



Repayment of Survivor Refund

This fact sheet applies to the repayment of a survivor refund by a SURS annuitant in accordance with 40ILCS 5/15-154(c-5) to restore previously forfeited survivor benefit rights and credits.

Who is Eligible for Repayment of a Survivor Refund?

To be eligible, a SURS annuitant must meet the following requirements:

- Retired before June 1, 2011, and received a refund or additional annuity equal to the amount of his or her survivor contributions at retirement; and
- Party to: (1) a civil union or out-of-state marriage that was effective or recognized in Illinois as a civil union on or after June 1, 2011; (2) an in-state marriage that was effective on or after Feb. 26, 2014; or (3) both.

This law does not apply to annuitants who were married in Illinois or had out-of-state marriages recognized in Illinois as marriages prior to Feb. 26, 2014.

How is the Amount Due for the Repayment of a Survivor Refund Calculated?

SURS annuitants who qualify must repay the original amount of the refund of survivor contributions received or additional annuities received, plus interest at the actuarially assumed rate of return from the date the refund was issued, or the date each additional annuity payment was issued, to the date of repayment. The repayment must be made in a lump sum via rollover or after-tax funds.

Sample repayment amounts assuming an interest rate of 7.25 percent and a repayment date in May 2017:

Example 1: A Survivor Refund of \$20,000 issued in August 1995 would cost approximately \$91,700.

Example 2: A Survivor Refund of \$20,000 issued in June 2009 would cost approximately \$34,800.

What is the process for Repayment of a Survivor Refund?

SURS has developed the following process for annuitants to repay their survivor refund:

1. The annuitant completes the “Special Election to Repay Traditional Plan Survivor Refund” form. The form can be accessed at www.surs.org or by calling the SURS office at 800-275-7877.
2. The annuitant submits the completed form along with supporting documentation to SURS. The completed form must be received by SURS during the election period, which is between Dec. 29, 2016, and Dec. 28, 2017. SURS will accept postmarks as well as completed faxed forms on or before Dec. 28, 2017.
3. Upon receipt of the completed application and supporting documentation, SURS will prepare the cost information in accordance with 40 ILCS 5/15-154(c-5).
4. SURS will mail the cost information to the annuitant for payment. The letter will include the instructions for making payment via rollover or after-tax funds. Full repayment must be made by the earlier of 24 months from the date the election form is received by SURS or the date of the annuitant’s death.
5. SURS will mail a receipt to the annuitant confirming the repayment of the survivor refund once full payment is received.

What Supporting Documentation must be submitted with the form?

A copy of the valid marriage, civil union or legal relationship certificate that meets the eligibility requirements is acceptable. SURS reserves the right to request additional documentation as is deemed necessary to determine the eligibility of the annuitant to repay the survivor refund.

Is the Repayment of the Survivor Refund Irrevocable?

The submission of payment is irrevocable even in the event that the marriage, civil union or other legal relationship described above is dissolved, annulled or declared invalid by a court of competent jurisdiction; or the other party to the marriage, civil union or other legal relationship predeceases the annuitant or otherwise fails to qualify as a survivor upon the annuitant’s death.