Illinois Attorney General website once during their term of election or appointment as follows:

- Any person who is an elected or appointed member of a public body on January 1, 2012, must complete the electronic training between January 1, 2012 and January 1, 2013.
- Any person who becomes an elected or appointment member of a public body after January 1, 2012, must complete the electronic training no later than the 90th day after taking the oath of office or if not required to take the oath of office, after otherwise assuming responsibilities as a member of the public body.

Elected or appointed members need not complete the electronic training on an annual basis thereafter unless they are also designated to receive training on compliance with the Open Meetings Act.

PA 97-0609 Signed August 26, 2011

The provisions apply to a person who first becomes an employee and a participant of any retirement system in Illinois on or after January 1, 2012, and is receiving a retirement annuity and accepts on a contractual basis a position to provide services to a governmental agency from which he or she retired, then that person's annuity shall be suspended during the during the contractual service.

PA 97-0318 Signed August 12, 2011

The provisions of the Open Meetings Act are hereby expanded to allow closed meetings between internal or external auditors and governmental audit committees, finance committees and their equivalents when the discussion involves internal control weakness, identification of potential fraud risk areas, known or suspected frauds and fraud interviews conducted in accordance with generally accepted auditing standards.

2012 Session

PA 97-0651 Signed January 5, 2012

Expands the duties of fiduciaries to include the responsibility to report a reasonable suspicion of a false statement or other fraud to the Board of Trustees or the State's Attorney of the jurisdiction where the fraudulent activity occurred.

2012 Session, continued

PA 97-0894 Signed August 3, 2012

Effective with the 2013 fiscal year, increases the maximum tax levy from 2.19 multiplied by the employee contributions two years prior to the lesser of 4.19 multiplied by the employee contributions two years prior or the actuarially determined contribution requirement. Increases employee retirement contributions for Tier 1 employees by 1% per year for three years, starting with the first pay period paid in 2013. Resulting contribution rates for Tier 1 members are 10% in 2013, 11% in 2014, and 12% in 2015. The Tier 1 employee contribution rate will revert to 9% the first pay period paid on or after the date when the funded ratio of the Fund is determined to have reached the 90% funding goal.

2013 Session

PA 98-0433 Signed August 16, 2013

Creates an exception to the current RFP requirements for investment services. The competitive bid process will not be required for contracts for follow-on funds with the same fund sponsor through closed-end funds.

PA 98-0597 Signed November 20, 2013

Effective June 1, 2014, makes changes permitting same-sex marriage in the State of Illinois. Provides for reciprocity, recognizing same-sex marriages solemnized in other states and countries in which same-sex marriage is legal. Allows for voluntary conversion of civil unions to marriages.

2014 Session

PA 98-1022 Signed August 22, 2014

Effective February 1, 2015, the Boards of the Illinois retirement systems shall establish goals for utilization of investment managers that meet the definition of minority owned business, female owned business, and disabled person owned business. The systems will set a goal for each category.

Furthermore, beginning January 1, 2015, no contract for investment or consulting services or commitment to a private market fund shall be awarded by a retirement system unless such entity first discloses the following:

1) The number and percentage of its senior staff who are minority, female, or disabled.
2) The number of contracts for services that the applying entity has with a minority owned business, female owned business, or business owned by a person with a disability.
3) The number of contracts for services that the applying entity has with businesses other than a minority owned business, female owned business, business owned by a person with a disability, if more than 50% of the services under that contract are performed by a minority person, a female, or a person with a disability.

2014 Session, continued

PA 98-1022, continued

Provides that a retirement system must consider such information (within the bounds of financial and fiduciary prudence) before awarding a contract for investment services, consulting services, or commitment to a private market firm. The Act also provides that if an investment firm meeting the system's criteria responds to an RFP for investment services and meets the definition of a minority owned business, then that firm shall be allowed to present to the Board before a final decision is made for that RFP.

2015 Session

PA 99-0008 Signed July 9, 2015

Effective July 1, 2015, provides that if the employer fails to transmit required contributions to the pension fund, the fund may certify to the State Comptroller the amount due, and the Comptroller must, beginning in 2016, deduct and remit to the fund the certified amounts from payments of State funds to the employer.

PA 99-0462 Signed August 25, 2015

Effective January 1, 2016, adds an aspirational goal for Illinois pension funds to use emerging investment managers for not less than 20% of the total funds under management. It shall also be the goal that not less than 20% of investment managers be minorities, females, and persons with disabilities. It establishes a goal to use businesses owned by minorities, females, and persons with disabilities for not less than 20% of contracts awarded for information technology services, accounting services, insurance

brokers, architectural and engineering services and legal services.

2016 Session

PA 99-0683 Signed July 29, 2016

Requires Illinois pension funds, except downstate police and fire funds, to develop and implement a process to identify deceased annuitants. The process must be implemented no later than June 30, 2017. The process requires the fund to check for any deceased annuitants at least once per month. Accepted methods to identify deceased annuitants include, but are not limited to, the use of a third party entity that specializes in the identification of deceased persons, the use of data provided by the Social Security Administration, or the use of data provided by the Department of Public Health's Office of Vital Records. Amends the Vital Records Act to require the Department of Public Health to provide death match services to Illinois pension funds at no cost.

2017 Session

PA 100-0244 Signed August 22, 2017

Provides an opportunity for annuitants in same-sex marriages or unions recognized in Illinois a) between June 1, 2011 and June 30, 2016 under the Illinois Religious Freedom Protection and Civil Union Act of 2011, or b) between February 26, 2014 and June 30, 2016 under the Illinois Marriage and Dissolution of Marriage Act of 2014, who retired prior to June 1, 2011 and received a refund of surviving spouse contributions, to repay the no-spouse refund with interest and establish eligibility for a surviving spouse annuity.

2017 Session, continued

PA 100-0244, continued

The annuitant must make an irrevocable election between January 22, 2018 and January 21, 2019. Repayment of the no-spouse refund includes interest at the actuarially assumed rate of return, compounded from the date of the refund to the date of payment. Payment may be made in full or in installments. All payments must be made in full within 24 months of the election.

PA 100-0334 Signed August 25, 2017

Expands the felony forfeiture language to include the forfeiture of surviving spouse benefits that would have been payable to the surviving spouse of a person entering service on or after August 25, 2017 who was convicted of any felony relating to and arising out of service as an employee.

PA 100-0542 Signed November 8, 2017

No later than January 1, 2018, and each January thereafter, requires a consultant to annually disclose to the board of the retirement system, board of the pension fund, or the investment board that retains the consultant certain information concerning searches for investment services from minority owned businesses, female owned businesses, and businesses owned by persons with a disability. Requires a consultant to disclose any compensation or economic opportunity received in the last 24 months from investment advisors retained by the board of a retirement system, board of a pension fund, or investment board. Requires consideration of these disclosures before awarding a contract for consulting services.

2018 Session

PA 100-0902 Signed August 17, 2018

Amends Article 1 to state that each retirement system, pension fund, or investment board shall make its best efforts to ensure that the racial and ethnic makeup of its senior administrative staff represents the racial and ethnic makeup of its membership.

2019 Session

PA 101-0339 Signed August 9, 2019

Amends Section 5/13-208. Provides that "average final salary" means the highest average monthly (instead of annual) salary as calculated by accumulating the salary for the highest 520 consecutive paid days of service (instead of 52 consecutive pay periods) within the last 10 years of service immediately preceding the date of retirement and dividing by 24 (instead of 2). Provides that if the employee is paid for any portion of a workday, the fraction of the day worked and the salary for that fraction of the day shall be counted in accordance with the Fund's administrative rules.

PA 101-0473 Signed August 23, 2019

Amends Section 5/1-113.6 and creates 5/1-113.17. The Illinois Sustainable Investing Act. Provides that any public agency or governmental unit shall develop, publish, and implement sustainable investment policies applicable to the management of all public funds under its control. Provides that the sustainable investment policy may be incorporated in existing investment policies developed, published, and implemented by a public agency or governmental unit. Provides that the sustainable investment policy shall include material, relevant, and decision-useful sustainability factors to be applied by the public agency or governmental unit in evaluating investment decisions. Provides that a public agency shall prudently integrate sustainability factors into its investment decision-making, investment analysis, portfolio construction, due diligence, and investment ownership in order to maximize anticipated financial returns, minimize projected risk, and more effectively execute its fiduciary duty. Specifies sustainability factors, and the ways in which such factors may be analyzed. Amends the Deposit of State Moneys Act, the Public Funds Investment Act, and the Illinois Pension Code to make changes concerning investment policy and the Illinois Sustainable Investing Act. Provides findings and purpose provisions.

PA 101-0546 Signed August 23, 2019

Creates 765 ILCS 1026/15-1505. Requires a retirement system, pension fund, or investment board under the Illinois Pension Code report to the Illinois Treasurers' Office annually property presumed abandoned. No retirement system, pension fund, or investment board under the Illinois Pension Code shall pay or deliver any annuity, pension, or benefit fund held in a fiduciary capacity to the Illinois Treasurers' Office.

PA 101-0620 Signed December 20, 2019

Adds Section 167 to Article 1. Prohibits the disclosure of certain personal information regarding participants and members except where required by the Freedom of Information Act.

2020 Session No legislative changes