

# 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 SURS. 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 January 1, 2011, you would be considered to be a Tier I member. If you first began participation on or after January 1, 2011, you would be considered to be a Tier II member.*

## INTRODUCTION

The State Universities Retirement System of Illinois (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, or
3. Self-Managed Plan (SMP).

New members must choose a retirement plan within **6 months from the date SURS receives your 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 6 months, you will be permanently enrolled in the Traditional Benefit Plan.**

***SURS Traditional Benefit Package:*** Until 1998, this 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, colleges, Class I 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 4 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

Since 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 1/2%	Normal Retirement Benefit
1/2 of 1%	Automatic Annual Increases In Retirement Benefits
1%	Portability
<hr/> 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 January 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 \$111,571.63 per year for the 2016 fiscal year and 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 January 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 from your gross earnings. 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. You should 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 September 1st and ends August 31st. During this period, you may receive no more than 1 year of service credit. You can earn service credit for a fractional year of service, as shown in the following chart:

SERVICE CREDIT	
Length of Employment	Service Credit Earned
15 or more calendar days in a month	1 month
1 thru 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 annuity is calculated,

benefit service credit may be reduced if you have been employed at 50% time or less for more than 3 years after September 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 3 years at 20%, 2 years at 30%, and 5 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 3 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; or
- 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 3 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 8 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 worker’s 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 2 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	
Full Work Days	Additional 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 August 31, 1982.

- Beginning September 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 8).

## 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 5 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 1 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 September 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 2 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 September 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 8).

### Eligibility

- You must contribute to SURS at least 5 years following the public employment. The 5 years may include service with the State Teachers' Retirement System (TRS) or the Chicago Teachers' Pension Fund (CTRF).
- 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 September 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 2/3 of your direct SURS service credit. This 10-year maximum includes any out-of-state employment purchased with TRS or CTRF.
- If you began SURS participation on or after September 5, 1975, the OPE must be full-time, except under the following conditions:
  - If SURS participation terminated prior to August 18, 1965, you are not eligible to purchase OPE.
  - If you were a SURS member between July 1, 1967, and September 4, 1975, the OPE must be at least 50% time.

If your SURS participation terminated between August 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 September 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 Retirement Systems 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 survivors 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 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 2 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 January 1, 2011, repayment of a refund for pre-January 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 September 1 through August 31 year. Each August 31st, interest was calculated based on the balance in your account on the previous September 1st. 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%
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 6-30-09	8.5%
7-1-09 thru 6-30-10	8%
7-1-10 thru 6-30-13	7.5%
7-1-13 thru 6-30-17	7%
7-1-17 thru 6-30-18	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 Allowance
- 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 2 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 should 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 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 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 processed 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 November 7th, the benefit would begin 60 days later, on January 6th—assuming you were not eligible for sick leave or vacation pay beyond January 6th.*

*Your benefit will begin to accrue on January 6th and will be a prorated benefit for the period between January 6th and January 31st. 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 rate 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 January 1st, 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 January 1st 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 December 31st.

## 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 is \$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 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 6 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 basic compensation rate will be subject to the Maximum Pensionable Earnings limit (see page 2 for more information about this limit);*
- September 1st of the year following your 70th birthday. However, if your benefit begins after age 65, you may receive a benefit for up to 5 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 4 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 1st following the year you reach age 70 1/2.
- Apply for a Disability Retirement Allowance 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 page 11 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 13 for more information). In this case, the early retirement reduction would not apply provided your first participation began prior to January 1, 2011.

## Eligibility for Other Benefits During Disability

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

## DISABILITY RETIREMENT ALLOWANCE (DRA)

If your disability benefit expired due to the 50% earnings limitation, you may be eligible for a Disability Retirement Allowance (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, or until you apply for retirement or you die.

### How to Apply for Benefits

An Application for Disability Retirement Allowance will be sent to you approximately 3 or 4 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 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 1 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 19th, the first DRA payment will begin on July 1st.

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 January 1st, 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 January 1st 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 December 31st.

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; or
- 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 Before 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 1-year participation requirement under the Portable Benefit Package. If the 1-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 1.5 years of service credit, the death benefit is a return of your total contributions and interest.

If you die **after** establishing 1.5 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 1.5 years of service credit, your eligible spouse/civil union partner, to whom you have been married for at least 1 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 21 and 22).

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 upon when you satisfy the vesting and age requirements.

***If you first began participation prior to January 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 8 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 5 or more years of service; or
  - At any age when you achieve 30 years of service, provided your covered employment terminated on or after August 2, 2002.
- \* The 8 years at age 55 and 5 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 January 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 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 1st following the year you reach age 70 1/2 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 & 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 following 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 15–16).

## 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 January 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 4 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 4 consecutive academic years of service in which his or her earnings were the highest.

***If you first began participation on or after January 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\* (8 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 8 consecutive academic years of service during the last 10 academic years prior to the termination of your employment.

***Note: only the Maximum Pensionable Earnings limit 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 September 1st 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, which 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 9-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 that 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 page 15 and 16). 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 tables shown 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 3).

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 age 64, and 80% at age 65 or later. A person who begins participation after September 14, 1977, is subject to a maximum of 75%.

### 2.2% General Formula Table (Tier I)

If your participation began prior to January 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	70.31	65.82	61.34	56.85	52.36
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, for those members who terminated prior to August 2, 2002. If employment terminates on or after August 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 January 1, 2011:

Years of Service Less than	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 or more	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 ½% reduction to the General Formula benefit for each full month you are under normal retirement age. Normal retirement age is:

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

*\*The age reduction would not apply if your participation began prior to January 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 September 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 18).
- 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 17) 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 September 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 January 4, 2016**

Age	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
45	157.797	157.737	157.677	157.617	157.558	157.498	157.438	157.378	157.318	157.258	157.199	157.139
46	156.985	156.922	156.859	156.796	156.732	156.669	156.606	156.543	156.479	156.416	156.353	156.289
47	156.128	156.061	155.994	155.927	155.860	155.794	155.727	155.660	155.593	155.526	155.459	155.392
48	155.223	155.152	155.081	155.011	154.940	154.869	154.799	154.728	154.657	154.587	154.516	154.445
49	154.267	154.192	154.117	154.043	153.968	153.893	153.819	153.744	153.669	153.594	153.520	153.445
50	153.258	153.179	153.100	153.021	152.942	152.863	152.784	152.705	152.626	152.547	152.468	152.389
51	152.193	152.110	152.026	151.942	151.859	151.775	151.692	151.608	151.525	151.441	151.358	151.274
52	151.069	150.980	150.892	150.804	150.716	150.627	150.539	150.451	150.362	150.274	150.186	150.097
53	149.882	149.789	149.696	149.602	149.509	149.416	149.322	149.229	149.136	149.042	148.949	148.856
54	148.630	148.532	148.433	148.335	148.236	148.137	148.039	147.940	147.842	147.743	147.644	147.546
55	147.310	147.205	147.101	146.996	146.892	146.787	146.683	146.579	146.474	146.370	146.265	146.161
56	145.913	145.803	145.692	145.582	145.471	145.361	145.250	145.140	145.029	144.919	144.808	144.698
57	144.437	144.320	144.203	144.086	143.969	143.853	143.736	143.619	143.502	143.385	143.268	143.151
58	142.877	142.754	142.630	142.506	142.383	142.259	142.136	142.012	141.888	141.765	141.641	141.517
59	141.230	141.100	140.969	140.838	140.708	140.577	140.446	140.316	140.185	140.054	139.924	139.793
60	139.492	139.355	139.217	139.080	138.943	138.806	138.669	138.532	138.395	138.258	138.121	137.984
61	137.668	137.525	137.381	137.237	137.093	136.949	136.805	136.661	136.517	136.374	136.230	136.086
62	135.756	135.605	135.454	135.303	135.152	135.001	134.850	134.699	134.548	134.397	134.247	134.096
63	133.751	133.592	133.434	133.276	133.117	132.959	132.801	132.643	132.484	132.326	132.168	132.010
64	131.649	131.484	131.318	131.152	130.986	130.820	130.655	130.489	130.323	130.157	129.991	129.826
65	129.449	129.276	129.102	128.929	128.755	128.582	128.408	128.235	128.061	127.888	127.714	127.541
66	127.148	126.967	126.786	126.604	126.423	126.242	126.061	125.879	125.698	125.517	125.336	125.154
67	124.745	124.556	124.367	124.178	123.988	123.799	123.610	123.421	123.232	123.043	122.854	122.665
68	122.238	122.041	121.844	121.647	121.450	121.253	121.057	120.860	120.663	120.466	120.269	120.072
69	119.627	119.422	119.218	119.013	118.809	118.604	118.400	118.195	117.990	117.786	117.581	117.377
70	116.913	116.700	116.488	116.276	116.064	115.852	115.639	115.427	115.215	115.003	114.790	114.578
71	114.096	113.876	113.656	113.436	113.217	112.997	112.777	112.557	112.338	112.118	111.898	111.679
72	111.177	110.950	110.723	110.496	110.269	110.042	109.815	109.588	109.361	109.134	108.907	108.680
73	108.160	107.926	107.692	107.458	107.223	106.989	106.755	106.521	106.287	106.052	105.818	105.584
74	105.048	104.806	104.565	104.324	104.083	103.842	103.601	103.360	103.119	102.878	102.637	102.395
75	101.843	101.595	101.348	101.100	100.852	100.605	100.357	100.110	99.862	99.614	99.367	99.119
76	98.551	98.298	98.044	97.790	97.537	97.283	97.029	96.776	96.522	96.268	96.014	95.761
77	95.180	94.921	94.662	94.403	94.143	93.884	93.625	93.366	93.107	92.847	92.588	92.329
78	91.736	91.472	91.208	90.944	90.680	90.416	90.152	89.888	89.624	89.360	89.095	88.831
79	88.227	87.959	87.691	87.423	87.155	86.887	86.619	86.351	86.082	85.814	85.546	85.278
80	84.664	84.393	84.122	83.851	83.580	83.308	83.037	82.766	82.495	82.224	81.953	81.681

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

Money Purchase Interest Rates	
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%

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

Beginning January 1, 1997, anyone 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 this 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 August 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 January 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 January 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);
- 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 August 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 14.

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

The Police & Firefighter formula shown in the following chart applies 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
Maximum 31.819 years = 80%			(75.00 + 5.00)

If you were first certified as a participant on or after January 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 January 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 special formula for Police Officers & Firefighters, yet you worked in either capacity for at least the last 5 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 9– or 10–month school year but are paid over a 12-month period, you might contact your employer at least 1 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 2 or 3 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.

**50% JOINT AND 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															
		55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
Age of Beneficiary at Retirement	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															
		55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
Age of Beneficiary at Retirement	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%	

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 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 ( $\$2,000 \times 88\%$ ) and the 50% survivorship annuity is \$880 ( $\$1,760 \times 50\%$ ) 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 ( $\$2,000 \times 79\%$ ) and the 100% survivorship annuity is \$1,580 ( $\$1,580 \times 100\%$ ) during the first calendar year.*

### **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 5 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 four to six months 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;
- 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**

You may choose to have your SURS benefit payments deposited electronically in your checking or savings account each month.

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.

To elect direct deposit of your benefit payment, complete an 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 direct deposits to begin. Contact SURS for a copy of this form.

Annuitants who receive their benefits through electronic transfer will only receive a paper statement in January and July. You will also receive a paper statement when any change is made to your net benefit amount, bank, or address.

## **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 3 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 1st following the year they reach age 70 1/2, 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 apply.

If your first participation began prior to January 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 January 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

An annual increase will apply to the monthly retirement annuity.

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

Each January 1st, your retirement annuity will automatically receive a 3% compounded increase. The first AAI will begin on the January 1st 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 January 1, you would receive a full 3% increase.*

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

Anon-compounding annual increase will apply to the monthly retirement annuity beginning on the January 1 occurring on or after the later of your attainment of age 67 or the 1st anniversary of the commencement of your annuity. The annual increases will be the lesser of ½ 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 January 1 after your 67th birth date (1/1/2027) and the January 1 on or after the 1st 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 SURS 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 Marketplace at [www.MyBenefits.illinois.gov](http://www.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 have at least 5 years of qualified service, or 10 years if participation first began on or after January 1, 2011, are eligible to participate in the State Insurance Program at the time of retirement. Qualified service includes those years that a member contributed to a State of Illinois university or state agency.

The benefits, premiums, and qualifications for this plan are negotiated for and determined by CMS. As with the College Insurance Program, CMS obtains guidance for this plan through *Illinois Compiled Statutes, Chap. 5, Act 375 (State Employees Group Insurance Act of 1971)*, and makes changes in coverage and premium rates as needed.

Health insurance benefits available to retirees under the State of Illinois Insurance Program or College Insurance Program (CIP) are administered by the Department of Central Management Services (CMS). Current benefit details may be obtained by accessing MyBenefits Marketplace at [www.MyBenefits.illinois.gov](http://www.MyBenefits.illinois.gov). If you have questions, please contact 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 1st following the year you reach age 70 1/2 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 5 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 5 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 1–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 1–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 1/2;
- 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, 403(b) plan, or 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 2 to 3 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 allowance, or survivors 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 (Portable) Plan 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 factsheets, 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 August 31st, 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 notification, and other relevant financial data. This publication is available online at [www.surs.org](http://www.surs.org).

## SURS Website

[www.surs.org](http://www.surs.org) – For the most up-to-date 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 "Member Access" 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. to 4:30 p.m.

Thursday: 9:00 a.m. to 4:30 p.m.

### Telephone & Fax Numbers

Direct: 217-378-8800

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

### Mailing Address

SURS

PO Box 2710

Champaign, IL 61825-2710

### Street Address

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

## 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 Century Network (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)  
Waubonsee 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

Revised July 2017  
Printed by authority of the State of Illinois