

# PORTABLE PLAN MEMBER GUIDE



**SURS  
MISSION STATEMENT  
TO SECURE AND DELIVER THE  
RETIREMENT BENEFITS PROMISED  
TO OUR MEMBERS.**

This booklet is intended to serve only as a brief summary of the provisions of the law governing the State Universities Retirement System. It should not be considered a substitute for the provisions of the law, which are set forth in Articles 1, 15, and 20 of the “Illinois Pension Code.” The provisions of the law prevail over any statements, errors or omissions of this booklet.

The benefits in this booklet pertain to the Portable Benefit Package. A Traditional Benefit Package Guide and a Self-Managed Plan (SMP) Guide are also available as separate publications to explain the benefits pertaining to those options.

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## APPLICATION OF CHANGES IN THE LAW

Generally, changes in the retirement law are applicable only to persons who are contributing members on or after the effective date of legislation. If you terminated your employment status before the effective date of the legislation, the changes will not be applicable to you unless the legislation specifically provides for retroactive application.

Similarly, the date you first become a participant with SURS or another eligible Illinois retirement system covered under the Illinois Retirement Systems Reciprocal Act determines your eligibility for SURS benefits and vesting requirements. It is important that you notify SURS if you participated in another Illinois retirement system or if you had previous participation with SURS but accepted a refund (see Page 6 for a list of the reciprocal systems). In some cases, it may be necessary for the refund to be repaid to allow SURS to recognize the prior participation when considering eligibility.

*Example: If you first began participation prior to Jan. 1, 2011, you would be considered to be a Tier I member. If you first began participation on or after Jan. 1, 2011, you would be considered to be a Tier II member.*

## INTRODUCTION

SURS is a qualified 401(a) retirement plan that provides retirement, disability, death and survivor benefits to eligible SURS participants and annuitants. SURS members must choose one of three retirement options:

1. Traditional Benefit Plan
2. Portable Benefit Plan
3. Self-Managed Plan (SMP)

New members must choose a retirement plan within six months from the date SURS receives their certification of employment from the employer. Your choice is permanent and cannot be changed.

Information is sent to all new members, along with an election form, to help you make your choice. If you are a new member, please review the information carefully to determine which option is best for you. If you fail to choose within six months, you will be permanently enrolled in the Traditional Benefit Plan.

## SURS Traditional Benefit Plan

This is the historical SURS defined benefit retirement plan. Until 1998, it was the only SURS plan available. It provides lifetime retirement benefits and provides for a survivor benefit at no additional cost. However, the separation refund feature is not as generous as the Portable Benefit Plan.

## SURS Portable Benefit Plan

This is also a defined benefit retirement plan that has much in common with the Traditional Benefit Plan. It provides a more generous separation refund if you leave the System. However, the provisions for survivor benefits require a reduction to the retirement and death benefits.

## SURS Self-Managed Plan (SMP)

This is a defined contribution plan that establishes an account in your name into which your contributions and the employer (state of Illinois) contributions are placed. You decide how your funds will be invested, selecting from a variety of mutual funds and variable annuities.

Comprehensive information about the three retirement options can be found on the Internet at [www.surs.org](http://www.surs.org) or in the Retirement Choice Election Packet available through SURS.

## ELIGIBILITY

SURS covers all faculty and support staff of Illinois public higher education including universities, community colleges and other related agencies.

Your employer will determine your eligibility to participate in SURS. Generally, you will participate if your position requires you to work continuously for at least one academic term or four months, whichever is less, and your employment is not temporary, intermittent, or irregular. Your SURS participation ends on the date you retire or terminate employment with a SURS-covered employer.

You are not eligible to be covered by SURS if, among the criteria:

- You are a student regularly attending classes at a college or university that participates in SURS and are employed on a part-time, temporary basis at that college or university;

- You were employed under the Comprehensive Employment Training Act on or after July 1, 1979;
- You hold a J-1 or F-1 visa and have not yet established residency status; or
- You are currently receiving a retirement annuity from SURS.

## CONTRIBUTIONS

### Employee Contributions

Because SURS is a contributory system, you must contribute a percentage of your earnings to receive benefits. Your contributions are equal to 8% of your gross earnings, including earnings for overtime and summer sessions. Also, 8% will be deducted from any vacation payments you may receive from your employer – if you are paid for unused vacation days when you terminate employment. SURS members may not make voluntary contributions, except to purchase qualified optional service credit.

EMPLOYEE CONTRIBUTION CHART	
Percentage of Gross Earnings	Benefit to Which it is Applied
6.5%	Normal Retirement Benefit
0.5%	Automatic Annual Increases In Retirement Benefits
1%	Portability
8%	Total Employee Contribution

Full-time community college employees (except City Colleges of Chicago) pay an additional 0.5% of earnings to fund a health insurance plan devised for community college retirees (see Health Insurance). This contribution is forwarded to the Department of Central Management Services and is not part of your SURS account.

### Maximum Pensionable Earnings

Employees enrolled in the Portable Plan who first become participants with SURS or another Illinois retirement system covered under the Illinois Retirement Systems Reciprocal Act on or after Jan. 1, 2011, will be limited to making employee

contributions on gross earnings up to the Maximum Pensionable Earnings limit set by law. Earnings that exceed this annual limit will not be included in the calculation of any SURS benefits for these participants. This limit is \$114,951.83 for fiscal year 2020 and \$115,928.92 for FY2021. The limit increases by the lesser of one half of the change in Consumer Price Index-Urban (CPI-U) or 3% each year thereafter, as determined by the Public Pension Division of the Department of Insurance.

Those enrolled in the Portable Plan who began participation prior to Jan. 1, 2011, are not subject to this Maximum Pensionable Earnings limit.

### Social Security

Because SURS participants are not eligible for Social Security coverage, no Social Security taxes will be withheld from your earnings. However, if you began working for a SURS-covered employer on or after April 1, 1986, contributions for Medicare will be withheld. Currently, this contribution equals 1.45% of gross earnings.

At retirement, certain restrictions may apply to your Social Security income if you receive Social Security benefits and a retirement benefit from SURS. Contact the Social Security Administration for more information on these provisions.

### Employer Contributions

The state of Illinois shares the cost of providing benefits to SURS participants. The state's share is actuarially determined each year.

## SERVICE CREDIT

Service credit is one of the most important factors in determining eligibility for, and the amount of, your SURS benefits. You earn service credit based on the length of your SURS participation.

SURS classifies service credit in two ways: vesting service and benefit service. Vesting service is used to determine your eligibility to qualify for a specific benefit, while benefit service is used to determine your benefit amount.

The period used to calculate service credit begins Sept. 1 and ends Aug. 31. During this period, you may receive no more than one year of service credit. You can earn service credit for a fractional year of service, as shown in the following chart.

LENGTH OF EMPLOYMENT	SERVICE CREDIT EARNED
15 or more calendar days in a month	1 month
1 or 2 months	1/4 year
3 thru 5 months	1/2 year
6 thru 7 months	3/4 year
8 thru 12 months	1 year

SURS service credit is initially credited based upon basic payroll information received from SURS-covered employers during employment. This information includes only payroll date and contributions withheld on SURS-eligible earnings. Information regarding specific dates worked is gathered at retirement, in order to determine if service credit requires adjustment. Service credit balances included on SURS annual statements reflect unadjusted service credit; therefore, it is important to verify that your adjusted service total will allow you to meet the minimum vesting requirements for any SURS benefit.

## PART-TIME EMPLOYMENT

Part-time employment with a SURS-covered employer does not affect your eligibility to qualify for benefits. Regardless of the percentage of employment, you accumulate service for qualification of benefits or vesting, equally.

When your retirement or survivor annuity is calculated, benefit service credit may be reduced if you have been employed at 50% time or less for more than three years after Sept. 1, 1959. This reduction is not reflected in your annual Benefit Summary Statement.

Because of potential fluctuations in the percentage of employment during a member's SURS career, the exact reduction that may apply can only be known after all percentages for years of service have been received from all employers.

*For example, two members are the same age and are certified as contributing SURS members on the same date. One member may work full-time (100%) for 10 years. Another may work 10 years,*

*but their employment percentage has varied. They have three years at 20%, two years at 30%, and five years at 10%.*

*Because both started on the same day, they will qualify for benefits on the same day, even though one is full time and the other is part time. However, when the benefit is actually calculated, the part-time member's service may be reduced because his/her percentage of time is 50% or less. This will affect the number of service years that can be used in calculating the retirement amount.*

Members who have been employed at varying percentages at 50% time or less should contact SURS several years prior to retirement to determine how this calculation might affect their retirement plan.

## QUALIFYING FOR MORE SERVICE CREDIT

The following sections explain how you may qualify for service credit in addition to your regular SURS employment. These possibilities include: leaves of absence, disability leave, unused sick leave, prior service, military service, other public employment (OPE), service with Illinois reciprocal systems and repayment of a separation refund.

If you think you may qualify for additional service, contact SURS as early in your career as possible. SURS can help you determine how to verify any additional service for which you may be eligible and help you understand how this service may increase your retirement benefit.

### Leaves of Absence

If you are granted a 100% leave of absence (you are receiving no salary from your employer), you will receive no service or earnings credit. To receive service and earnings credit for the leave, you must pay the employee contributions on the salary you are forfeiting during the leave.

If you are granted a leave of absence for a percentage of time greater than 50%, but less than 100% (you are receiving pay from your employer that is less than 50% of your usual salary), you will continue to receive service credit. However, if your leave continues for more than three years, your service credit may be adjusted when your

benefit is calculated (see Part-Time Employment in previous section). To avoid this possible adjustment and to maintain full earnings, you may pay the employee contributions on the salary you are forfeiting during the leave. *Note: The forfeited salary will be subject to the Maximum Pensionable Earnings limit (see Page 2 for more information about this limit).*

The payment for the leave contributions may be made as:

- A lump sum at the beginning of your leave.
- Monthly installments during your leave.
- A lump sum later. Deferring payment will require the payment of interest, which is compounded annually based on the effective rates.

Service and earnings credit provided by these leave contributions may not exceed three years in any 10-year period. For the service and earnings credit established to be retained, you must return to work when the leave expires at a percentage of time equal to or greater than that immediately preceding the leave for at least eight consecutive months or a period equal to the leave, whichever is less. If you do not fulfill this “return from leave” requirement or do not complete the payment schedule, the leave contributions will be refunded without interest.

If you are granted a leave of absence for a percentage of time that is 50% or less (you are receiving pay from your employer that is at least 50% of your usual salary), you continue to receive service credit. However, you are not eligible to make leave contributions.

If your employer grants you a sabbatical leave (this is generally a leave of absence with pay), you receive full earnings and service credit protection. If the leave with pay is for a percentage of time greater than 50%, but less than 100% (you are receiving pay from your employer that is less than 50% of your usual salary), you may pay the employee contributions on the salary you are forfeiting during the leave. This may be advantageous to you if your retirement annuity is highest under the Money Purchase calculation. *Please note that the “3 in 10 year” rule and the “return from leave” requirements discussed earlier in the section must be met.*

## Disability Leave

You continue to receive full protection during the first 60 days of disability leave and while receiving disability or workers’ compensation benefits even though you do not make contributions.

When your retirement annuity is calculated for the purpose of determining final average earnings, SURS will assume your earnings are equal to the basic compensation on the date disability occurs or the average earnings during the 24 months immediately preceding the month in which disability occurs, whichever is greater.

*Note: The basic compensation and earnings will be subject to the Maximum Pensionable Earnings limit (see Page 2 for more information about this limit).*

## Unused Sick Leave

You will receive additional service credit for any unused and unpaid sick leave earned in accordance with an employer’s generally applicable sick leave policy if your retirement annuity begins within 60 days after you terminate your employment covered by SURS or one of the other systems subject to the Illinois Retirement Systems Reciprocal Act.

Your employer may pay you for a portion of your unused sick leave when you terminate employment. If so, you will receive additional service credit only for any unpaid portion.\*

Any payment you receive from your employer for sick leave is not earnings for retirement purposes and will not increase your retirement benefit.\*

*\*Except that, if the sick leave payment has been collectively bargained between the employer and the recognized collective bargaining agent pursuant to the Illinois Educational Labor Relations Act, payment received during a period of up to two academic years for unused sick leave may be considered as earnings in accordance with the applicable collective bargaining agreement, subject to the 20% increase limitation in the final average earnings. Any unused sick leave considered as earnings in the final average earnings shall not be taken into account in calculating service credit.*

UNUSED, UNPAID SICK LEAVE	
Additional Full Work Days	Service Credit
20-59 Days	1/4 Year
60-119 Days	1/2 Year
120-179 Days	3/4 Year
180-259 Days	1 Year

## Prior Service With Another SURS-Covered Employer

You may purchase service credit for employment with another SURS-covered employer. This employment must have been at least 50% time and must have occurred before you began SURS participation. The payment of this service credit is based on your full-time (or full-time equivalent) rate of pay on the date you began SURS participation and the contribution rate that was in effect during your prior employment. *Note: The full-time rate will be subject to the Maximum Pensionable Earnings limit (see Page 2 for more information about this limit).*

Your payment will also include interest. The interest is calculated as follows:

- 6% compounding annually from the date you began SURS participation through Aug. 31, 1982.
- Beginning Sept. 1, 1982, the interest compounds annually based on the effective rates. Interest compounds through the month in which the payment is made, regardless of the day of the month the payment is received (see Effective Interest Rate table on Page 7).

## Military Service

### Military Leave

If you take a leave of absence for active duty military service that interrupts your SURS-covered employment, you will receive up to five years of service credit if:

- You enter military service immediately following a period of employment with a SURS-covered employer, and
- You return to work with a SURS-covered

employer within one year of receiving an honorable discharge.

In accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA), you may be eligible to make up any missing SURS contributions during your active duty military service. For more information, visit [www.surs.org](http://www.surs.org).

### Purchase of Military Service Credit

If your military service occurred before you began SURS participation, and if you were a SURS participant on or before Sept. 1, 1974, you may be eligible to purchase active duty military service under the provision of SURS Other Public Employment (see next section).

If your military service does not qualify as Other Public Employment, you can purchase service credit for your military service under a law that became effective in November 1991. This law requires the member to pay both the employee and employer contributions, including interest at the effective rates, to receive up to two years of service credit.

Since the member pays both employee and employer contributions, there are no additional matching employer contributions in the calculation of the Money Purchase calculation.

To determine your eligibility for military service credit, submit a copy of your DD-214 or other documents that show the dates of your active duty and verification of honorable discharge. If you do not have a copy of your military separation papers, contact your local Veterans Affairs office.

### Other Public Employment (OPE)

If you were employed by another public agency before your SURS participation began, your eligibility to qualify for purchase of additional service credit depends in part on when you became a SURS participant.

The payment required to purchase each year of service credit is 8% of your full-time (or full-time equivalent) rate of pay on the date you began SURS participation.

*Note: The full-time rate will be subject to the Maximum Pensionable Earnings limit (see Page 2 for more information about this limit).*

Your payment will also include interest which, as with Prior Service, is calculated as follows:

- 6% compounding annually from the date you began SURS participation through Aug. 31, 1982.
- Beginning Sept. 1, 1982, the interest compounds annually based on the effective rates. Interest compounds through the month in which the payment is made, regardless of the day of the month the payment is received (see Effective Interest Rate table on Page 7).

## Eligibility

- You must contribute to SURS at least five years following the public employment. The five years may include service with the State Teachers' Retirement System (TRS) or the Chicago Teachers' Pension Fund (CTPF).
- Other public employment (OPE) must be with a public school, college or university in the U.S. If you began SURS participation on or before Sept. 1, 1974, you may also purchase employment with the U.S. government, a state government, a political subdivision of a state, or any agency or instrumentality of the foregoing.
- You may purchase up to 10 years of OPE, but not more than two-thirds of your direct SURS service credit. This 10-year maximum includes any out-of-state employment purchased with TRS or CTPF.
- If you began SURS participation on or after Sept. 5, 1975, the OPE must be full-time, except under the following conditions:
  - If SURS participation terminated prior to Aug. 18, 1965, you are not eligible to purchase OPE.
  - If you were a SURS member between July 1, 1967, and Sept. 4, 1975, the OPE must be at least 50% time.
  - If your SURS participation terminated between Aug. 18, 1965, and June 30, 1967, the OPE must be full-time.
- You cannot qualify for a retirement pension or other benefit based on employer contributions from another retirement system (excluding Social Security) for the period of OPE you wish to purchase with SURS.

- Military service may be purchased as OPE if you began SURS participation on or before Sept. 1, 1974.
- OPE may not be used to meet SURS minimum vesting requirements.

## Reciprocity With Other Systems

SURS has reciprocity only with other Illinois public retirement systems in determining your eligibility for, and amount of, SURS retirement and survivor benefits. It is important that you notify SURS if you have participated in another Illinois retirement system. These other systems are:

- Chicago Teachers' Pension Fund
- County Employees' Annuity and Benefit Fund of Cook County
- Forest Preserve District Employees' Annuity and Benefit Fund of Cook County
- General Assembly Retirement System
- Illinois Municipal Retirement Fund
- Judges Retirement System of Illinois
- Laborers' Annuity and Benefit Fund
- Metropolitan Water Reclamation District Retirement Fund
- Municipal Employees' Annuity and Benefit Fund of Chicago
- Park Employees' Annuity and Benefit Fund of Chicago
- State Employees' Retirement System of Illinois
- State Teachers' Retirement System

The Illinois Retirement Systems Reciprocal Act ensures that pension credits remain in the system in which they are earned. You will be entitled to a retirement annuity from each system in which you have retained at least one year of pension credit, provided that your combined service credit is equal to the longest of the minimum service requirements of those systems.

## How Your Benefit Will Be Calculated Under Reciprocity

Each system will abide by its own law in calculating your retirement or survivor annuity. Your salary from all systems will be considered in determining your average earnings. Each system will apply the benefit formula in effect on the date you last terminated employment with an employer

covered by the Reciprocal Act. Therefore, while you are employed with such an employer, your benefit will reflect any liberalizing changes in benefits that are made by all systems in which you have credits.

If you wish to apply for benefits under the Illinois Retirement Systems Reciprocal Act, you should request an application from each employing system at least 90 days before your planned retirement date.

### Repayment of a Separation Refund

If you previously participated in SURS and accepted a separation refund, you may reinstate that service credit if you again become a participating employee of SURS or another retirement system covered by the Illinois Retirement Systems Reciprocal Act and continue as such for at least two years subsequent to the date of the refund.

You must repay the amount of the refund. Your payment will also include interest, which in this case is calculated as follows:

- 6% compounding annually from the date your original refund was paid, through Aug. 31, 1982.
- Beginning Sept. 1, 1982, the interest compounds annually based on the effective rates. Interest compounds through the month in which the payment is made, regardless of the day of the month the payment is received.

Once you repay a refund, all rights and credits that were initially forfeited by acceptance of a refund are restored. In most cases, this is necessary to allow the earlier certification date associated with the repaid refund to be used to determine eligibility for SURS benefits.

However, for the purpose of determining whether your first participation began before Jan. 1, 2011, repayment of a refund for pre-Jan. 1, 2011, service is not required for that service to be considered.

If your previous refund was paid under the Portable Benefit Plan and you received matching employer contributions as part of that refund, you must repay both employee and employer contributions. However, only the portion of the repayment associated with the employee contributions will be credited to your employee account. The portion of the repayment associated with the employer

contributions will be returned to the reserve account for employer contributions.

### Effective Rate of Interest

Prior to 2005, the interest amount credited to your account was based on a Sept. 1 through Aug. 31 year. Each Aug. 31, interest was calculated based on the balance in your account on the previous Sept. 1. This effective rate is determined annually by the SURS Board of Trustees.

Beginning July 1, 2005, the interest is credited to your account on June 30 using July 1 as the previous balance with interest added at June 30, 2005, due to the transition to a new interest year.

EFFECTIVE INTEREST RATE TABLE	
Prior to 9-1-63	3.0%
9-1-63 – 8-31-66	3.5%
9-1-66 – 8-31-73	4.5%
9-1-73 – 8-31-75	8.0%
9-1-75 – 8-31-76	7.0%
9-1-76 – 8-31-77	6.0%
9-1-77 – 8-31-78	6.5%
9-1-78 – 8-31-79	6.75%
9-1-79 – 8-31-80	7.0%
9-1-80 – 8-31-88	8.0%
9-1-88 – 8-31-89	7.5%
9-1-89 – 8-31-96	8.0%
9-1-96 – 8-31-97	8.5%
9-1-97 – 8-31-98	9.0%
9-1-98 – 8-31-99	9.5%
9-1-99 – 8-31-02	10.0%
9-1-02 – 8-31-03	9.0%
9-1-03 – 6-30-05	8.0%
7-1-05 – 6-30-09	8.5%
7-1-09 – 6-30-10	8.0%
7-1-10 – 6-30-13	7.5%
7-1-13 – 6-30-17	7.0%
7-1-17 – 6-30-20	6.5%

## CLAIMING YOUR BENEFITS

You (and/or your beneficiaries)\* must file an application with SURS to receive the following benefits:

- Disability
- Retirement
- Disability Retirement Annuity
- Separation Refund (refund of contributions)
- Death / Survivor\*

Be sure to file early to prevent delay in payment and possible loss of benefits.

## DISABILITY BENEFITS

You may qualify for a disability benefit if, after you have at least two years of service credit, you are sick or injured and unable to work. If you become disabled due to an accident, however, there is no minimum service credit required to qualify for a disability benefit.

Pregnancy and childbirth are treated as a disability. The same rules apply to both.

### How to Apply for Benefits

If it appears you will be disabled for more than 60 days and that your disability will extend beyond the period you are eligible for sick pay, you should request a Disability Application from your personnel office. Your application must be on file with SURS within one calendar year after the date on which your disability occurred.

When you and your employer have completed the required sections of the Disability Application, you should see your physician. Your physician will review the Employer Section concerning job requirements, complete the Attending Physician's Initial Statement of Disability, and attach any appropriate documentation.

To avoid unnecessary delays, be sure all parts of the application are completed according to the instructions and submitted to SURS together. Incomplete applications will be returned to you. You may also be required to see a special examining physician selected by SURS.

You must submit continuing evidence of your disability as often as required. When your physician determines you are able to return to work, you must notify SURS immediately.

Your employer will submit an Employer's Report of Disability that contains information including the last day you worked, the date your salary and sick leave payments will expire, and whether you will be eligible for workers' compensation or disability income insurance.

### When Disability Payments Begin

If you qualify for disability payments, there is a 60-day waiting period before you are eligible to receive a payment from SURS. During this 60-day period you may be eligible to receive sick pay from your employer. Your benefits will begin on the later of:

- The date you have been disabled for 60 continuous calendar days, or
- The date your salary or sick leave payments end.

You do not need not use vacation pay before receiving a disability benefit. However, if you think your disability is permanent, you may want to remain on full salary using vacation payments before your disability benefit begins. Your disability benefit may be subject to adjustment if you decide to receive vacation payments after the disability benefit begins.

Your benefit cannot begin more than 30 days before the date SURS receives your application, unless the SURS Board of Trustees determines there was good cause for missing the filing deadline.

If it has been determined that you are disabled, your payment will be mailed on the last working day of the month. Your payment will be prorated if you become disabled after the first of the month.

*For example, if you become disabled on Nov. 7, the benefit will begin 60 days later, on Jan. 6 – assuming you were not eligible for sick leave or vacation pay beyond Jan. 6.*

*Your benefit will begin to accrue on Jan. 6 and will be a prorated benefit for the period between Jan. 6 and Jan. 31. Future payments will also be mailed at the end of each month and will include a benefit for the full month.*

### Your Disability Benefit Amount

The amount of your benefit depends on how much you were earning when you became disabled. You will receive the greater of:

- 50% of your basic compensation on the day you became disabled, or
- 50% of your average earnings for the 24 months prior to the date you became disabled.

Basic compensation is your normal contract salary; it does not include your earnings for summer sessions or overtime. *Note: The basic compensation will be subject to the Maximum Pensionable Earnings limit (see Page 2 for more information about this limit).*

*Here's an example: Assume your monthly income prior to your disability was \$1,600. Let's also assume your average monthly earnings for the 24 months prior to the date you became disabled was \$1,300. Since \$1,600 is greater than \$1,300, your disability benefit would be 50% of \$1,600, or \$800 a month.*

Your disability benefit is considered income and is subject to federal income taxes. Disability benefits are not subject to Illinois state income taxes, however.

Each Jan. 1, your disability benefit will be increased automatically by 3%. The automatic annual increase (AAI) is a compounded percentage; the 3% increase is figured into your benefit amount each year. The first AAI will begin on the Jan. 1 following the month in which your disability benefit began. It will be prorated for the number of full months between the start of the disability benefit and the following Dec. 31.

## Benefit Reductions and Other Limitations

While receiving a disability benefit, you may receive other income, such as workers' compensation or disability income insurance. Your disability benefit will be reduced for:

- Workers' compensation or occupational disease payments for an on-the-job accident or occupational illness. There are some exceptions to this.
- Disability income insurance payments under a policy paid for in whole or in part by your employer.

While you are disabled, your physician may allow you to return to work part-time. Your payment will be reduced by the amount you

earn in excess of the amount of your disability benefit. This ensures that your combined earnings and disability benefit do not exceed your earnings prior to your disability.

*An example of a benefit reduction for part-time employment: Assume you were receiving a disability benefit of \$800 a month, as in the previous example. Through part-time employment, you also earn \$900 a month. Your disability benefit would be reduced by \$100, so that your total monthly income would be \$1,600, or 100% of your earnings prior to your disability.*

## How Participation in a Reciprocal System Affects Your Disability Benefit

There is no reciprocity for disability benefits between SURS and other systems covered by the Illinois Retirement Systems Reciprocal Act. However, if you have service credit for employment in either the State Teachers' Retirement System (TRS) or the State Employees' Retirement System (SERS), it will be considered in determining your eligibility for benefits and how long they can be paid.

In addition, if you were "involuntarily transferred" by law to SURS from another system covered by the Reciprocal Act, your combined earnings and service are considered in determining your eligibility for disability benefits and how long they can be paid. You are considered to be involuntarily transferred if:

- You were an employee of the transferring government unit on the date your employer was transferred to coverage under SURS; or
- You accepted employment with the employer within six months after the transfer date.

## How Long Disability Benefits Last

Your disability benefit will continue until the earlier of the following:

- You no longer meet the definition of disabled;
- You refuse to submit to reasonable physical examinations;
- You refuse to accept a position offered by your employer, even though your disability would not preclude you from performing the duties of that position;

- You have received 50% of your total earnings while a participant of SURS, TRS or SERS.  
*Note: The earnings will be subject to the Maximum Pensionable Earnings limit (see Page 2 for more information about this limit).*
- Sept. 1 of the year following your 70th birthday. However, if your benefit begins after age 65, you may receive a benefit for up to five years, assuming you continue to be disabled and have not reached the maximum earnings amount described above;
- You apply for retirement or refund, or you die.

### **If You Return to Work and Become Disabled Again**

If you have returned to work for less than 30 calendar days and have another disability due to the same cause, it will be considered a recurrence of the previous disability. In this case you will not be required to meet another 60-day waiting period before benefits begin, but you will need to file a new disability application.

### **Options Available After Your Disability Benefit Stops**

If you are still disabled when your disability benefit stops, you have four options:

- Resign your position and apply for a refund of your contributions and interest.
- Leave your contributions on deposit; the money continues to earn interest and can be withdrawn later or be paid to your beneficiary when you die. Ultimately, it must be paid by the April 1 following the year you reach age 70.5.
- Apply for a Disability Retirement Annuity if your disability benefit was terminated due to the 50% earnings limitation, and you are permanently disabled and unable to engage in any substantial gainful activity (see next column for more information).
- Apply for a retirement annuity to begin at any time after you satisfy your service and age requirements for retirement (see Page 12 for more information) In this case, the early retirement reduction would not apply provided your first participation began prior to Jan. 1, 2011.

### **Eligibility for Other Benefits During Disability**

While on disability, you continue to earn service credit for retirement and are protected for survivor insurance benefits.

## **DISABILITY RETIREMENT ANNUITY (DRA)**

If your disability benefit expired due to the 50% earnings limitation, you may be eligible for a Disability Retirement Annuity (DRA). Here are the highlights:

- One or more appointed physicians must certify that you are totally disabled and unable to perform any substantial gainful activity.
- The amount of your benefit is 35% of the basic compensation that was payable to you when your disability began. *Note: The basic compensation will be subject to the Maximum Pensionable Earnings limit (see Page 2 for more information about this limit).*
- Your benefit is payable until you no longer meet the requirements to receive a DRA, you apply for retirement, or you die.

### **How to Apply for Benefits**

An Application for Disability Retirement Annuity will be sent to you approximately three or four months before your disability benefit is due to end. If you believe you will be eligible, complete the application and return it to SURS immediately.

The SURS medical officer will request reports from your physician and may request reports from one or more physicians appointed by or acceptable to the SURS Board of Trustees certifying your disability. You are deemed eligible for benefits if you have a physical or mental impairment that prevents you from engaging in any substantial gainful activity, and:

- Your disability has lasted or is expected to last continuously for more than one year; or
- Your disability is expected to result in death.

You must submit continuing evidence of your disability as often as required. If you are able to engage in any substantial gainful activity, you should notify SURS immediately.

## DRA Payments and Amount

If you are determined to be eligible for DRA, your benefit will be effective the first of the month following the expiration of your disability. For example, if your disability benefit ends on June 19, the first DRA payment will begin on July 1.

Your benefit amount is 35% of the basic compensation that was payable to you when your disability began.

*Note: The basic compensation will be subject to the Maximum Pensionable Earnings limit (see Page 2 for more information about this limit).*

Each Jan. 1, your DRA will be increased automatically by 3%. The automatic annual increase (AAI) is a compounded percentage; the 3% increase is figured into your annuity amount each year. The first AAI will begin on the Jan. 1 following the month in which your DRA began. It will be prorated for the number of full months between the start of the DRA and the following Dec. 31.

Keep in mind that your DRA is considered income and is subject to federal income taxes. However, no benefits payable by SURS are subject to Illinois state income taxes.

## How Long DRA Benefits Last

Your DRA benefit is payable for life. Your benefit will stop if:

- You are able to engage in any substantial gainful activity.
- You elect to receive a regular retirement annuity.
- You elect to receive a refund.

## Eligibility for Other Benefits While on DRA

While on DRA, you are protected for death/survivor benefits (see section on Death After Retirement). However, you do not earn service credit since your benefit is in lieu of a retirement annuity.

## BENEFITS PAID AFTER YOUR DEATH

In the Portable Benefit Package, there are two types of benefits that may be paid after your death: death benefits and survivor benefits. The benefit

paid depends on whether you die before or after retirement, and whether you have a qualifying survivor.

A survivor benefit is paid as a monthly amount to a qualifying survivor. The death benefit is usually paid in a lump sum to someone you name on your Beneficiary Designation who may or may not be a family member.

## Death and Survivor Benefits

### If you Die Before Retirement

If you were a participant on or before the date your employer elected to offer the optional benefit plans, you must fulfill the one-year participation requirement under the Portable Benefit Package. If the one-year requirement is not met, the death and survivor benefits are payable under the rules of the Traditional Benefit Package.

The beneficiary of the death benefit is your surviving spouse/civil union partner, unless you have no spouse/civil union partner or your spouse/civil union partner consents to the designation of another beneficiary. If you are married and wish to designate someone other than your spouse/civil union partner as beneficiary, your spouse/civil union partner must complete the appropriate section of the Portable Beneficiary Designation form and his or her signature must be notarized.

If you die before establishing one and a half years of service credit, the death benefit is a return of your total contributions and interest.

If you die after establishing one and a half years of service credit, the death benefit is the sum of your total contributions and interest plus an equal amount of employer contributions.

Also, if you die after establishing one and a half years of service credit, your eligible spouse/civil union partner, to whom you have been married for at least one continuous year prior to your death, may elect a Pre-retirement Survivor Annuity (PSA). Your spouse/civil union partner would not be eligible for this benefit if you had previously waived the PSA. This waiver requires spousal consent.

*Remember, the surviving spouse/civil union partner is the only eligible survivor under the Portable Benefit Package if death occurs before retirement. Survivor benefits will continue if your spouse/civil union partner remarries.*

The PSA is a 50% Joint & Survivor Annuity that begins at the earliest date on which the member would have met the eligibility requirements for retirement, or immediately if the member had been retirement-eligible at date of death. The PSA ends at the death of the survivor, with the last payment due the first of the month in which the survivor dies. If the spouse/civil union partner elects the PSA, the death benefit will be reduced by the actuarial value of the benefit payable to the surviving spouse/civil union partner.

### If You Die After Retirement

Survivor benefits are payable to the eligible survivor of a deceased retiree only if the retiree elected a Joint & Survivor Annuity at the time of retirement. The retiree may elect a 50%, 75%, or 100% Joint & Survivor Annuity.

Costs to elect this benefit will be determined at the time of retirement and will be deducted from the retiree's monthly annuity check. These costs are determined by a factor table that is calculated by the SURS actuary (see Joint & Survivor tables on pages 20 and 21).

The survivor annuity begins the first of the month following the retiree's death. It ends at the death of the survivor, with the last payment due the first day of the month in which the survivor dies.

If you did not elect a Joint & Survivor Annuity at retirement or your survivor has predeceased you, your beneficiary will receive a lump-sum death benefit equal to the greater of:

- Your total employee contributions and interest at retirement, less the sum of the retirement payments or DRA payments, or
- \$1,000.

## RETIREMENT BENEFITS

SURS retirement annuities are paid for life. Your eligibility to begin receiving a retirement annuity depends on when you satisfy the vesting and age requirements.

**If you first began participation prior to Jan. 1, 2011, you are eligible to receive a retirement annuity when you satisfy any of the following:**

- You are at least age 55 and have eight or more years of Illinois service (benefits will be reduced for early retirement if you retire

between ages 55 and 60);\*

- You are at least age 62 and have five or more years of service; or \*
- At any age when you achieve 30 years of service, provided your covered employment terminated on or after Aug. 2, 2002.

*\* The eight years at age 55 and five years at age 62 cannot include any OPE you have purchased (see OPE section on Page 5).*

**If you first began participation on or after Jan. 1, 2011, you are eligible to receive a retirement annuity when you satisfy any of the following:**

- You are at least age 62 and have 10 or more years of Illinois service (benefits will be reduced for early retirement if you retire between ages 62 and 67);\*
- You are at least age 67 and have 10 or more years of Illinois service (no age reduction).\*

*\*The indicated minimum required service years cannot include any OPE you have purchased (see OPE section on Page 5).*

You must begin receiving your retirement annuity by April 1 following the year you reach age 70.5 if you are not currently participating in SURS or another system covered by the Illinois Retirement Systems Reciprocal Act.

There are four formulas for calculating a retirement annuity:

- General Formula
- Money Purchase Calculation\*
- Minimum Annuity Formula\*
- Police Officer and Firefighter Formula\*

*\*See the descriptions of the indicated calculations for eligibility information.*

All eligible formulas will be used to calculate your retirement annuity. Each is discussed after the next section. You will receive the largest of the eligible amounts. Regardless of the formula used, you may not exceed the applicable maximum (see bottom of General Formula tables on Pages 14 & 15).

## FINAL AVERAGE EARNINGS

The final average earnings are used to determine retirement and survivor annuities. The term "final average earnings" is used within SURS to avoid member confusion. However, statutes refer to it as

the Final Rate of Earnings.

**If you first began participation prior to Jan. 1, 2011:**

- For an employee who is paid on an hourly basis or who receives an annual salary in installments during 12 months of each academic year, it is the average annual earnings during the 48 consecutive calendar month period ending with the last day of final termination of employment or the four consecutive academic years of service in which the employee's earnings were the highest, whichever is greater.
- For any other employee, it is the average annual earnings during the four consecutive academic years of service in which his or her earnings were the highest.

**If you first began participation on or after Jan. 1, 2011:**

- For an employee who is paid on an hourly basis or who receives an annual salary in installments during 12 months of each academic year, it is the average of the highest consecutive 96 months earnings\* (eight academic years) during the last 120 consecutive months (10 academic years) prior to the termination of your employment.
- For any other employee, it is the average annual earnings\* during the highest eight consecutive academic years of service during the last 10 academic years prior to the termination of your employment.

*\* Note: Only the Maximum Pensionable Earnings may be used in this calculation (see Page 2 for more information about this limit).*

**Final Average Earnings Basics**

The academic year is the 12-month period starting either on the first day of your employer's fall term or on Sept. 1 if your employer does not have a specified academic year.

In determining final average earnings, summer session earnings and overtime pay are included in the calculation. In addition, up to 56 work days of accrued vacation earnings are considered in the calculation of the final average earnings period, if they are paid out by your employer when you terminate employment.

The calculation would not include severance or separation pay, payment for sick leave, or retirement pay.

Likewise, earnings during any academic year after June 30, 1997, that exceed the previous year's earnings by more than 20% will be excluded from the calculation of the final average earnings. In making this calculation, only the basic compensation is considered, without regard to vacation, overtime, or contracts for summer employment. There are a few exceptions:

- A change in the percentage of time worked unless it's over 100%;
- A change from a nine-month to a 12-month position;
- Overloads that occurred during the period used to calculate final average earnings; or
- Supplemental contracts, as long as the work involved was in addition to the customary load and did not replace the employee's regular duties.

## HOW YOUR RETIREMENT BENEFIT IS CALCULATED

### General Formula

The General Formula annuity is based on your years of service and your final average earnings. To calculate the General Formula:

- Determine your years of service. *Note: Service may be reduced by SURS at retirement for part-time employment (see Page 3).*
- Refer to the appropriate General Formula Table that applies for your termination date (see Pages 14 & 15). Locate the percentage that corresponds closest to your service years and age at retirement.
- Multiply that percentage shown by your final average earnings.

The result is your approximate benefit under the General Formula.

*For example, if you retire at age 67 in the year 2012 with 25 years of service credit, with a final average earnings of \$52,500, SURS multiplies \$52,500 by the annual percentage of 55% (see 2.2% General Formula tables). Based on this, your annual General Formula amount would be \$28,875 (about \$2,400 per month).*

## General Formula Tables

Space limits our listing of the complete General Formula tables. The following tables reflect the percentages in whole-year increments. The actual calculation will reflect fractional years of service. Remember, service credit is earned based on quarters (See Service Credit on Page 2). The percentages in the columns on the General Formula tables reflect the percentages already reduced for age, where applicable.

### GRADUATED PERCENTAGE TABLE

If you terminated employment with a SURS-covered employer before July 7, 1997:

Years of Service	Age						
	62	60+*	59	58	57	56	55
5	8.35	...	...	...	...	...	...
6	10.02	...	...	...	...	...	...
7	11.69	...	...	...	...	...	...
8	...	13.36	12.56	11.76	10.96	10.15	9.35
9	...	15.03	14.13	13.23	12.32	11.42	10.52
10	...	16.70	15.70	14.70	13.69	12.69	11.69
11	...	18.60	17.48	16.37	15.25	14.14	13.02
12	...	20.50	19.27	18.04	16.81	15.58	14.35
13	...	22.40	21.06	19.71	18.37	17.02	15.68
14	...	24.30	22.84	21.38	19.93	18.47	17.01
15	...	26.20	24.63	23.06	21.48	19.91	18.34
16	...	28.10	26.41	24.73	23.04	21.36	19.67
17	...	30.00	28.20	26.40	24.60	22.80	21.00
18	...	31.90	29.99	28.07	26.16	24.24	22.33
19	...	33.80	31.77	29.74	27.72	25.69	23.66
20	...	35.70	33.56	31.42	29.27	27.13	24.99
21	...	37.80	35.53	33.26	31.00	28.73	26.46
22	...	39.90	37.51	35.11	32.72	30.32	27.93
23	...	42.00	39.48	36.96	34.44	31.93	29.40
24	...	44.10	41.45	38.81	36.16	33.52	30.87
25	...	46.20	43.43	40.66	37.88	35.11	32.34
26	...	48.30	45.40	42.50	39.61	36.71	33.81
27	...	50.40	47.38	44.35	41.33	38.30	35.28
28	...	52.50	49.35	46.20	43.05	39.90	36.75
29	...	54.60	51.32	48.05	44.77	41.50	38.22
30	...	56.70	53.30	49.90	46.49	43.09	39.69
31	...	59.00	55.46	51.92	48.38	44.84	41.30
32	...	61.30	57.62	53.94	50.27	46.59	42.91
33	...	63.60	59.78	55.97	52.15	48.34	44.52
34	...	65.90	61.95	57.99	54.04	40.08	46.13
35	...	68.20	68.20	68.20	68.20	68.20	68.20
36	...	70.50	70.50	70.50	70.50	70.50	70.50
37	...	72.80	72.80	72.80	72.80	72.80	72.80
38*	...	75.10	75.00	75.00	75.00	75.00	75.00
39*	...	77.40	75.00	75.00	75.00	75.00	75.00
40*	...	79.70	75.00	75.00	75.00	75.00	75.00
40+*	...	80.00	75.00	75.00	75.00	75.00	75.00

\*The retirement annuity under any formula at age 62 or earlier cannot exceed 75% of the final average earnings. The maximum retirement annuity is 76% at age 63, 78% at 64, and 80% at 65 or older. A person who begins participation after Sept. 14, 1977, is subject to a maximum of 75%.

### 2.2% GENERAL FORMULA TABLE (TIER I)

If your participation began prior to Jan. 1, 2011, and you terminated employment with a SURS-covered employer on or after July 7, 1997:

Years of Service	Age						
	62	60+*	59	58	57	56	55
5	11.00	...	...	...	...	...	...
6	13.20	...	...	...	...	...	...
7	15.40	...	...	...	...	...	...
8	...	17.60	16.54	15.49	14.43	13.38	12.32
9	...	19.80	18.61	17.42	16.24	15.05	13.86
10	...	22.00	20.68	19.36	18.04	16.72	15.40
11	...	24.20	22.75	21.30	19.84	18.39	16.94
12	...	26.40	24.82	23.23	21.65	20.06	18.48
13	...	28.60	26.88	25.17	23.45	21.74	20.02
14	...	30.80	28.95	27.10	25.26	23.41	21.56
15	...	33.00	31.02	29.04	27.06	25.08	23.10
16	...	35.20	33.09	30.98	28.86	26.75	24.64
17	...	37.40	35.16	32.91	30.67	28.42	26.18
18	...	39.60	37.22	34.85	32.47	30.10	27.72
19	...	41.80	39.29	36.78	34.28	31.77	29.26
20	...	44.00	41.36	38.72	36.08	33.44	30.80
21	...	46.20	43.43	40.66	37.88	35.11	32.34
22	...	48.40	45.50	42.59	39.69	36.78	33.88
23	...	50.60	47.56	44.53	41.49	38.46	35.42
24	...	52.80	49.63	46.46	43.30	40.13	36.96
25	...	55.00	51.70	48.40	45.10	41.80	38.50
26	...	57.20	53.77	50.34	46.90	43.47	40.04
27	...	59.40	55.84	52.27	48.71	45.14	41.58
28	...	61.60	57.90	54.21	50.51	46.82	43.12
29	...	63.80	59.97	56.14	52.32	48.49	44.66
30*	...	66.00	62.04	58.08	54.12	50.16	46.20
31*	...	68.20	64.11	60.02	55.92	51.83	47.74
32*	...	70.40	66.18	61.95	57.73	53.50	49.28
33*	...	72.60	68.24	63.89	59.53	55.18	50.82
34*	...	74.80	74.80	74.80	74.80	74.80	74.80
35	...	77.00	77.00	77.00	77.00	77.00	77.00
36	...	79.20	79.20	79.20	79.20	79.20	79.20
36.364	...	80.00	80.00	80.00	80.00	80.00	80.00

\*These percentages are shown reduced for age. If employment ends on or after Aug. 2, 2002, retirement may occur at any age without age reduction if the member has 30 or more years of service. The retirement annuity under any formula cannot exceed 80% of the final average earnings.

## 2.2% GENERAL FORMULA TABLE (TIER II)

If your participation began on or after Jan. 1, 2011:

Years of Service	Age					
	67+	66	65	64	63	62
< 10	...	...	...	...	...	...
10	22.00	20.68	19.36	18.04	16.72	15.40
11	24.20	22.75	21.30	19.84	18.39	16.94
12	26.40	24.82	23.23	21.65	20.06	18.48
13	28.60	26.88	25.17	23.45	21.74	20.02
14	30.80	28.95	27.10	25.26	23.41	21.56
15	33.00	31.02	29.04	27.06	25.08	23.10
16	35.20	33.09	30.98	28.86	26.75	24.64
17	37.40	35.16	32.91	30.67	28.42	26.18
18	39.60	37.22	34.85	32.47	30.10	27.72
19	41.80	39.29	36.78	34.28	31.77	29.26
20	44.00	41.36	38.72	36.08	33.44	30.80
21	46.20	43.43	40.66	37.88	35.11	32.34
22	48.40	45.50	42.59	39.69	36.78	33.88
23	50.60	47.56	44.53	41.49	38.46	35.42
24	52.80	49.63	46.46	43.30	40.13	36.96
25	55.00	51.70	48.40	45.10	41.80	38.50
26	57.20	53.77	50.34	46.90	43.47	40.04
27	59.40	55.84	52.27	48.71	45.14	41.58
28	61.60	57.90	54.21	50.51	46.82	43.12
29	63.80	59.97	56.14	52.32	48.49	44.66
30	66.00	62.04	58.08	54.12	50.16	46.20
31	68.20	64.11	60.02	55.92	51.83	47.74
32	70.40	66.18	61.95	57.73	53.50	49.28
33	72.60	68.24	63.89	59.53	55.18	50.82
34	74.80	70.31	65.82	61.34	56.85	52.36
35	77.00	72.38	67.76	63.14	58.52	53.90
36	79.20	74.45	69.70	64.94	60.19	55.44
36.364+	80.00	75.20	70.40	65.60	60.80	56.00

The only circumstance under which a member may receive the maximum of 80% of the final average earnings is to retire at age 67 or older and after having reached 36.364 or more years of service.

### Early Retirement Reduction

The law requires a 0.5% reduction to the General Formula benefit for each full month you are under the normal retirement age. Normal retirement age is:

- 60 if your participation began prior to Jan. 1, 2011\*; or
- 67 if your participation began on or after Jan. 1, 2011.

*\* The age reduction would not apply if your participation began prior to Jan. 1, 2011, and you have 30 or more years of service credit or are disabled and continue to be disabled after disability benefits expire.*

### Money Purchase Calculation\*

*\*This calculation is not available to participants who began SURS-covered employment on or after July 1, 2005.*

The Money Purchase calculation is based on your accumulated normal retirement contributions and interest, an imputed employer (state of Illinois) contribution, and your age at retirement.

To calculate the Money Purchase amount if all of your service is after Sept. 1, 1969, and you have not purchased additional service:

- Determine the normal portion of your retirement contributions (see Employee Contribution chart on Page 2).
- Add the interest on those normal contributions (see interest rate information table on Page 17).
- Multiply that total by 2.4 to include the matching employer contributions (for every \$1 of normal contributions, the state is deemed to match with approximately \$1.40).
- Divide by the factor on the Actuarial chart (see Page 16) for your age (years and months) at retirement.

The dollar amount derived from this calculation equals the Money Purchase benefit.

There will be variances for such things as additional service credit purchased, contributions made prior to Sept. 1, 1969, future contributions, and future interest rates set by the comptroller.

**ACTUARIAL VALUE OF AN ANNUITY OF \$1 PER MONTH  
PAYABLE FOR THE LIFE OF THE ANNUITANT**

Commencing at the Specified Age  
(Used to calculate SURS Money Purchase)  
Effective July 2, 2019

Age	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
45	167.853	167.777	167.700	167.624	167.548	167.471	167.395	167.319	167.242	167.166	167.090	167.013
46	166.937	166.856	166.775	166.695	166.614	166.533	166.452	166.371	166.290	166.210	166.129	166.048
47	165.967	165.882	165.796	165.711	165.625	165.540	165.454	165.369	165.283	165.198	165.112	165.027
48	164.941	164.851	164.760	164.670	164.579	164.489	164.398	164.308	164.217	164.127	164.036	163.946
49	163.855	163.759	163.664	163.568	163.472	163.377	163.281	163.185	163.090	162.994	162.898	162.803
50	162.707	162.606	162.505	162.404	162.303	162.202	162.101	162.000	161.899	161.798	161.697	161.596
51	161.495	161.388	161.282	161.175	161.069	160.962	160.856	160.749	160.642	160.536	160.429	160.323
52	160.216	160.104	159.991	159.879	159.767	159.654	159.542	159.430	159.317	159.205	159.093	158.980
53	158.868	158.750	158.632	158.513	158.395	158.277	158.159	158.040	157.922	157.804	157.686	157.567
54	157.449	157.324	157.200	157.075	156.951	156.826	156.702	156.577	156.452	156.328	156.203	156.079
55	155.954	155.823	155.692	155.561	155.430	155.299	155.169	155.038	154.907	154.776	154.645	154.514
56	154.383	154.245	154.108	153.970	153.832	153.695	153.557	153.419	153.282	153.144	153.006	152.869
57	152.731	152.586	152.442	152.297	152.152	152.008	151.863	151.718	151.574	151.429	151.284	151.140
58	150.995	150.843	150.692	150.540	150.388	150.236	150.085	149.933	149.781	149.629	149.478	149.326
59	149.174	149.015	148.856	148.697	148.538	148.379	148.220	148.060	147.901	147.742	147.583	147.424
60	147.265	147.099	146.932	146.766	146.599	146.433	146.266	146.100	145.933	145.767	145.600	145.434
61	145.267	145.093	144.920	144.746	144.573	144.399	144.226	144.052	143.878	143.705	143.531	143.358
62	143.184	143.003	142.822	142.642	142.461	142.280	142.099	141.918	141.737	141.557	141.376	141.195
63	141.014	140.826	140.637	140.449	140.260	140.072	139.883	139.695	139.506	139.318	139.129	138.941
64	138.752	138.555	138.358	138.162	137.965	137.768	137.571	137.374	137.177	136.981	136.784	136.587
65	136.390	136.185	135.979	135.774	135.568	135.363	135.158	134.952	134.747	134.541	134.336	134.130
66	133.925	133.711	133.497	133.282	133.068	132.854	132.640	132.425	132.211	131.997	131.783	131.568
67	131.354	131.131	130.907	130.684	130.460	130.237	130.014	129.790	129.567	129.343	129.120	128.896
68	128.673	128.441	128.208	127.976	127.743	127.511	127.278	127.046	126.813	126.581	126.348	126.116
69	125.883	125.641	125.400	125.158	124.917	124.675	124.434	124.192	123.950	123.709	123.467	123.226
70	122.984	122.733	122.483	122.232	121.981	121.730	121.480	121.229	120.978	120.727	120.477	120.226
71	119.975	119.715	119.456	119.196	118.936	118.676	118.417	118.157	117.897	117.637	117.378	117.118
72	116.858	116.590	116.321	116.053	115.784	115.516	115.247	114.979	114.710	114.442	114.173	113.905
73	113.636	113.359	113.082	112.805	112.528	112.251	111.974	111.697	111.420	111.143	110.866	110.589
74	110.312	110.027	109.742	109.456	109.171	108.886	108.601	108.315	108.030	107.745	107.460	107.174
75	106.889	106.596	106.303	106.011	105.718	105.425	105.132	104.839	104.546	104.254	103.961	103.668
76	103.375	103.075	102.775	102.476	102.176	101.876	101.576	101.276	100.976	100.677	100.377	100.077
77	99.777	99.471	99.165	98.859	98.553	98.247	97.941	97.634	97.328	97.022	96.716	96.410
78	96.104	95.793	95.481	95.170	94.858	94.547	94.236	93.924	93.613	93.301	92.990	92.678
79	92.367	92.051	91.736	91.420	91.104	90.789	90.473	90.157	89.842	89.526	89.210	88.895
80	88.579	88.260	87.942	87.623	87.304	86.985	86.667	86.348	86.029	85.710	85.392	85.073

This table is determined by the SURS actuary and is subject to change based on the actual experience of SURS.

## MONEY PURCHASE INTEREST RATES

For Pre-July 1, 2005, Participants Only

9-1-41 thru 8-31-63	3%
9-1-63 thru 8-31-66	3.5%
9-1-66 thru 8-31-73	4.5%
9-1-73 thru 8-31-75	8%
9-1-75 thru 8-31-76	7%
9-1-76 thru 8-31-77	6%
9-1-77 thru 8-31-78	6.5%
9-1-78 thru 8-31-79	6.75%
9-1-79 thru 8-31-80	7%
9-1-80 thru 8-31-88	8%
9-1-88 thru 8-31-89	7.5%
9-1-89 thru 8-31-96	8%
9-1-96 thru 8-31-97	8.5%
9-1-97 thru 8-31-98	9%
9-1-98 thru 8-31-99	9.5%
9-1-99 thru 8-31-02	10%
9-1-02 thru 8-31-03	9%
9-1-03 thru 6-30-05	8%
7-1-05 thru 6-30-06	8.5%
7-1-06 thru 6-30-08	8%
7-1-08 thru 6-30-09	8.5%
7-1-09 thru 6-30-10	7.5%
7-1-10 thru 6-30-11	7%
7-1-11 thru 6-30-12	6.75%
7-1-12 thru 6-30-13	6.5%
7-1-13 thru 6-30-15	6.75%
7-1-15 thru 6-30-16	7%
7-1-17 thru 6-30-18	6.5%
7-1-18 thru 6-30-19	6.75%
7-1-19 thru 6-30-20	6.50%

Beginning on July 7, 2005, the interest rate for Money Purchase was set by the state comptroller and SURS began computing interest on a fiscal year basis. Prior to this date, interest rates were set annually by the SURS Board of Trustees.

### Minimum Annuity Formula

If you were employed at least 50% time during the years on which your final average earnings are based, you are entitled to a minimum retirement benefit for each of your years of service, up to 30. The benefit amount depends on your final average earnings at retirement, as shown in the Minimum Annuity chart, and is subject to age reduction like the General Formula.

## MINIMUM ANNUITY CHART

Final Average Earnings	Minimum Monthly Annuity	Minimum Annual Annuity
Less than \$3,500	\$8	\$96
\$3,500-\$4,499	\$9	\$108
\$4,500-\$5,499	\$10	\$120
\$5,500-\$6,499	\$11	\$132
\$6,500-\$7,499	\$12	\$144
\$7,500-\$8,499	\$13	\$156
\$8,500-\$9,499	\$14	\$168
\$9,500 or more	\$15	\$180

### Supplemental Minimum Annuity Guarantee

A person who is receiving a monthly retirement benefit from SURS is entitled to \$25 for each year of benefit service credit, up to a maximum of 30 years of benefit service. For example, \$25 credit for each of 12 years of employment with a SURS-covered employer would yield \$300 per month in a retirement annuity ( $\$25 \times 12 \text{ yrs} = \$300$ ).

Unlike the Minimum Retirement Annuity, the Supplemental Minimum Annuity Guarantee does not require participation under a SURS-covered employer at 50% time or more. If your employment was at less than 50% time, there may be a reduction in the number of years of service credit you have accumulated for calculating this benefit (see Part-Time Employment on Page 3).

Since this special retirement formula is a supplemental guarantee, it does not contain annual retirement increases.

All retirement formulas will still be calculated to determine which formula would provide the highest dollar benefit. Each year, the annual increases will be applied to the regular (General, Money Purchase or Minimum Annuity) retirement formula.

When that regular retirement calculation with all accumulated raises exceeds the Supplemental Minimum Annuity Guarantee, SURS will automatically increase the annuitant's benefit to the regular retirement calculation. From then on, the regular retirement benefit will be paid to the annuitant and each year the appropriate annual increase will be added.

## Special Features for Police Officers and Firefighters

While most of the benefits and provisions described in this booklet apply to all SURS participants, certain special features apply for police officers and firefighters who participate in SURS. This section highlights only those features that are unique to police officers and firefighters.

### Police Officer Defined

A member who is eligible to participate in this option is defined as a peace officer empowered to make arrests to protect the property, interest, students and personnel of a SURS-covered employer.

### Employee Contributions

Police officers and firefighters contribute 9.5% of their earnings, unless they file a timely election to waive the right to make those additional contributions.\* The additional 1.5% is a normal retirement contribution and is used to fund the special police and firefighter benefit.

The additional contributions may be used in the Money Purchase calculation, provided that the member began SURS participation prior to July 1, 2005, and terminated employment after Aug. 14, 1998.

*\*Note: If the member waives the right to make the additional contributions, retirement benefits will only be computed under the remaining eligible retirement calculation methods.*

### Retirement Benefits

Police officers and firefighters may claim their full, unreduced retirement annuity:

#### If you first began participation prior to Jan. 1, 2011:

- At age 50 with at least 25 years of service as a police officer or firefighter covered by SURS; or
- At age 55 with at least 20 years of service as a police officer or firefighter covered by SURS.

#### If you first began participation on or after Jan. 1, 2011:

- At age 62 with at least 20 years of service as a police officer or firefighter covered by SURS (benefits will be reduced for early

retirement if you retire between ages 62 and 67); or

- At age 67 or older if you have 20 or more years of service as a police officer or firefighter covered by SURS (no age reduction).

### Eligibility for Special Formula

Your retirement annuity will be calculated using a special formula if you have at least 20 years of service credit as a police officer or firefighter covered by SURS.

If you retire after Aug. 22, 1997, with at least 20 years of service as a police officer or firefighter, the final average earnings will be the annual rate of earnings as of the last day of employment if that is greater than the final average earnings calculated by the other methods described on Page 13.

### How the Police Officer and Firefighter Benefit is Calculated

The Police and Firefighter Formula shown in the chart applies to both the Traditional and Portable options. This formula also covers certain former firefighters employed by the University of Illinois at Urbana-Champaign.

POLICE & FIREFIGHTER FORMULA			
Years of Police or Fire Service	Total Annual Percent	10-Year Period	Cumulative Total
10	2.25	22.50	22.50
20	2.50	25.00	47.50 (22.50 + 25.00)
30	2.75	27.50	75.00 (47.50 + 27.50)
31.819	2.75	5.00	80.00 (75.00 + 5.00)
Maximum 31.819 years = 80%			

If you were first certified as a participant on or after Jan. 26, 1988, only actual service as a police officer or firefighter (along with sick leave credit) will be considered under the special formula for computing your retirement annuity if you meet the 20- to 25-year service requirement. Other credit will be calculated using the General Formula.

If you were certified as a participant prior to Jan. 26, 1988, and meet the 20- to 25-year service requirement, all other SURS credit will be considered under the special formula rates as well.

However, service credit from Illinois reciprocal systems cannot be used to establish eligibility for this special formula, nor to receive the higher rates.

If you do not have enough credit to use the Police and Firefighter Formula, yet you worked in either capacity for at least the last five years before your retirement, the portion of your annuity that is applicable to your service as a police officer or firefighter will not be reduced for age.

## APPLYING FOR YOUR RETIREMENT ANNUITY

To apply for your retirement annuity, contact SURS for an Application for Retirement Annuity under the Portable Benefit Package approximately 90 days before you plan to retire. You can also obtain this application online at [www.surs.org](http://www.surs.org).

If you are normally employed during a nine- or 10-month school year but are paid over a 12-month period, you might contact your employer at least one year before retirement and ask that your salary be paid over the school year – or that it be paid off at the end of the school year. This way you can begin receiving your retirement annuity two or three months earlier. Regardless of your contract payment schedule, your retirement benefit is paid the first of each month, with 12 payments per year.

Upon completing the application, return it to SURS along with a photocopy of your birth certificate, and marriage certificate if you are married. You should also submit a photocopy of your spouse's/civil union partner's or other eligible survivor(s)' birth certificates and photocopies of any applicable Medicare cards. Be sure to complete the applicable tax withholding forms.

Retirement claims are finalized on a first in, first out basis. To view the status of your claim, visit the SURS Member Website at [www.surs.org](http://www.surs.org).

### Estimate Requests

Members who are within four years of retirement can schedule a private appointment with a SURS retirement counselor. These meetings are 30 minutes in length and are specific to the member's personal SURS history. Retirement amounts, death and survivor benefits, insurance, and many other topics are reviewed. Members are limited to one

counseling session or written estimate every 12 months.

These meetings are conducted at your institution, at the SURS Champaign office, or by telephone. Call SURS to schedule an appointment.

### Normal Form of Annuity

- If you are not married on the effective date of your retirement, your retirement annuity will be a Single-Life annuity payable only for your lifetime.
- If you are married on the effective date of your retirement, your retirement annuity will be paid as a qualified Joint & Survivor annuity that is the actuarial equivalent of the Single-Life annuity. Under the qualified Joint & Survivor, you will receive a reduced amount for your lifetime. Your spouse/civil union partner, if living at the time of your death, will receive a lifetime survivorship annuity equal to 50% of the reduced monthly annuity that was payable to you.

Instead of the normal form of annuity, you may elect in writing, within the 180-day period prior to the effective date of your retirement, to waive the normal form of annuity payment and receive an optional form of annuity. If you are married and elect an optional form other than a Joint & Survivor annuity, with your spouse/civil union partner designated as the contingent annuitant, this election will not be valid unless SURS receives your spouse's/civil union partner's written consent to this election.

You may revoke your election of the optional form of annuity at any time during the 180-day period prior to the effective date of your retirement and reinstate coverage under the qualified Joint & Survivor annuity.

This does not require your spouse's/civil union partner's consent. However, your spouse's/civil union partner's written consent must be obtained if you revoke an optional form you had elected and then elect a new optional form or designate a different contingent annuitant.

### Optional Forms of Annuity

You may elect only one of the three optional forms of annuity: Single-Life; Joint & Survivor; or Lump-Sum Retirement Benefit.

## Single-Life Annuity

If you are married, you may elect, with your spouse's/civil union partner's consent, to receive a Single-Life annuity payable for your lifetime. If so, there would be no survivor annuity payable at your death.

## Joint & Survivor Annuity Options

1. If you are married and your spouse/civil union partner is your contingent annuitant, you may elect a 75% or 100% Joint & Survivor annuity.
2. If you are married and designate a contingent annuitant who is *not* your spouse/civil union partner, you may elect a 50%, 75%, or 100% Joint & Survivor annuity.
3. If you are *not* married and designate a contingent annuitant, you may elect a 50%, 75%, or 100% Joint & Survivor annuity.

The Joint & Survivor tables (pages 21-22) show the approximate percent of annuity you will receive if you elect a 50%, 75%, or 100% Joint & Survivor annuity. Space limits how many age combinations we can show. Please contact SURS to receive an exact percent for your own situation.

*Example 1 – Member is 62, beneficiary is 50.*

*Electing a 50% Joint & Survivor. Rate is 88%. If monthly annuity is \$2,000, the reduced monthly annuity for the member is \$1,760 (\$2,000 x 88%) and the 50% survivorship annuity is \$880 (\$1,760 x 50%) during the first calendar year.*

*Example 2 – Member is 62, beneficiary is 50.*

*Electing a 100% Joint & Survivor. Rate is 79%. If monthly annuity is \$2,000, the reduced monthly annuity for the member is \$1,580 (\$2,000 x 79%) and the 100% survivorship annuity is \$1,580 (\$1,580 x 100%) during the first calendar year.*

## 50% JOINT & SURVIVOR TABLE

Effective January 4, 2016

### Your Age at Retirement

		55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
Age of Beneficiary at Retirement	50	93%	93%	92%	92%	91%	90%	89%	88%	87%	86%	85%	84%	83%	82%	81%	79%
	51	94%	93%	93%	92%	91%	90%	90%	89%	88%	87%	86%	85%	84%	82%	81%	80%
	52	94%	93%	93%	92%	92%	91%	90%	89%	88%	87%	86%	85%	84%	83%	82%	80%
	53	94%	94%	93%	93%	92%	91%	90%	90%	89%	88%	87%	86%	85%	83%	82%	81%
	54	95%	94%	94%	93%	92%	92%	91%	90%	89%	88%	87%	86%	85%	84%	83%	81%
	55	95%	94%	94%	93%	93%	92%	91%	90%	90%	89%	88%	87%	86%	84%	83%	82%
	56	95%	95%	94%	94%	93%	92%	92%	91%	90%	89%	88%	87%	86%	85%	84%	82%
	57	95%	95%	94%	94%	93%	93%	92%	91%	91%	90%	89%	88%	87%	86%	84%	83%
	58	96%	95%	95%	94%	94%	93%	92%	92%	91%	90%	89%	88%	87%	86%	85%	84%
	59	96%	96%	95%	95%	94%	94%	93%	92%	91%	91%	90%	89%	88%	87%	86%	84%
	60	96%	96%	95%	95%	94%	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	85%
	61	96%	96%	96%	95%	95%	94%	94%	93%	92%	92%	91%	90%	89%	88%	87%	86%
	62	97%	96%	96%	96%	95%	95%	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%
	63	97%	97%	96%	96%	95%	95%	94%	94%	93%	93%	92%	91%	90%	89%	88%	87%
	64	97%	97%	97%	96%	96%	95%	95%	94%	94%	93%	92%	91%	91%	90%	89%	88%
	65	97%	97%	97%	96%	96%	96%	95%	95%	94%	93%	93%	92%	91%	90%	89%	88%
	66	98%	97%	97%	97%	96%	96%	95%	95%	94%	94%	93%	92%	92%	91%	90%	89%
	67	98%	97%	97%	97%	97%	96%	96%	95%	95%	94%	94%	93%	92%	91%	90%	89%
	68	98%	98%	97%	97%	97%	97%	96%	96%	95%	95%	94%	93%	93%	92%	91%	90%
	69	98%	98%	98%	97%	97%	97%	96%	96%	96%	95%	95%	94%	93%	93%	92%	91%
70	98%	98%	98%	98%	97%	97%	97%	96%	96%	95%	95%	94%	94%	93%	92%	91%	

## 75% JOINT & SURVIVOR TABLE

Effective January 4, 2016

		Your Age at Retirement															
Age of Beneficiary at Retirement		55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
	50	90%	90%	89%	88%	87%	86%	85%	83%	82%	81%	80%	78%	77%	75%	74%	72%
	51	91%	90%	89%	88%	87%	86%	85%	84%	83%	82%	80%	79%	77%	76%	74%	72%
	52	91%	90%	90%	89%	88%	87%	86%	85%	83%	82%	81%	79%	78%	76%	75%	73%
	53	92%	91%	90%	89%	88%	87%	86%	85%	84%	83%	81%	80%	79%	77%	75%	74%
	54	92%	91%	91%	90%	89%	88%	87%	86%	85%	83%	82%	81%	79%	78%	76%	74%
	55	92%	92%	91%	90%	89%	88%	87%	86%	85%	84%	83%	81%	80%	78%	77%	75%
	56	93%	92%	91%	91%	90%	89%	88%	87%	86%	85%	83%	82%	81%	79%	77%	76%
	57	93%	93%	92%	91%	90%	89%	89%	88%	86%	85%	84%	83%	81%	80%	78%	77%
	58	94%	93%	92%	92%	91%	90%	89%	88%	87%	86%	85%	83%	82%	81%	79%	77%
	59	94%	93%	93%	92%	91%	91%	90%	89%	88%	87%	85%	84%	83%	81%	80%	78%
	60	94%	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	85%	83%	82%	81%	79%
	61	95%	94%	94%	93%	92%	92%	91%	90%	89%	88%	87%	86%	84%	83%	81%	80%
	62	95%	95%	94%	93%	93%	92%	91%	90%	90%	89%	87%	86%	85%	84%	82%	81%
	63	95%	95%	94%	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	84%	83%	81%
	64	96%	95%	95%	94%	94%	93%	92%	92%	91%	90%	89%	88%	87%	85%	84%	82%
	65	96%	96%	95%	95%	94%	94%	93%	92%	91%	90%	89%	88%	87%	86%	85%	83%
66	96%	96%	96%	95%	95%	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	84%	
67	97%	96%	96%	95%	95%	94%	94%	93%	92%	92%	91%	90%	89%	88%	86%	85%	
68	97%	97%	96%	96%	95%	95%	94%	94%	93%	92%	91%	91%	90%	88%	87%	86%	
69	97%	97%	97%	96%	96%	95%	95%	94%	94%	93%	92%	91%	90%	89%	88%	87%	
70	97%	97%	97%	96%	96%	96%	95%	95%	94%	93%	93%	92%	91%	90%	89%	88%	

## 100% JOINT & SURVIVOR TABLE

Effective January 4, 2016

		Your Age at Retirement															
Age of Beneficiary at Retirement		55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
	50	88%	87%	85%	84%	83%	82%	81%	79%	78%	76%	75%	73%	71%	69%	68%	66%
	51	88%	87%	86%	85%	84%	82%	81%	80%	78%	77%	75%	74%	72%	70%	68%	66%
	52	89%	88%	87%	86%	84%	83%	82%	80%	79%	77%	76%	74%	73%	71%	69%	67%
	53	89%	88%	87%	86%	85%	84%	82%	81%	80%	78%	77%	75%	73%	72%	70%	68%
	54	90%	89%	88%	87%	86%	84%	83%	82%	80%	79%	77%	76%	74%	72%	70%	69%
	55	90%	89%	88%	87%	86%	85%	84%	83%	81%	80%	78%	77%	75%	73%	71%	69%
	56	91%	90%	89%	88%	87%	86%	85%	83%	82%	80%	79%	77%	76%	74%	72%	70%
	57	91%	90%	90%	89%	88%	86%	85%	84%	83%	81%	80%	78%	76%	75%	73%	71%
	58	92%	91%	90%	89%	88%	87%	86%	85%	83%	82%	81%	79%	77%	76%	74%	72%
	59	92%	91%	91%	90%	89%	88%	87%	85%	84%	83%	81%	80%	78%	76%	75%	73%
	60	93%	92%	91%	90%	89%	88%	87%	86%	85%	84%	82%	81%	79%	77%	76%	74%
	61	93%	92%	92%	91%	90%	89%	88%	87%	86%	84%	83%	82%	80%	78%	77%	75%
	62	94%	93%	92%	92%	91%	90%	89%	88%	87%	85%	84%	82%	81%	79%	78%	76%
	63	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	85%	83%	82%	80%	79%	77%
	64	94%	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	84%	83%	81%	80%	78%
	65	95%	94%	94%	93%	92%	92%	91%	90%	89%	88%	86%	85%	84%	82%	81%	79%
66	95%	95%	94%	94%	93%	92%	91%	90%	90%	88%	87%	86%	85%	83%	82%	80%	
67	96%	95%	95%	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	84%	83%	81%	
68	96%	95%	95%	94%	94%	93%	93%	92%	91%	90%	89%	88%	86%	85%	84%	82%	
69	96%	96%	95%	95%	94%	94%	93%	92%	92%	91%	90%	89%	87%	86%	85%	83%	
70	97%	96%	96%	95%	95%	94%	94%	93%	92%	91%	90%	89%	88%	87%	86%	84%	

## Lump-Sum Retirement Benefit

The Lump-Sum Retirement Benefit is a one-time lump-sum refund consisting of your contributions and interest at the date of retirement if you have five or more years of qualified service. It includes an equal amount of employer contributions. The lump-sum benefit is taxed as a lump-sum distribution.

If you are married and elect this optional form of annuity, your spouse/civil union partner must consent to this election. There would be no survivor annuity payable at your death. By electing the lump-sum benefit, you forfeit eligibility for any insurance coverage under either the:

- State of Illinois Group Health Plan – if you have qualified service with a state agency; or
- College Insurance Program – if you have qualified service with a community college.

However, you would retain the protection of the Illinois Retirement Systems Reciprocal Act (see page 6).

## Employer Information

In addition to the retirement application you initiate, SURS will request specific information from your employer. To complete the retirement processing, if not already received at SURS, your employer must submit the certification of your employment, the date of termination of employment, and all final payroll information.

You should contact your employer to determine their resignation process and complete any required paperwork.

## YOUR ANNUITY PAYMENTS

Your annuity payments may begin the later of:

- The date following the effective date of your termination from all SURS-covered employers;
- The date you reach the minimum qualifying age;
- The effective date listed on your application for retirement (but no more than 12 months before the application is received at SURS).

## Your First Payment

Generally, you will receive your first payment on the first day of the month following the effective

date of your annuity. Your first payment will be a preliminary estimated payment (PEP) because your claim will not yet be finalized.

On average, it takes six months or longer to finalize a claim. During this time, you will continue to be paid on the first day of each month.

The PEP is an estimated payment based on the higher of the General Formula or the Money Purchase calculation. This PEP is not the same amount as any estimates that may have been calculated for you by SURS prior to your retirement. It may not include any of the following:

- Current year earnings and vacation payments;
- Additional credit for unused, unpaid sick leave;
- Reciprocal credits; or
- Additional service credit purchased after the Application for Retirement Annuity is received.

Applicable taxes and insurance premiums will be deducted from the PEP. The PEP will be reduced for any Joint & Survivor election.

When your retirement claim is finalized, you will receive a catch-up check for the difference between your PEP payments and the actual monthly benefit amount due you, retroactive to the effective date your annuity began.

The benefit is not prorated in the month you retire. It will be paid on the first of the month following the date you terminate employment or the date you elect to retire, whichever is later.

## Direct Deposits

Your SURS benefit payments are deposited electronically in your checking or savings account each month.

You must complete the Authorization for Deposit of Recurring Payments form and return it to SURS by the 10th of the month preceding the month in which you want your direct deposits to begin. The form can be found on SURS website under the Forms tab.

Annuity payments are automatically deposited in your account on the first day of the month and disability payments are automatically deposited in your account on the last day of the month.

## Income Tax Information

### Federal Income Tax

Generally, your monthly benefit will be taxable as ordinary income for federal income tax purposes, beginning with the first payment you receive.

As part of your retirement application, you will be asked to indicate how much federal income tax you wish to have withheld from your benefit check. If you do not so indicate, SURS will automatically withhold federal income tax from your monthly payment based on the Internal Revenue Service (IRS) tables for a married person with three withholding allowances.

If you previously paid federal income taxes on some contributions (those prior to 1981, leave payments, or service credit purchases), these contributions will not be taxed again. Instead they will be prorated over your future monthly benefits according to IRS procedures. This means you will receive a portion of your monthly benefit tax-free for a number of months as determined by the IRS.

Keep in mind, however, that the tax-free portion of the benefit is usually a small percentage of the total amount you receive. Consequently, a large portion of the monthly benefit will be taxable. Once your retirement annuity has been finalized, SURS will send you information regarding any previously taxed contributions.

IRS Form 1099-R, which you will receive each January, shows the gross and taxable portions of your annuity and the amount of federal income taxes withheld. For more information, contact SURS.

If you do not elect to have federal income tax withheld, you may incur a penalty for underpayment of federal income taxes. It is your responsibility to have the appropriate amount of tax withheld.

If you have questions about your withholding, you should contact a tax consultant.

### State Income Tax

Benefits from SURS are not subject to Illinois income tax. However, SURS benefits may be taxable by other states. If you do not live in Illinois or you plan to move after retirement, check with your state's Department of Revenue to find out if your benefit is taxable.

## Mandatory Distributions

Members who are not currently participating in SURS or another system covered by the Illinois Retirement Systems Reciprocal Act must take a mandatory distribution. The mandatory distribution is paid on the April 1 following the year they reach age 70.5, either as a lump-sum distribution or a monthly annuity, whichever they qualify for. SURS will contact these members about the mandatory distribution so that the proper paperwork can be completed.

## Employment After Retirement

### If You Elect a Recurring Monthly Annuity

If you return to work with an SURS-covered employer, you must notify SURS of this employment, and you must also inform the SURS-covered employer that you are a SURS annuitant. Your post-retirement earnings are subject to the limitations described below. If you exceed the limits, your benefit is subject to reduction or suspension. Earnings limitation information will be forwarded to you upon finalization of your retirement claim.

- You may not be re-employed by an employer covered by SURS until you have been retired for at least 60 calendar days;
- If your annuity payments began at age 60 or later, your earnings from a SURS-covered employer during any academic year after you retire, combined with your annual base annuity from SURS, may not exceed your highest earnings during any academic year before you retired. Once the annual earnings limitation is calculated, it does not change.

*Example: If your highest academic year earnings during your career were \$50,000 and your annual base annuity is \$24,000 (\$2,000/mo x 12 months), your annual earnings limitation would be \$26,000 (\$50,000-\$24,000).*

- If your annuity payments began before age 60, your base monthly earnings from an employer covered by SURS may not exceed your current monthly base annuity. The earnings limitation is increased each year by the Automatic Annual Increase (AAI).

If you become reemployed with a SURS-covered agency and are considering resuming active

participation in SURS, thus foregoing your annuity payments, contact SURS to discuss the special limitations that may apply.

If your first participation began prior to Jan. 1, 2011, there is no limitation on your post-retirement earnings if you return to work with an employer who is not covered by SURS.

If your first participation began on or after Jan. 1, 2011, there is no limitation on your post-retirement earnings if you return to work with an employer who is not covered by SURS; however, if you begin full-time covered employment with an eligible retirement system covered under the Illinois Retirement Systems Reciprocal Act, SURS may be required to suspend your annuity during that employment.

### **If You Elect the Lump-Sum Benefit**

Unlike the members who receive a recurring monthly annuity, there is no earnings limitation for members receiving the lump-sum retirement benefit. However, some requirements still apply:

- You may not work for a SURS-covered employer until 60 days after the lump-sum retirement benefit has been issued. If you do return within 60 days, the lump-sum retirement benefit must be repaid to SURS - rescinding your retirement. Once the benefit has been repaid, you will continue to participate in SURS.
- If your return to SURS-covered employment is after the 60-day period mentioned above, you have the following choices:
  - A) If you wish to return to participation and earn additional benefits, you must request a form from SURS.
  - B) If you do not elect to participate, no SURS contributions will be withheld. In addition, you should contact your benefits office to determine your health insurance eligibility as a non-contributing SURS member.

### **Automatic Annual Increase (AAI)**

An annual increase will apply to the monthly retirement annuity.

#### **If you first began participation prior to Jan. 1, 2011:**

Each Jan. 1, your retirement annuity will

automatically receive a 3% compounded increase. The first AAI will begin on the Jan. 1 following the month in which you retire and will be prorated for the number of months you were retired.

*Example: If your annuity begins on 3/1/2012, the first increase will take effect 1/1/2013. Since you would have received 10 months of annuity payments in 2012, the first increase would be prorated so that you receive 10/12ths of a 3% increase. The following Jan. 1, you would receive a full 3% increase.*

#### **If you first began participation on or after Jan. 1, 2011:**

A non-compounding annual increase will apply to the monthly retirement annuity beginning on the Jan. 1 occurring on or after the later of your attainment of age 67 or the first anniversary of the commencement of your annuity. The annual increases will be the lesser of half of the change in Consumer Price Index-Urban (CPI-U) from the preceding year or 3%, computed on the original retirement annuity amount. For any year the CPI-U decreases or is zero, no annual increase will apply.

*Example: If your annuity begins on 3/1/2021 at age 62, the first increase will take effect 1/1/2027, which is the latter of the Jan. 1 after your 67th birth date (1/1/2027) and the Jan. 1 on or after the first anniversary of the annuity commencement (1/1/2023).*

## **HEALTH INSURANCE**

Certain SURS retirees and their survivors may qualify for health insurance benefits through their former employment. While no universal health coverage is offered to all retirees, SURS helps administer the benefits for some of these programs.

### **Community College Retiree Health Insurance**

Full-time active community college employees pay 0.5% of gross earnings to help fund a health plan for retirees of community colleges, the College Insurance Program (CIP). SURS acts as agent in this regard by forwarding the 0.5% payment to Central Management Services (CMS), a division of Illinois state government that oversees such benefits.

CMS determines the benefits, premiums, and

qualifications for the CIP, guided by the provisions of the law found in Illinois Compiled Statutes, Chap. 5, Act 375 (State Employees Group Insurance Act of 1971). Changes in this coverage and changes in premium rates will be made by CMS as needed. SURS community college retirees may be eligible for this plan if their employment was considered to be full time and they were eligible for employer provided benefits.

Enrollment for eligible community college retirees is part of the retirement process and decisions about participation may be made at retirement time. Any premiums for you or your dependents will be deducted from your monthly SURS annuity check. Details about this coverage may be obtained by accessing MyBenefits at [MyBenefits.illinois.gov](http://MyBenefits.illinois.gov).

Employees at the City Colleges of Chicago do not participate in the CIP. If you retire from the City Colleges of Chicago, contact their insurance office for information about health insurance benefits that may be available to you.

## State of Illinois Retiree Health Insurance

SURS retirees who meet the minimum retirement vesting requirement with a SURS-covered university or state agency (five years of service for Tier I or 10 years of service for Tier II) are eligible to participate in the State of Illinois Group Insurance Program at the time of retirement, if they choose to receive a monthly retirement benefit.

Once the initial eligibility requirement is met, additional qualified service years will help decrease the premium cost to the member.

The following service qualifies toward the insurance years used to determine the cost of the health insurance premiums:

- Service earned in the course of employment with a SURS-covered employer, including community colleges
- Service credit purchased with SURS prior to retirement, including
  - Service prior to certification with SURS (prior service)
  - Military service
  - Repayment of a refund
  - Other public employment

- Service with the State Employees' Retirement System of Illinois (SRS) if retiring under the Retirement Systems Reciprocal Act.

The state of Illinois contributes 5% of the premium cost for each year of qualified service the retiree has attained.

*For example, Richard retires through SURS with 12 years of qualified service. The state will pay 60% of his monthly health insurance premium (5% x 12 years of service). Richard will pay the remaining 40%.*

State insurance eligible members who retire with 20 or more years of qualified service will receive premium-free health insurance. Premiums for eligible dependent coverage, however, will be deducted from the monthly annuity payments, regardless of years of service.

Should a dependent become a survivor benefit recipient when the member dies, the insurance will transfer to the survivor as long as they continue to receive the monthly survivor benefit. Survivor benefit recipients of retirees who had state insurance are eligible for state insurance at the same rate as the original member.

Members who were actively employed on July 7, 1997, may qualify for premium-free health insurance with less than 20 years of service under special provisions of Public Act 91-395. In order for these members to qualify for premium-free insurance, benefits will be calculated under the benefit provisions that were in place on July 7, 1997. For some members, this may result in a decrease in monthly benefits though the savings in insurance premiums may more than make up for the difference. Members will be given their options after applying for retirement and will make an irrevocable choice at that time on whether they wish to accept the premium-free insurance.

Health insurance benefits available to retirees under the State of Illinois Insurance Program and College Insurance Program (CIP) are administered by the Department of Central Management Services (CMS). Current benefit details may be obtained by accessing MyBenefits at [MyBenefits.illinois.gov](http://MyBenefits.illinois.gov). If you have questions, please contact the MyBenefits Service Center toll free at 1-844-251-1777 or TTY toll free at 1-844-251-1778.

## APPLYING FOR A REFUND IF YOU LEAVE SURS

Although you may intend to stay with a SURS-covered employer until retirement, the time may come when your personal situation prevents you from doing so. Should you leave the System entirely, you can receive your retirement contributions in a lump sum. However, by accepting a separation refund, your claim to future benefits will be forfeited.

The separation refund application process begins when you call SURS. To receive a separation refund, you must have terminated your employment from all employers covered under SURS or you must have been on layoff for over 120 days.

When you call to initiate the refund process, you will need to provide the SURS representative with the following information:

- Your name and Member ID number
- Date of termination of employment
- Whether you wish the funds to be sent to your home or to a financial institution. You will need to provide us with the following information about the financial institution:
  - Name
  - Address
  - Account Type
  - Account Number
  - ACH Routing Number
- Whether you wish to roll the funds into an IRA, a qualified 401(a) retirement plan, a 403(b) plan, or 457 plan.

A refund form will be mailed to you with the information you supplied to the SURS representative. Upon receipt, you should check to verify that all information is accurate, include any documents required, sign the form, have it notarized, and return it to SURS in 45 days.

Only one refund per academic year may be paid. Your refund check will be processed once SURS receives all information from you and your employer. This could be anywhere from 45-60 days after receipt of all information.

If you receive a refund, you must receive it by the April 1 following the year you reach age 70½ if you are not employed at that time.

## Employer Information

In addition to the refund application you initiate, SURS will request specific information from your employer. To complete the refund processing, if not already received at SURS, your employer must submit the certification of your employment, the date of termination of employment, and all final payroll information.

You should contact your employer to determine their resignation process and complete any required paperwork.

## Amount of Refund

One of the benefits of the Portable Package is the enhanced refund feature. If you terminate your employment and apply for a refund with less than five years of service credit, you will be entitled to receive your total contributions plus the full effective rate of interest that has accumulated on those contributions. With five or more years of qualified service, the refund includes member contributions and interest plus an equal match from the employer (State of Illinois).

Remember, you must fulfill the one-year participation requirement under the Portable Benefit Package if you were a participant on or before the date your employer elected to offer the optional benefit plans. If the one-year requirement is not met, the refund will be paid under the rules of the Traditional Benefit Package.

## Taxability of a Refund

1. If your refund is \$200 or more and you do not elect a direct rollover, SURS is required by law to withhold a minimum of 20% for federal income tax.

2. If your refund is less than \$200 and you do not elect a direct rollover, SURS is not required to withhold any federal income tax. However, if you wish to have federal income tax withheld, SURS will withhold a minimum of 5% or a higher percentage of your choice.

3. Your refund is subject to a 10% early withdrawal penalty unless:

- It is directly transferred from SURS into an eligible rollover option or the taxable amount is rolled over into an eligible rollover option within 60 days of receipt;

- You are over age 59.5;
- You have medical expenses large enough to be deducted on Form 1040, Schedule A; or
- You terminated employment after age 55.

The 10% penalty referred to here is not withheld by SURS. It is calculated on Form 5329 to be filed with your federal tax return for the tax year in which you receive your refund.

In January, you will receive a 1099-R to file with your federal income tax return. Your refund is not subject to state of Illinois income tax.

## Rollover of a Refund

You may defer taxation by rolling the taxable portion of your refund directly from SURS into an IRA, a qualified 401(a) retirement plan, a 403(b) plan, or a 457 plan. We suggest you set up a separate, conduit IRA account to preserve your future options. A rollover to a non-Roth IRA does not affect your annual IRA contributions limit. If you arrange a trustee-to-trustee transfer, there will be no federal income tax withheld.

Most rollovers are not subject to federal income tax. However, they are subject to taxation, according to IRS regulation, at time of withdrawal. Rollovers to Roth IRAs are taxable at the time of the rollover.

You should consult a tax advisor with questions regarding a rollover or taxation of your separation refund.

## OTHER INFORMATION

### Loans, Garnishment, Bankruptcy

SURS cannot make loans to you based on your contributions and benefits. In addition, your SURS contributions cannot be used as collateral for a loan. They are not subject to garnishment, and they are protected from seizure in bankruptcy.

### Divorce

In a divorce, benefits provided by SURS are not subject to the provisions of a Qualified Domestic Relations Order (QDRO). Under state law, SURS benefits may not be paid to anyone other than the member, except to an alternate payee named in a Qualified Illinois Domestic Relations Order (QILDRO). SURS can accept QILDROs as of July 1, 1999. It is the member's obligation to honor a

divorce decree that directs payments to an ex-spouse/civil union partner.

You or your attorney may contact SURS two to three months prior to a divorce court proceeding to receive the informational packet regarding QILDROs. Forms are also available at [www.surs.org](http://www.surs.org).

## Appeal Procedure

If a claim for disability, retirement, refund, Disability Retirement Annuity, or survivor insurance benefit is denied, or if you disagree with the amount of the benefit, you or your attorney may file a petition for written appeal and a hearing before the Claims Panel. You should also request a copy of the Hearing Rule established by the board.

SURS will notify you of the trustees' final decision. If you are not satisfied with this decision, you may file a petition with the Circuit Court of Champaign County, IL, requesting that the court review the trustees' decision under the Illinois Administrative Review Law. You must file this petition within 30 days after the trustees' decision has been served upon you.

## Confidentiality

Our employees are required to follow procedures with respect to maintaining the confidentiality of our members' non-public personal information. Additionally, we maintain physical, electronic and procedural safeguards to protect the information.

Information stored, processed, given to and created by the State Universities Retirement System may be determined to be a matter of public record and may be subject to the state of Illinois Freedom of Information Act (IL FOIA)(5 ILCS 140/1).

## Member Summary Statements

SURS invites participants in the Traditional and Portable plans to log on to the Member Website and visit the Member Summary page. This screen is designed to summarize a member's demographic, beneficiary and balance information in a real-time format. The data on the website is updated nightly.

The Member Summary screen provides one-click access to additional website screens to view the detail behind the balances. There are also convenient links to update contact information and beneficiaries, as well as fact sheets, Life Events, and SURS member guides. To produce a retirement

estimate, a quick link to the Benefit Estimator is provided. Members may create an unlimited number of estimates using their existing SURS data plus variables they choose to match their own unique needs and circumstances.

Members are encouraged to keep their mailing and email addresses up to date with SURS in order to receive the latest benefit information. For members without a valid email address on file, SURS will provide an annual printed version of the Member Summary, typically mailed in November and December each year. The layout of the printed statements will be the same as that of the online Member Summary page, minus all of the helpful links, will include only activity through Aug. 31, and will also refer recipients to the online Benefit Estimator to produce their own retirement estimates.

## Newsletter

SURS publishes *The Advocate* to inform members about legislation, funding, insurance, federal income tax withholding notifications and other relevant financial data. This publication is available online at [www.surs.org/advocate](http://www.surs.org/advocate).

## SURS Website ([www.surs.org](http://www.surs.org))

For the most current information about SURS, visit our website. Updates to this site ensure that newly proposed legislation, recent newsletters, important information about benefits, various forms, and other topics pertaining to SURS members are included.

## Member Website

Make sure you register for the SURS Member Website. The site allows you to check on your summary of benefits, view your employment history, estimate your retirement, update your demographic information, change your beneficiaries, and more.

To register, visit [www.surs.org](http://www.surs.org) and click on the gold Member Website Login button on the top right-hand side and then click on the Registration Process button at the bottom of the screen. This will take you to the Member Website Registration Process. You will need your SURS Member ID to register. Your Member ID can be found on your annual Benefit Summary Statement or other SURS correspondence. You can also call the SURS office to request your Member ID.

## CONTACTING SURS

### Hours of Operation

Monday-Wednesday and Friday: 8 a.m. - 4:30 p.m.  
Thursday: 9:00 a.m. - 4:30 p.m.

### Telephone and Fax Numbers

Direct: 217-378-8800  
Toll Free: 800-275-7877  
Fax: 217-378-9800

### Address

SURS  
1901 Fox Drive  
Champaign, IL 61820-7773

## CURRENT SURS-COVERED EMPLOYERS

Black Hawk College (Moline)  
Carl Sandburg College (Galesburg)  
Chicago State University  
City Colleges of Chicago  
College of DuPage (Glen Ellyn)  
College of Lake County (Grayslake)  
Danville Area Community College  
Eastern Illinois University (Charleston)  
Elgin Community College  
Governors State University (University Park)  
Heartland Community College (Normal)  
Highland Community College (Freeport)  
ILCS Section 15-107(c) Members (Springfield)  
ILCS Section 15-107(l) Members (Springfield)  
Illinois Board of Examiners (Naperville)  
Illinois Board of Higher Education (Springfield)  
Illinois Central College (Peoria)  
Illinois Department of Innovation and Technology (Springfield)  
Illinois Community College Board (Springfield)  
Illinois Community College Trustee Association (Springfield)  
Illinois Eastern Community Colleges  
Illinois Mathematics & Science Academy (Aurora)  
Illinois State University (Normal)  
Illinois Valley Community College (Oglesby)  
John A Logan College (Carterville)  
John Wood Community College (Quincy)  
Joliet Junior College  
Kankakee Community College  
Kaskaskia College (Centralia)  
Kishwaukee College (Malta)  
Lake Land College (Mattoon)  
Lewis & Clark Community College (Godfrey)  
Lincoln Land Community College (Springfield)  
McHenry County College (Crystal Lake)  
Moraine Valley Community College (Palos Hills)  
Morton College (Cicero)  
Northeastern Illinois University (Chicago)  
Northern Illinois University (DeKalb)  
Northern Illinois University Foundation (DeKalb)  
Oakton Community College (Des Plaines)  
Parkland College (Champaign)  
Prairie State College (Chicago Heights)  
Rend Lake College (Ina)  
Richland Community College (Decatur)  
Rock Valley College (Rockford)  
Sauk Valley College (Dixon)  
Shawnee College (Ullin)  
South Suburban College (South Holland)  
Southeastern Illinois College (Harrisburg)  
Southern Illinois University – Carbondale  
Southern Illinois University – Edwardsville  
Southwestern Illinois College (Belleville)  
Spoon River College (Canton)  
State Universities Civil Service System (Urbana)  
State Universities Retirement System (Champaign)  
Triton College (River Grove)  
University of Illinois – Chicago  
University of Illinois – Springfield  
University of Illinois – Urbana-Champaign  
University of Illinois Alumni Association (Urbana)  
University of Illinois Foundation (Urbana)  
Waubensee Community College (Sugar Grove)  
Western Illinois University (Macomb)  
William Rainey Harper College (Palatine)

## LOCATION MAP

The State Universities Retirement System office is located at 1901 Fox Drive, Champaign, IL. Be sure to schedule an appointment if you plan to visit us.



State Universities Retirement System of Illinois  
1901 Fox Drive  
Champaign, IL 61820-7333

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