

## Retirement FAQs

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### **When am I eligible to retire?**

If participation first began prior to January 1, 2011:

- Age 55 with 8 or more years of service, with applicable age reduction
- Age 62 with 5 or more years of service
- Any age with 30 or more years of service\*

\*Not applicable if employment termination prior to August 2, 2002

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

- At age 62 with 10 or more years of service, with applicable age reduction
- At age 67 with 10 or more years of service

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**When should I file my application for retirement?**

SURS would like to receive your application 60-90 days prior to your effective date of retirement.

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### **What happens if I file my retirement application late?**

Your effective date will remain the same, however; your first payment may be delayed.

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### **What documents should I submit with my retirement application?**

SURS will need a photocopy of your birth certificate if you have not already submitted one. In addition, if you are married, SURS will need a photocopy of your spouse's birth certificate and your marriage certificate.

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### **Does SURS pay partial month retirement annuities?**

No. While your retirement can be effective any day of the month, retirement payments are not prorated for the month in which you retire. Example: You select September 15th as your retirement date. Your first payment from SURS will be on October 1st and will be for the month of October.

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### **What is a Preliminary Estimated Payment (PEP)?**

In an effort to pay you in a timely manner while we collect information needed to calculate your final annuity, SURS issues a PEP on the effective date of your retirement or within 30 days of the receipt of your application, whichever is later. A PEP is approximately 80-90 percent of what SURS projects your final amount to be and is not the same amount as the estimate you may have had calculated by a Member Service Representative. You will continue to receive these estimated payments while your claim is being processed. Preliminary estimated payments do not include the following::

- Current year earnings and/or vacation payments
- Reciprocal credits
- Additional credit for unused, unpaid sick leave
- Additional service credit purchased after your Application for Retirement annuity is received

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### **At the time of my retirement, if I am entitled to payment for my vacation time or unused sick leave, who is responsible for this payment?**

Your employer is responsible for payment of vacation and/or sick leave that you may be entitled to. Any questions regarding this should be directed to your employer.

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### **How does my unused/unpaid sick leave affect my retirement?**

If you retire 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 unused/unpaid sick leave will be converted to additional service credit, up to a maximum of 1.0 year. The conversion is as follows:

<b>Unused, Unpaid Sick Leave</b>	
Full Work Days	Additional Service Credit
20 - 59 Days	1/4 Year
60 - 119 Days	1/2 Year
120 - 179 Days	3/4 Year
180 or more Days	1 Year

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### **How does part-time employment affect my retirement?**

The percentage of service will not affect your accumulation of service credit for qualification of benefits or vesting. However, when your benefit is calculated, if you have more than three years at 50% time or less, your service credit and benefits may be reduced.

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### **What is a reciprocal retirement?**

There are 13 public retirement systems in Illinois covered under the [Illinois Retirement Systems Reciprocal Act](#) <sup>[3]</sup>. If you have at least one year of pension credit in more than one of the retirement systems and your combined service credits are equal to the longest minimum service requirements of any of the systems in which you have credit, you may be eligible to apply for a benefit under the Illinois Retirement Systems Reciprocal Act. For further information on retiring under this Act, please refer to the [reciprocal brochure](#) <sup>[4]</sup>.

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### **What are the reciprocal systems covered under the reciprocal act?**

Please consult the current [list of reciprocal systems](#) <sup>[5]</sup>.

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**If I retire reciprocally, do I need to complete a retirement application with each system?**

Yes, you should complete and submit an application for each reciprocal system.

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**What is the normal time frame for completion of a retirement claim?**

Normal processing time is 6 months or longer.

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**How can I check the status of my retirement claim?**

For Traditional or Portable Plan retirements:

Retirement claims are finished on a first in, first out basis. To view the status of your claim, visit the SURS Member website at [www.surs.org](http://www.surs.org) <sup>[6]</sup>.

For Self-Managed Plan retirements:

You may contact a SURS Member Service Representative at 800-275-7877.

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**What are the formulas SURS uses when calculating a retirement benefit under the Traditional or Portable plan?**

There are three primary calculations used when member retires under the Traditional <sup>[7]</sup> or Portable <sup>[8]</sup> plan:

1. General Formula
2. Money Purchase Formula (not available to participants hired on or after July 1, 2005)
3. Minimum Annuity

In addition, there is a special formula calculation for Police/Firefighters and a Supplemental Minimum Annuity Guarantee.

For further information on the formula calculations, please refer to the Traditional <sup>[9]</sup> or Portable member guide <sup>[10]</sup>.

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**What does the term "final average earnings" (FAE) mean as it is used in the retirement calculation?**

The FAE is used under some calculations to determine a member's retirement annuity and maximum annuity payable.

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

The FAE is determined by comparing: (a) the average of the four highest-paid consecutive academic years of employment, and (b) the average of the last 48 months of employment (if applicable), using whichever is higher.

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

The FAE is determined by comparing: (a) the average of the eight highest-paid consecutive academic years during the last 10 years of employment, and (b) the average of the highest 96 consecutive months during the last 120 months of employment (if applicable), using whichever is higher.

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### **What is a reversionary annuity under the Traditional plan?**

A reversionary annuity provides your spouse or other dependent beneficiary with a monthly income in addition to what is payable as a survivor benefit. In order to provide this benefit to your spouse or other dependent beneficiary, you will receive a reduced annuity. The Election of Reversionary Annuity form must be on file with SURS at least 30 days prior to your effective date of retirement..

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### **What is the difference between a Normal form of annuity and an Optional form of annuity under the Portable plan?**

Please refer to the [Normal and Optional forms of annuity <sup>\[11\]</sup>](#) section of the [Portable member guide <sup>\[10\]</sup>](#).

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### **Who is an eligible survivor under the Traditional plan<sup>[7]</sup>?**

- Your spouse, if married at least one year prior to your death
- An unmarried, dependent child under the age of 18
- An unmarried, full-time student under the age of 22
- A disabled child, if permanently disabled prior to the age of 18
- A dependent parent, age 55 and older who is claimed as a dependent on your tax return

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### **Can I return to work after I retire?**

For Traditional and Portable Plan monthly annuities:

After retirement, you may return to work with a [SURS-covered employer <sup>\[12\]</sup>](#) after you have been retired for at least 60 calendar days. There is no waiting period if you return to employment with an employer who is not covered by SURS.

For Portable Plan Lump-Sum Annuities:

You may not return to work for a SURS-covered employer until 60 days following the date your benefit is issued.

If your return to SURS-covered employment is after the 60-day period mentioned above, you have the following choices:

1. If you wish to return to participation and earn additional benefits, you must complete the Election to Participate During Re-employment Following Receipt of a Lump-Sum

Retirement Benefit form.

2. If you do not elect to participate, no SURS contributions will be withheld. In addition, you should contact your Benefits Office to determine your health insurance eligibility as a non-contributing SURS member.

#### For Self-Managed Plan:

You may return to work after retirement with no restrictions from SURS. There is not a 60-day waiting period. There is neither a monthly or annual earnings limitations. You will not contribute the 8 percent of earnings to SURS. NOTE: If you were vested for retirement benefits and took a lump-sum retirement distribution, in addition to not being able to contribute to SURS, you may not be eligible for certain benefits if you return to work for a SURS-covered employer. It is strongly recommended that you contact your employer for benefit eligibility prior to accepting employment.

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#### **Is there a limitation on my earnings after retirement?**

If you return to work under a SURS-covered employer <sup>[12]</sup>; Traditional and Portable retirees are subject to an earnings limitation.

#### Traditional and Portable Plan monthly annuities:

- If your annuity payments began before you were age 60, your gross monthly earnings may not exceed your base monthly gross annuity.
- If your annuity payments began at age 60 or later, your earnings during any academic year, combined with your annual base annuity from SURS, cannot exceed your highest earnings during any academic year before you retired.

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

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

#### Portable Lump-Sum annuities:

There is no earnings limitation for members that received a lump-sum retirement benefit.

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#### **Will I receive a cost of living increase on my retirement?**

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

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

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

A non-compounding annual increase will apply to the monthly retirement annuity beginning on

the January 1 occurring on or after the later of your attainment of age 67 or the 1st anniversary of the commencement of your annuity. The annual increases will be the lesser of 1/2 of the Consumer Price Index ? Urban (CPI-U) from the preceding year or 3%, computed on the original retirement annuity amount. If for any year the CPI-U decreases or is zero, no annual increase will apply.

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