TRADITIONAL PLAN MEMBER GUIDE



S·U·R·S

STATE UNIVERSITIES RETIREMENT SYSTEM

SURS
MISSION STATEMENT

TO SECURE AND DELIVER THE RETIREMENT BENEFITS PROMISED TO OUR MEMBERS.

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

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

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APPLICATION OF CHANGES IN THE LAW

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

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

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

INTRODUCTION

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

1. Traditional Benefit Plan
2. Portable Benefit Plan
3. Retirement Savings Plan (RSP)

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

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

SURS Traditional Benefit Plan

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

SURS Portable Benefit Plan

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

SURS Retirement Savings Plan (RSP)

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 or in the Retirement Choice Election Packet available through SURS.

ELIGIBILITY

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

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

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

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

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

CONTRIBUTIONS

Employee Contributions

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

EMPLOYEE CONTRIBUTION CHART	
Percentage of Gross Earnings	**Benefit to Which it is Applied**
6.5%	Normal Retirement Benefit
0.5%	Automatic Annual Increases In Retirement Benefits
1.0%	Survivors' Insurance
8.0%	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 Traditional Plan who first become participants with SURS or another Illinois retirement system covered under the Illinois Retirement Systems Reciprocal Act on or after Jan. 1, 2011, will be limited to making employee contributions on gross earnings up to the Maximum Pensionable Earnings limit set by law. Earnings that exceed this annual limit will not be included in the calculation of any SURS benefits for these participants. This limit is $116,740.42 for fiscal year 2022 and $119,892.41 for FY2023. 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 Traditional Plan who began participation prior to Jan. 1, 2011, are not subject to this Maximum Pensionable Earnings limit.

Social Security

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

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

Employer Contributions

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

SERVICE CREDIT

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

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

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

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

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

PART-TIME EMPLOYMENT

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

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

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

For example, two members are the same age and are certified as contributing SURS members on the same date. One member may work full-time (100%) for 10 years. Another may work 10 years, but their employment percentage has varied. They have three years at 20%, two years at 30%, and five years at 10%.

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

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

QUALIFYING FOR MORE SERVICE CREDIT

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

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

Leaves of Absence

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

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

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

The payment for the leave contributions may be made as:

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

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

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

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

Disability Leave

You continue to receive full protection during the first 60 days of disability leave and while receiving disability or workers' compensation benefits even though you do not make contributions. When your retirement annuity is calculated for the purpose of determining final average earnings, SURS will assume your earnings are equal to the basic compensation on the date disability occurs or the average earnings during the 24 months immediately preceding the month in which disability occurs, whichever is greater.

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

Unused Sick Leave

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

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

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

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

UNUSED, UNPAID SICK LEAVE	
Additional Full Work Days	**Service Credit**
20-59 days	1/4 year
60-119 days	1/2 year
120-179 days	3/4 year
180 or more days	1 year

Prior Service With Another SURS-Covered Employer

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

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

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

Military Service

Military Leave

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

- You enter military service immediately following a period of employment with a SURS-covered employer, and
- You return to work with a SURS-covered employer within one year of receiving an honorable discharge.

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

Purchase of Military Service Credit

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

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

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

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

Other Public Employment (OPE)

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

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

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

Your payment will also include interest which, as

with Prior Service, is calculated as follows:

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

Eligibility

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

If your SURS participation terminated between Aug. 18, 1965, and June 30, 1967, the OPE must be full-time.

- You cannot qualify for a retirement pension or other benefit based on employer contributions from another retirement system (excluding Social Security) for the period of OPE you wish to purchase with SURS.
- Military service may be purchased as OPE if you began SURS participation on or before Sept. 1, 1974.
- OPE may not be used to meet SURS minimum vesting requirements.

Reciprocity With Other Systems

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

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

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

How Your Benefit Will Be Calculated Under Reciprocity

Each system will abide by its own law in calculating your retirement or survivor annuity. Your salary from all systems will be considered in determining your average earnings. Each system will apply the benefit formula in effect on the date you last terminated employment with an employer covered by the Reciprocal Act. Therefore, while you are employed with such an employer, your benefit will reflect any liberalizing changes in benefits

that are made by all systems in which you have credits. If you wish to apply for benefits under the Illinois Retirement Systems Reciprocal Act, you should request an application from each employing system at least 90 days before your planned retirement date.

Repayment of a Separation Refund

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

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

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

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

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

Effective Rate of Interest

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

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

EFFECTIVE INTEREST RATE TABLE	
Prior to 9/1/63	3.00%
9/1/63 – 8/31/66	3.50%
9/1/66 – 8/31/73	4.05%
9/1/73 – 8/31/75	8.00%
9/1/75 – 8/31/76	7.00%
9/1/76 – 8/31/77	6.00%
9/1/77 – 8/31/78	6.50%
9/1/78 – 8/31/79	6.75%
9/1/79 – 8/31/80	7.00%
9/1/80 – 8/31/88	8.00%
9/1/88 – 8/31/89	7.50%
9/1/89 – 8/31/96	8.00%
9/1/96 – 8/31/97	8.50%
9/1/97 – 8/31/98	9.00%
9/1/98 – 8/31/99	9.50%
9/1/99 – 8/31/02	10.00%
9/1/02 – 8/31/03	9.00%
9/1/03 – 6/30/05	8.00%
7/1/05 – 6/30/09	8.50%
7/1/09 – 6/30/10	8.00%
7/1/10 – 6/30/13	7.50%
7/1/13 – 6/30/17	7.00%
7/1/17 – 6/30/21	6.50%
7/1/21 – 6/30/22	6.00%
7/1/22 – 6/30/24	6.50%

CLAIMING YOUR BENEFITS

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

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

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

DISABILITY BENEFITS

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

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

How to Apply for Benefits

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

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

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

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

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

When Disability Payments Begin

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

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

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

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

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

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

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

Your Disability Benefit Amount

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

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

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

Here's an example: Assume your monthly income prior to your disability was $1,600. Let's also

assume your average monthly earnings for the 24 months prior to the date you became disabled was $1,300. Since $1,600 is greater than $1,300, your disability benefit would be 50% of $1,600, or $800 a month.

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

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

Benefit Reductions and Other Limitations

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

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

While you are disabled, your physician may allow you to return to work part-time. Your payment will be reduced by the amount you earn in excess of the amount of your disability benefit. This ensures that your combined earnings and disability benefit do not exceed your earnings prior to your disability.

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

How Participation in a Reciprocal System Affects Your Disability Benefit

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

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

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

How Long Disability Benefits Last

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

- You no longer meet the definition of disabled;
- You refuse to submit to reasonable physical examinations;
- You refuse to accept a position offered by your employer, even though your disability would not preclude you from performing the duties of that position;
- You have received 50% of your total earnings while a participant of SURS, TRS, or SERS. *Note: The earnings will be subject to the Maximum Pensionable Earnings limit (see Page 2 for more information about this limit).*
- Sept. 1 of the year following your 70th birthday. However, if your benefit begins after age 65, you may receive a benefit for up to five years, assuming you continue to be disabled and have not reached the maximum earnings amount described above;
- You apply for retirement or refund, or you die.

If You Return to Work and Become Disabled Again

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

Options Available After Your Disability Benefit Stops

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

- Resign your position and apply for a refund of your contributions and interest.
- Leave your contributions on deposit; the money continues to earn interest and can be withdrawn later or be paid to your beneficiary when you die. Ultimately, it must be paid by the April 1 following the year you reach age 72.
- Apply for a Disability Retirement Annuity if your disability benefit was terminated due to the 50% earnings limitation, and you are permanently disabled and unable to engage in any substantial gainful activity (see below 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 14 for more information) In this case, the early retirement reduction would not apply provided your first participation began prior to Jan. 1, 2011.

Eligibility for Other Benefits During Disability

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

DISABILITY RETIREMENT ANNUITY (DRA)

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

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

How to Apply for Benefits

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

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

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

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

DRA Payments and Amount

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

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

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

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

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

How Long DRA Benefits Last

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

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

Eligibility for Other Benefits While on DRA

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

When your DRA is approved, if you do not have an eligible survivor (a spouse/civil union partner, unmarried child under 18 or up to age 22 if full-time student, disabled child over 18 if disabled prior to age 18, or financially dependent parent age 55 or older), you may receive a lump-sum refund of your survivors insurance contributions plus interest. Upon your death, SURS will pay a lump-sum death benefit to your named beneficiary.

BENEFITS PAID AFTER YOUR DEATH

In the Traditional 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(s). A qualifying survivor is predetermined by law and is usually a family member, such as a spouse/civil union partner or child. 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.

Designating a Beneficiary

It is extremely important that you maintain a current Beneficiary Designation on file with SURS. When a significant event occurs in your life, such as marriage, birth, death, divorce, or any change in family status, contact SURS to update your designation. You may obtain the designation form on the SURS website.

You may name any person, firm, corporation, or other legal entity (including your estate) as primary or contingent beneficiary for a death benefit. You may change your designation at any time.

If you divorce, your spouse/civil union partner is disqualified for survivor benefits. After your divorce, you must designate or redesignate your former spouse/civil union partner as your beneficiary for him or her to be eligible for any lump-sum death benefit.

On the Beneficiary Designation, you are asked to name primary beneficiary(ies) and contingent beneficiary(ies). If your primary beneficiary predeceases you, the benefit will be paid to any remaining primary beneficiaries. If no primary beneficiaries are living, the benefit will be paid to your contingent beneficiaries. If you have not filed a Beneficiary Designation with SURS, the death benefit will be paid to your estate.

If You Die Before Retirement

Death Benefits

If you die before retirement and have no qualifying survivor(s), or if survivor benefits have been waived, your named beneficiary(ies) will receive:

- Your total retirement contributions and interest (including your 1% survivor contribution); and
- A lump sum of $2,500 shared by your non-dependent beneficiaries, or
- An amount equal to your average annual

earnings up to $5,000, provided you are an active SURS participant when you die, to be shared by your dependent beneficiaries.

If you have a qualifying survivor who elects to receive a monthly survivor benefit, the total death benefit paid will be approximately 7/8 of the total contributions and interest.

Survivor Benefits Before Retirement

Qualifying survivors in the Traditional Benefit Package include:

- Your spouse/civil union partner, if he or she was married to you at least one year before your death and: (a) is at least age 50; or (b) has in his or her care your unmarried children under 18 or up to age 22 if full-time student, or your disabled children 18 or over if disabled prior to age 18.
- Your unmarried child(ren) under 18, or up to age 22 if a full-time student.
- Your disabled child(ren) 18 or over if disabled prior to age 18.
- Your financially dependent parent(s) age 55 or over.

Benefit Amount

If you have at least one and a half years of service credit when you die, or if you had at least 10 years of service credit at termination of employment but before retirement, your qualifying survivor(s) will receive:

- A lump sum of $1,000 (this benefit may be divided equally among Illinois Reciprocal Systems, in which case only a portion of it is paid by SURS); and
- If you first began participation prior to Jan. 1, 2011, the greater of the minimum and maximum formulas used to determine survivor benefits. SURS will compare the lesser of the three amounts in the maximum formula to the amount of the minimum formula. (See Survivor Benefits charts.)
- If you first began participation on or after Jan. 1, 2011, the survivor benefit will be 66⅔% of your earned retirement annuity.

SURVIVOR BENEFITS FORMULA

For Pre-Jan. 1, 2011, Participants Only

Maximum Formulas

1. 80% of base annuity or DRA. This applies to inactive members or members receiving a DRA or retirement annuity.
2. $400 per month (one survivor), or $600 per month (two or more survivors)
3. 30% (one survivor), or 60% (two survivors), or 80% (three or more survivors) of your final average earnings (last 48 months or four highest-paid consecutive years)

Minimum Formula

50% of the earned retirement annuity

SURS will compare the lesser of the three amounts in the Maximum Formula to the amount of the Minimum Formula. The monthly survivor benefit will then be the larger of the Maximum or Minimum formulas.

SURVIVOR BENEFITS BEFORE OR AFTER RETIREMENT

For Pre-Jan. 1, 2011, Participants Only

Average Monthly Earnings	One Survivor (30%)	Two Survivors (60%)	Three or More Survivors (80%)
$600	$180	$360	$480
$800	$240	$480	$600*
$1,000	$300	$600*	$600*
$1,200	$360	$600*	$600*
$1,400	$400*	$600*	$600*

*The maximum benefit limitation applies. In all cases, if 50% of the retirement annuity would provide a larger amount, the survivor benefit is guaranteed to be the 50% amount. In short, the Minimum Formula can exceed the Maximum Formula.

Automatic Annual Increase

For death before retirement, an annual increase will apply to the monthly survivor annuity.

- If you first began participation prior to Jan. 1, 2011, an annual 3% compounded increase will apply to the monthly survivor annuity, beginning on the Jan. 1 closest to the first anniversary date of the annuity.

  For example, if the annuity begins on Aug. 1, 2009, the first anniversary date will be Aug. 1, 2010, so the first 3% increase will take effect Jan. 1, 2011.

- If you first began participation on or after Jan. 1, 2011, a non-compounding annual increase will apply to the monthly survivor annuity on the Jan. 1 occurring after the first anniversary of the commencement of the survivor annuity. The increase will be the lesser of half of the Consumer Price Index-Urban (CPI-U) from the preceding year or 3%, computed on the original survivor annuity amount. If for any year the CPI-U decreases or is zero, no annual increase will apply.

  For example, if your annuity begins on Dec. 1, 2021, the first anniversary date will be Dec. 1, 2022, so the first increase will take effect Jan. 1, 2023.

If You Die After Retirement or DRA

Death Benefits

If you did not have a qualifying survivor when you retired and accepted a refund of survivor contributions, upon your death your named beneficiary will receive a death benefit equal to the greater of:

- Your total contributions and interest at the benefit start date, less the sum of the retirement payments and/or DRA payments;
- $1,000;
- $500 if you terminated employment prior to Aug. 27, 1973.

Survivor Benefits After Retirement or DRA

As is the case if you die before retirement, qualifying survivors include:

- Your spouse/civil union partner, if he or she was married to you at least one year before your death and: (a) is at least age 50; or (b) has in his or her care your unmarried children under 18 or up to age 22 if full-time student, or your disabled children 18 or over if disabled prior to age 18;
- Your unmarried child(ren) under 18, or up to age 22 if a full-time student;
- Your unmarried disabled child(ren) 18 or over if disabled prior to age 18;
- Your financially dependent parent(s) age 55 or over.

Benefit Amount

Your qualifying survivor(s) will receive:

- A lump sum of $1,000 (this benefit may be divided equally among Illinois Reciprocal Systems, in which case only a portion of it is paid by SURS); and
- If your first participation began prior to Jan. 1, 2011, the greater of the Minimum and Maximum formulas used to determine survivor benefits (see Survivor Benefits charts); or, if your first participation began Jan. 1, 2011, or later, the survivor benefit will be 66⅔% of your annuity as computed without age penalty using your balances at the date of your death.

After retirement, the benefit paid upon your death is either a survivor benefit or a death benefit, not both. Survivor benefits will be paid to any existing, eligible survivors. Survivor benefits will continue if your spouse/civil union partner remarries. If you have no eligible survivors, the death benefit will be paid.

Automatic Annual Increase

For death after retirement, an annual increase will apply to the monthly survivor annuity on the Jan. 1 occurring on or after the date the survivor annuity begins.

- If you first began participation prior to Jan. 1, 2011, the increase is compounded at a rate of 3% each year.
- If you first began participation on or after Jan. 1, 2011, the increase is computed on the original survivor annuity amount. The amount of increase is the lesser of half of the Consumer Price Index-Urban (CPI-U) from the preceding year or 3%. If for any year the CPI-U decreases or is zero, no annual

increase will apply.

For example, if your annuity begins on Aug. 1, 2012, the first increase will take effect Jan. 1, 2013.

Supplemental Minimum Annuity Guarantee

A person receiving a monthly survivor benefit from SURS is entitled to $17.50 for each year of benefit service credit, up to a maximum of 30 years of benefit service.

If the member's employment was at less than 50% time, there may be a reduction in the number of years of service credit accumulated for calculating this benefit.

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

All survivor 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 survivor annuity.

When that regular survivor annuity with all accumulated raises exceeds the supplemental minimum annuity guarantee, SURS will automatically increase this survivor annuity to the regular calculation. From then on, the regular survivor annuity will be paid to the annuitant and each year the appropriate annual increase will be added.

RETIREMENT BENEFITS

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

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

- You are at least age 55 and have eight or more years of Illinois service (benefits will be reduced for early retirement if you retire between ages 55 and 60);*
- You are at least age 62 and have five or more years of service; or *
- At any age when you achieve 30 years of service, provided your covered employment terminated on or after Aug. 2, 2002.

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

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

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

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

You must begin receiving your retirement annuity by April 1 following the year you reach age 72 if you are not currently participating in SURS or another system covered by the Illinois Retirement Systems Reciprocal Act.

There are four formulas for calculating a retirement annuity:

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

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

All eligible formulas will be used to calculate your retirement annuity. Each is discussed after the next section. You will receive the largest of the eligible amounts. Regardless of the formula used, you may not exceed the applicable maximum (see bottom of General Formula tables on Pages 16 & 17).

FINAL AVERAGE EARNINGS

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

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

- For an employee who is paid on an hourly basis or who receives an annual salary in installments during 12 months of each academic year, it is the average annual earnings

during the 48 consecutive calendar month period ending with the last day of final termination of employment or the four consecutive academic years of service in which the employee's earnings were the highest, whichever is greater.

- For any other employee, it is the average annual earnings during the four consecutive academic years of service in which his or her earnings were the highest.
- If you work at least six months in the academic year in which you terminate employment, SURS will use your annual salary (not including summer session, vacation or overtime) to determine your average earnings under the high four consecutive academic years, if that rate exceeds your actual earnings for the year.

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

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

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

Final Average Earnings Basics

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

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

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

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

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

HOW YOUR RETIREMENT BENEFIT IS CALCULATED

General Formula

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

- Determine your years of service. *Note: Service may be reduced by SURS at retirement for part-time employment (see Page 3).*
- Refer to the appropriate General Formula Table that applies for your termination date (see Pages 16 & 17). Locate the percentage that corresponds closest to your service years and age at retirement.
- Multiply that percentage shown by your final average earnings.

The result is your approximate benefit under the General Formula.

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

General Formula Tables

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

GRADUATED PERCENTAGE TABLE

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

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

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

2.2% GENERAL FORMULA TABLE (TIER I)

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

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

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

2.2% GENERAL FORMULA TABLE (TIER II)

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

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

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

Early Retirement Reduction

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

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

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

Money Purchase Calculation*

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

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

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

- Determine the normal portion of your retirement contributions (see Employee Contribution chart on Page 2).
- Add the interest on those normal contributions (see interest rate information table on Page 19).
- 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 18) for your age (years and months) at retirement.

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

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

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

Commencing at the Specified Age
(Used to calculate SURS Money Purchase)
Effective July 1, 2022

Age	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
45	174.597	174.510	174.423	174.337	174.250	174.163	174.076	173.989	173.902	173.816	173.729	173.642
46	173.555	173.463	173.370	173.278	173.185	173.093	173.001	172.908	172.816	172.723	172.631	172.538
47	172.446	172.348	172.250	172.151	172.053	171.955	171.857	171.758	171.660	171.562	171.464	171.365
48	171.267	171.163	171.059	170.954	170.850	170.746	170.642	170.537	170.433	170.329	170.225	170.120
49	170.016	169.905	169.794	169.684	169.573	169.462	169.351	169.240	169.129	169.019	168.908	168.797
50	168.686	168.569	168.453	168.336	168.219	168.102	167.986	167.869	167.752	167.635	167.519	167.402
51	167.285	167.162	167.040	166.917	166.794	166.672	166.549	166.426	166.304	166.181	166.058	165.936
52	165.813	165.685	165.556	165.428	165.299	165.171	165.042	164.914	164.785	164.657	164.528	164.400
53	164.271	164.137	164.003	163.869	163.734	163.600	163.466	163.332	163.198	163.064	162.929	162.795
54	162.661	162.521	162.382	162.242	162.103	161.963	161.824	161.684	161.544	161.405	161.265	161.126
55	160.986	160.842	160.697	160.553	160.408	160.264	160.120	159.975	159.831	159.686	159.542	159.397
56	159.253	159.102	158.950	158.799	158.647	158.496	158.344	158.193	158.041	157.890	157.738	157.587
57	157.435	157.276	157.118	156.959	156.800	156.641	156.483	156.324	156.165	156.006	155.848	155.689
58	155.530	155.364	155.198	155.031	154.865	154.699	154.533	154.366	154.200	154.034	153.868	153.701
59	153.535	153.361	153.187	153.013	152.839	152.665	152.491	152.316	152.142	151.968	151.794	151.620
60	151.446	151.264	151.081	150.899	150.717	150.534	150.352	150.170	149.987	149.805	149.623	149.440
61	149.258	149.067	148.876	148.685	148.494	148.303	148.112	147.921	147.730	147.539	147.348	147.157
62	146.966	146.766	146.566	146.366	146.166	145.966	145.766	145.565	145.365	145.165	144.965	144.765
63	144.565	144.355	144.146	143.936	143.726	143.516	143.307	143.097	142.887	142.677	142.468	142.258
64	142.048	141.828	141.609	141.389	141.169	140.950	140.730	140.510	140.291	140.071	139.851	139.632
65	139.412	139.182	138.952	138.722	138.492	138.262	138.032	137.802	137.572	137.342	137.112	136.882
66	136.652	136.412	136.171	135.931	135.690	135.450	135.209	134.969	134.728	134.488	134.247	134.007
67	133.766	133.515	133.264	133.013	132.761	132.510	132.259	132.008	131.757	131.506	131.254	131.003
68	130.752	130.490	130.229	129.967	129.705	129.443	129.182	128.920	128.658	128.396	128.135	127.873
69	127.611	127.339	127.067	126.795	126.523	126.251	125.979	125.706	125.434	125.162	124.890	124.618
70	124.346	124.064	123.782	123.500	123.218	122.936	122.654	122.371	122.089	121.807	121.525	121.243
71	120.961	120.669	120.378	120.086	119.794	119.502	119.211	118.919	118.627	118.335	118.044	117.752
72	117.460	117.159	116.858	116.558	116.257	115.956	115.655	115.354	115.053	114.753	114.452	114.151
73	113.850	113.541	113.232	112.922	112.613	112.304	111.995	111.685	111.376	111.067	110.758	110.448
74	110.139	109.822	109.505	109.189	108.872	108.555	108.238	107.921	107.604	107.288	106.971	106.654
75	106.337	106.013	105.690	105.366	105.042	104.719	104.395	104.071	103.748	103.424	103.100	102.777
76	102.453	102.124	101.795	101.466	101.136	100.807	100.478	100.149	99.820	99.491	99.161	98.832
77	98.503	98.169	97.835	97.502	97.168	96.834	96.500	96.166	95.832	95.499	95.165	94.831
78	94.497	94.160	93.823	93.485	93.148	92.811	92.474	92.136	91.799	91.462	91.125	90.787
79	90.450	90.111	89.771	89.432	89.092	88.753	88.414	88.074	87.735	87.395	87.056	86.716
80	86.377	86.037	85.697	85.356	85.016	84.676	84.336	83.995	83.655	83.315	82.975	82.634

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

MONEY PURCHASE INTEREST RATES For Pre-July 1, 2005, Participants Only	
9/1/41 – 8/31/63	3.00%
9/1/63 – 8/31/66	3.50%
9/1/66 – 8/31/73	4.50%
9/1/73 – 8/31/75	8.00%
9/1/75 – 8/31/76	7.00%
9/1/76 – 8/31/77	6.00%
9/1/77 – 8/31/78	6.50%
9/1/78 – 8/31/79	6.75%
9/1/79 – 8/31/80	7.00%
9/1/80 – 8/31/88	8.00%
9/1/88 – 8/31/89	7.50%
9/1/89 – 8/31/96	8.00%
9/1/96 – 8/31/97	8.50%
9/1/97 – 8/31/98	9.00%
9/1/98 – 8/31/99	9.50%
9/1/99 – 8/31/02	10.00%
9/1/02 – 8/31/03	9.00%
9/1/03 – 6/30/05	8.00%
7/1/05 – 6/30/06	8.50%
7/1/06 – 6/30/08	8.00%
7/1/08 – 6/30/09	8.50%
7/1/09 – 6/30/10	7.50%
7/1/10 – 6/30/11	7.00%
7/1/11 – 6/30/12	6.75%
7/1/12 – 6/30/13	6.50%
7/1/13 – 6/30/15	6.75%
7/1/15 – 6/30/16	7.00%
7/1/16 – 6/30/17	6.75%
7/1/17 – 6/30/18	6.50%
7/1/18 – 6/30/19	6.75%
7/1/19 – 6/30/20	6.50%
7/1/20 – 6/30/21	6.00%
7/1/21 – 6/30/22	5.50%
7/1/22 – 6/30/23	6.25%
7/1/23 – 6/30/24	7.00%

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

Minimum Annuity Formula

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

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

Supplemental Minimum Annuity Guarantee

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

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

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

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

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

Reversionary Annuity

This benefit is available under the Traditional Benefit Package only. To elect the reversionary annuity, you must complete the Election of Reversionary Annuity form in the Traditional retirement application at least 30 days before you retire. This one-time election is not transferable.

A reversionary annuity will provide your spouse/civil union partner or other dependent with a greater monthly income in addition to survivor benefits. But it will reduce your own monthly retirement annuity for life. Under the reversionary annuity payment form, there are two options.

Option 1: If your reversionary annuity beneficiary should die after your benefit begins, you will continue to receive the reduced annuity. No reversionary annuity will be paid.

Option 2: If your reversionary annuity beneficiary should die after your benefit begins, your full retirement annuity will be reinstated. No reversionary annuity will be paid.

The two Reversionary Annuity tables below and on the next page show the approximate cost per $100. Space limits how many age combinations we can show. There is no annual increase on reversionary annuity payments.

If you elect the reversionary annuity and wish to cancel it, submit a written notice to SURS before your effective date of retirement. Once you retire, you cannot cancel the reversionary election. You should contact SURS for more information at least 90 days before you retire.

ELECTION OF REVERSIONARY ANNUITY TABLE (OPTION 1): EFFECTIVE JULY 2, 2022

		Your Age at Retirement															
Age of Beneficiary at Retirement		55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
	50	$9	$10	$12	$13	$14	$16	$17	$19	$21	$23	$25	$27	$30	$33	$36	$39
	51	$9	$10	$11	$12	$14	$15	$16	$18	$20	$22	$24	$27	$29	$32	$35	$39
	52	$9	$10	$11	$12	$13	$14	$16	$18	$19	$21	$23	$26	$28	$31	$34	$38
	53	$8	$9	$10	$11	$13	$14	$15	$17	$19	$21	$23	$25	$27	$30	$33	$37
	54	$8	$9	$10	$11	$12	$13	$15	$16	$18	$20	$22	$24	$27	$29	$32	$36
	55	$7	$8	$9	$10	$11	$13	$14	$16	$17	$19	$21	$23	$26	$28	$31	$35
	56	$7	$8	$9	$10	$11	$12	$13	$15	$16	$18	$20	$22	$25	$27	$30	$33
	57	$7	$7	$8	$9	$10	$11	$13	$14	$16	$17	$19	$22	$24	$26	$29	$32
	58	$6	$7	$8	$9	$10	$11	$12	$14	$15	$17	$19	$21	$23	$25	$28	$31
	59	$6	$7	$7	$8	$9	$10	$12	$13	$14	$16	$18	$20	$22	$24	$27	$30
	60	$6	$6	$7	$8	$9	$10	$11	$12	$14	$15	$17	$19	$21	$23	$26	$29
	61	$5	$6	$7	$7	$8	$9	$10	$11	$13	$14	$16	$18	$20	$22	$25	$28
	62	$5	$6	$6	$7	$8	$9	$10	$11	$12	$14	$15	$17	$19	$21	$24	$26
	63	$5	$5	$6	$6	$7	$8	$9	$10	$11	$13	$14	$16	$18	$20	$22	$25
	64	$4	$5	$5	$6	$7	$8	$8	$10	$11	$12	$13	$15	$17	$19	$21	$24
	65	$4	$4	$5	$6	$6	$7	$8	$9	$10	$11	$13	$14	$16	$18	$20	$23
	66	$4	$4	$5	$5	$6	$7	$7	$8	$9	$10	$12	$13	$15	$17	$19	$21
	67	$3	$4	$4	$5	$5	$6	$7	$8	$9	$10	$11	$12	$14	$16	$18	$20
	68	$3	$4	$4	$4	$5	$6	$6	$7	$8	$9	$10	$12	$13	$15	$17	$19
	69	$3	$3	$4	$4	$5	$5	$6	$7	$7	$8	$9	$11	$12	$14	$15	$17
	70	$3	$3	$3	$4	$4	$5	$5	$6	$7	$8	$9	$10	$11	$13	$14	$16

Example – You retire at age 60 and elect to provide a reversionary annuity of $100 per month for your 55 year-old spouse/civil union partner. Your retirement annuity would be reduced approximately $13 per month and your spouse/civil union partner would receive $100 per month during his/her lifetime after your death *in addition to* the survivors annuity payable under the survivors program. If you elect to provide a reversionary annuity of $200 per month, your annuity would be reduced $26 (2 x $13).

ELECTION OF REVERSIONARY ANNUITY TABLE (OPTION 2): EFFECTIVE JULY 2, 2022

Age of Beneficiary at Retirement	Your Age at Retirement															
	55	**56**	**57**	**58**	**59**	**60**	**61**	**62**	**63**	**64**	**65**	**66**	**67**	**68**	**69**	**70**
50	$10	$11	$12	$13	$14	$16	$17	$19	$21	$23	$25	$27	$30	$33	$36	$40
51	$10	$10	$12	$13	$14	$15	$17	$18	$20	$22	$24	$27	$29	$32	$35	$39
52	$9	$10	$11	$12	$13	$15	$16	$18	$20	$22	$24	$26	$29	$31	$34	$38
53	$9	$10	$11	$12	$13	$14	$16	$17	$19	$21	$23	$25	$28	$31	$34	$37
54	$8	$9	$10	$11	$12	$14	$15	$17	$18	$20	$22	$24	$27	$30	$33	$36
55	$8	$9	$10	$11	$12	$13	$15	$16	$18	$19	$21	$24	$26	$29	$32	$35
56	$8	$9	$9	$10	$11	$13	$14	$15	$17	$19	$21	$23	$25	$28	$31	$34
57	$8	$8	$9	$10	$11	$12	$13	$15	$16	$18	$20	$22	$24	$27	$30	$33
58	$7	$8	$9	$10	$11	$12	$13	$14	$16	$17	$19	$21	$23	$26	$29	$32
59	$7	$8	$8	$9	$10	$11	$12	$14	$15	$17	$18	$20	$22	$25	$28	$31
60	$7	$7	$8	$9	$10	$11	$12	$13	$14	$16	$18	$19	$22	$24	$26	$29
61	$6	$7	$8	$8	$9	$10	$11	$12	$14	$15	$17	$19	$21	$23	$25	$28
62	$6	$7	$7	$8	$9	$10	$11	$12	$13	$14	$16	$18	$20	$22	$24	$27
63	$6	$6	$7	$8	$8	$9	$10	$11	$12	$14	$15	$17	$19	$21	$23	$26
64	$6	$6	$7	$7	$8	$9	$10	$11	$12	$13	$14	$16	$18	$20	$22	$25
65	$6	$6	$7	$7	$8	$8	$9	$10	$11	$12	$14	$15	$17	$19	$21	$23
66	$5	$6	$6	$7	$7	$8	$9	$10	$11	$12	$13	$14	$16	$18	$20	$22
67	$5	$6	$6	$7	$7	$8	$8	$9	$10	$11	$12	$14	$15	$17	$19	$21
68	$5	$6	$6	$6	$7	$7	$8	$9	$10	$11	$12	$13	$14	$16	$18	$20
69	$5	$5	$6	$6	$7	$7	$8	$8	$9	$10	$11	$12	$14	$15	$17	$19
70	$5	$5	$6	$6	$6	$7	$7	$8	$9	$10	$10	$12	$13	$14	$16	$18

Example – You retire at age 60 and elect to provide a reversionary annuity of $100 per month to your 55 year-old spouse/civil union partner. Your retirement annuity would be reduced approximately $13 per month and your spouse/civil union partner would receive $100 per month during his/her lifetime after your death in addition to the survivors annuity which is payable under the survivors program. If you elect to provide a reversionary annuity of $200 per month, the annuity would be reduced $26 (2 x $13).

Special Features for Police Officers and Firefighters

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

Police Officer Defined

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

Employee Contributions

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

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

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

Retirement Benefits

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

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

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

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

- At age 60 with at least 20 years of service as a police officer or firefighter covered by SURS (no age reduction).

Eligibility for Special Formula

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

If you retire after Aug. 22, 1997, with at least 20 years of service as a police officer or firefighter, the final average earnings will be the annual rate of earnings as of the last day of employment if that is greater than the final average earnings calculated by the other methods described on Page 15.

How the Police Officer and Firefighter Benefit is Calculated

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

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

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

If you were certified as a participant prior to Jan. 26, 1988, and meet the 20- to 25-year service requirement, all other SURS credit will be considered under the special formula rates as well. However, service credit from Illinois reciprocal systems cannot be used to establish eligibility for this special formula, nor to receive the higher rates.

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

APPLYING FOR YOUR RETIREMENT ANNUITY

To apply for your retirement annuity, contact SURS for an Application for Retirement Annuity under the Traditional Benefit Package. We recommend that you file your application approximately 90 days prior to the effective date of your retirement. You can also obtain this application online at www.surs.org.

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

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

Retirement claims are finalized on a first in, first out basis. To view the status of your claim, visit the SURS Member Website at www.surs.org.

Estimate Requests

Members who are within four years of retirement can schedule a private appointment with a SURS retirement counselor. These meetings are 45 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, the SURS Champaign office or by telephone. To schedule an appointment, log in to the SURS Member Website or call SURS.

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.

Survivor Contribution Refund

When you retire, you must declare all eligible survivors, as described in SURS law, on the Application for Retirement Annuity. If you have no eligible survivors, you may elect a lump-sum refund of your survivor contributions (1%) plus the interest that has accumulated on the amount paid upon finalization of your claim.

If you choose not to accept the refund of these contributions, you would retain eligibility for survivor benefits should you acquire a qualified survivor after the effective date of your retirement. However, the decision of whether to take the refund or preserve the rights of future survivors must be made at retirement and may not be changed.

YOUR ANNUITY PAYMENTS

Your annuity payments may begin the later of:

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

Your First Payment

Generally, you will receive your first payment on the first day of the month following the effective date of your annuity. Your first payment will be a preliminary estimated payment (PEP) because your claim will not yet be finalized. On average, it takes six months or longer to finalize a claim. During this time, you will continue to be paid on the first day of each month.

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

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

Applicable taxes and insurance premiums will be deducted from the PEP.

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

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

Direct Deposits

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

You must complete the Authorization for Deposit of Recurring Payments form and return it to SURS by the 10th of the month preceding the month in

which you want your direct deposits to begin. The form can be found on SURS website under the Forms tab.

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

Income Tax Information

Federal Income Tax

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

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

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

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

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

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

State Income Tax

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

Mandatory Distributions

Members who are not currently participating in SURS or another system covered by the Illinois Retirement Systems Reciprocal Act must take a mandatory distribution. Mandatory distributions must paid on April 1 following the year the member reaches Required Minimum Distribution (RMD) age or terminates employment, whichever is later. RMD age is as follows: born on or before 6/30/49, RMD age is 70 ½; born between 7/1/49-12/31/50, RMD age is 72; born on or after 1/1/51, RMD age is 73. The RMD age is scheduled to increase to age 75 for distributions after the year 2033.

The mandatory distribution rules apply to a lump-sum distribution and/or a monthly annuity, whichever the member qualifies for or elects. SURS will contact these members about mandatory distributions so that the proper paperwork can be completed.

Employment After Retirement

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

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

limitation is calculated, it does not change.

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

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

If you become reemployed with a SURS-covered agency and are considering resuming active participation in SURS, thus foregoing your annuity payments, contact SURS to discuss the special limitations that may apply.

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

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

Automatic Annual Increase (AAI)

An annual increase will apply to the monthly retirement annuity.

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

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

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

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

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

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

HEALTH INSURANCE

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

Community College Retiree Health Insurance

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

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

Enrollment for eligible community college retirees is part of the retirement process and decisions about participation may be made at

retirement time. Any premiums for you or your dependents will be deducted from your monthly SURS annuity check. Details about this coverage may be obtained by accessing MyBenefits at MyBenefits.illinois.gov.

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

State of Illinois Retiree Health Insurance

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

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

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

- Service earned in the course of employment with a SURS-covered employer, including community colleges
- Service credit purchased with SURS prior to retirement, including
  - Service prior to certification with SURS (prior service)
  - Military service
  - Repayment of a refund
  - Other public employment
- Service with the State Employees' Retirement System of Illinois (SRS) if retiring under the Retirement Systems Reciprocal Act.

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

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

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

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

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

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

APPLYING FOR A REFUND IF YOU LEAVE SURS

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

The separation refund application process begins when you call SURS. To receive a separation

refund, you must have terminated your employment from all employers covered under SURS or you must have been on layoff for over 120 days.

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

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

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

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

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

Employer Information

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

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

Amount of Refund

Your refund is a return of your contributions and interest on those contributions at a rate of not more than 4.5%. Any interest previously credited to your balance in excess of 4.5 % is forfeited. In the Traditional Benefit Plan, state matching funds are not includable in refunds and are only used in the calculation of retirement and survivor annuity payments.

Taxability of a Refund

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

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

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

- It is directly transferred from SURS into an eligible rollover option or the taxable amount is rolled over into an eligible rollover option within 60 days of receipt;
- You are over age 59.5;
- You have medical expenses large enough to be deducted on Form 1040, Schedule A; or
- You terminated employment after age 55.

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

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

Rollover of a Refund

You may defer taxation by rolling the taxable portion of your refund directly from SURS into an IRA, a qualified 401(a) retirement plan, a 403(b) plan, or a 457 plan. We suggest you set up a separate, conduit IRA account to preserve your future options. A rollover to a non-Roth IRA does not affect your annual IRA contributions limit. If you

arrange a trustee-to-trustee transfer, there will be no federal income tax withheld.

Most rollovers are not subject to federal income tax. However, they are subject to taxation, according to IRS regulation, at time of withdrawal. Rollovers to Roth IRAs are taxable at the time of the rollover. You should consult a tax advisor with questions regarding a rollover or taxation of your separation refund.

OTHER INFORMATION

Loans, Garnishment, Bankruptcy

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

Divorce

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

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

Appeal Procedure

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

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

Confidentiality

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

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

Member Summary Statements

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

The Member Summary screen provides one-click access to additional website screens to view the detail behind the balances. There are also convenient links to update contact information and beneficiaries, as well as fact sheets, Life Events, and SURS member guides. To produce a retirement estimate, a quick link to the Benefit Estimator is provided. Members may create an unlimited number of estimates using their existing SURS data plus variables they choose to match their own unique needs and circumstances.

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

Newsletter

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

SURS Website (www.surs.org)

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

Member Website

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

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

CONTACTING SURS

Hours of Operation

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

Telephone and Fax Numbers

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

Address

SURS
1901 Fox Drive
Champaign, IL 61820-7773

CURRENT SURS-COVERED EMPLOYERS

Black Hawk College (Moline)
Carl Sandburg College (Galesburg)
Chicago State University
City Colleges of Chicago
College of DuPage (Glen Ellyn)
College of Lake County (Grayslake)
Danville Area Community College
Eastern Illinois University (Charleston)
Elgin Community College
Governors State University (University Park)
Heartland Community College (Normal)
Highland Community College (Freeport)
ILCS Section 15-107(c) Members (Springfield)
ILCS Section 15-107(l) Members (Springfield)
Illinois Board of Examiners (Naperville)
Illinois Board of Higher Education (Springfield)
Illinois Central College (Peoria)
Illinois Department of Innovation and Technology (Springfield)
Illinois Community College Board (Springfield)
Illinois Community College Trustee Association (Springfield)
Illinois Eastern Community Colleges
Illinois Mathematics & Science Academy (Aurora)
Illinois State University (Normal)
Illinois Valley Community College (Oglesby)
John A Logan College (Carterville)
John Wood Community College (Quincy)
Joliet Junior College
Kankakee Community College
Kaskaskia College (Centralia)
Kishwaukee College (Malta)
Lake Land College (Mattoon)
Lewis & Clark Community College (Godfrey)
Lincoln Land Community College (Springfield)
McHenry County College (Crystal Lake)
Moraine Valley Community College (Palos Hills)
Morton College (Cicero)
Northeastern Illinois University (Chicago)
Northern Illinois University (DeKalb)
Northern Illinois University Foundation (DeKalb)
Oakton 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 61820-7333

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