



Portable Member Guide

TIER 2

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

The benefits in this booklet pertain to the Portable Pension Plan for Tier II members. A Portable Pension Plan for Tier I members, Traditional Pension Plan Guide Tier I and Tier II and a Retirement Savings Plan (RSP) Guide are also available as separate publications to explain the benefits pertaining to those options.

SURS MISSION STATEMENT

To secure and deliver the benefits promised to and earned by our members.

INTRODUCTION

SURS is a qualified 401(a) retirement plan that provides retirement, disability, death and survivors' benefits to eligible SURS participants and annuitants. SURS covers faculty and support staff of Illinois public higher education including universities, colleges, Class I community colleges, scientific surveys and other related agencies.

SURS members must choose one of three retirement options – the Traditional Pension Plan, Portable Pension Plan or the Retirement Savings Plan (RSP) within six months from the date SURS receives their certification of employment from their employer. The choice is permanent and cannot be changed.

A welcome letter along with plan choice information is sent to all new members. Members are encouraged to review the information carefully to determine which plan is best for their needs. SURS also offers an interactive Plan Choice Decision Tool on the SURS Secure Member Website at surs.org. Plan elections can be made online or by returning the election form.

If a member fails to choose a plan within six months, they will be permanently enrolled in the Traditional Pension Plan.

TIER ELIGIBILITY

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.

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

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 13 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.

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.

SURS PLAN OPTIONS

Additional information about the three retirement options can be found on surs.org.

TRADITIONAL PENSION 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 Pension Plan.

PORTABLE PENSION PLAN

This is also a defined benefit retirement plan that has much in common with the Traditional Pension 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.

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) matching contributions are placed. You have the flexibility to choose where to invest your money within the SURS investment options and when to make adjustments as your needs change. Both hands-off and hands-on options are available.

ELIGIBILITY

Your employer will determine your eligibility to participate in SURS, based on guidance provided by SURS that has been formalized through the Illinois administrative rulemaking process (80 Ill. Adm. Code § 1600). 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.*
- *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 - PORTABLE PENSION PLAN	
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%	Funds Portability Feature
8.0%	Total Employee Contribution

Full-time community college employees (except City Colleges of Chicago) contribute an additional amount to fund a health insurance plan devised for community college retirees (see Health Insurance). This contribution amount is determined by the Department of Central Management Services (CMS) on an annual basis. The contributions are forwarded to CMS and are not part of your SURS account.

MAXIMUM PENSIONABLE EARNINGS

Employees enrolled in the Portable Pension 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 \$127,283.01 for fiscal year 2026 and \$129,192.26 for fiscal year 2027.

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.

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.

Prior to the passage of the Social Security Fairness Act, SURS members who also received Social Security benefits from non-SURS covered employment were subject to the Windfall Elimination Provision and the Government Pension Offset. These offsets were repealed through the Act, which became effective for Social Security benefits payable after December 2023.

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 chart.

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. Additional information regarding specific dates worked may be gathered at retirement, in order to determine if service credit requires adjustment. Service credit balances shown on the SURS Secure Member Website 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.

Effective Sept. 1, 2024, Public Act 103-0548 eliminated the part-time adjustment for retirement calculations with a retirement date on or after Sept. 2, 2024. The following section applies only to retirement claims with an effective date on or before Sept. 1, 2024.

SERVICE CREDIT	
Participants who retired, accepted a refund, or passed away before 9-1-2024	
Length of Employment	Service Credit Earned
<u>15 or more calendar days in a month</u>	1 month
1 or 2 months	1/4 year
3 to 5 months	1/2 year
6 to 7 months	3/4 year
8 to 12 months	1 year

SERVICE CREDIT	
Participants on or after 9-1-2024	
Length of Employment	Service Credit Earned
<u>At least one day worked in the month</u>	1 month
1 or 2 months	1/4 year
3 to 5 months	1/2 year
6 to 7 months	3/4 year
8 to 12 months	1 year

PART-TIME ADJUSTMENT

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.

The payment for the leave contributions may be made as:

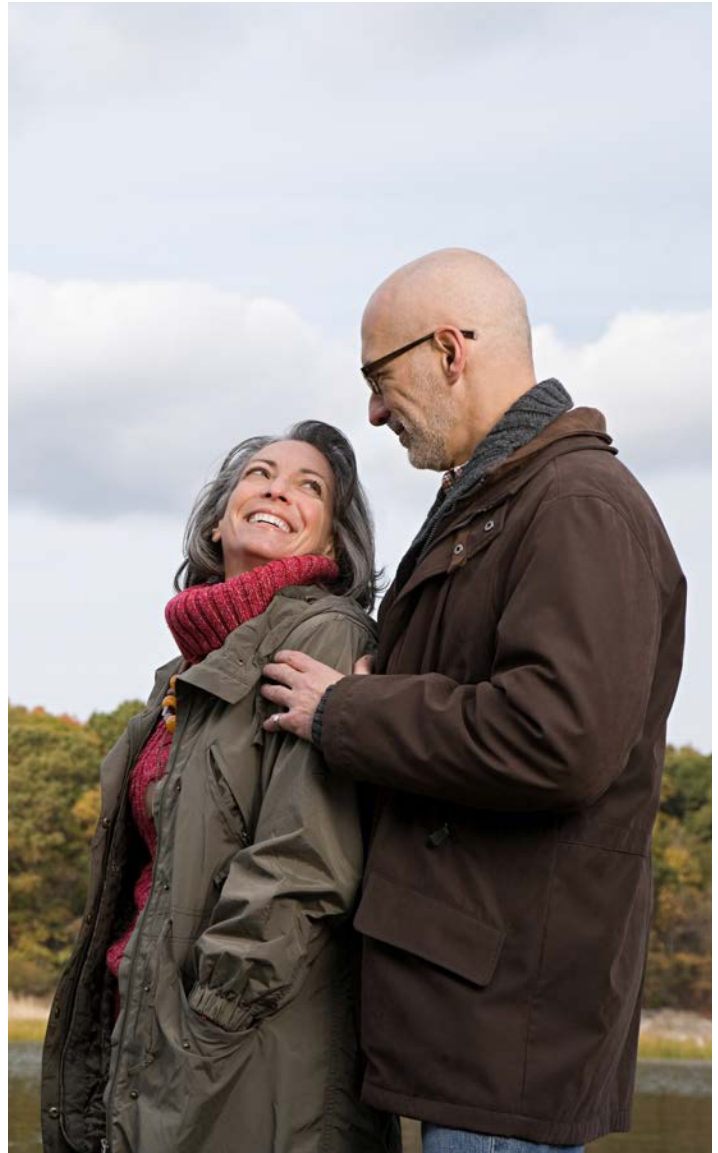
- *A lump sum at the beginning of your leave.*
- *Monthly installments during your leave.*
- *A lump sum later. Deferring payment will require the payment of interest, which is compounded annually based on the effective rates.*

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.

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.

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.

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 15).*

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 both of the following are true:

- *You enter military service immediately following a period of employment with a SURS-covered employer.*
- *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.

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.

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 Pag 15).*

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.

If you choose to repay the amount of the refund, it must be paid in its entirety. Your payment will also include interest, which 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.

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.

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%
7/1/24 – 6/30/25	7.00%
7/1/25 – 6/30/26	7.25%
7/1/26 – 6/30/27	7.25%

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.*
- *The date your salary or sick leave payments end.*

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

Your benefit cannot begin more than 30 days before the date SURS receives your application, unless the 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 issued 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 issued 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.*
- *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 7 for more information about this limit.)

Here's an example: Assume your monthly income prior to your disability was \$2,800. Let's also assume your average monthly earnings for the 24 months prior to the date you became disabled was \$2,500. Since \$2,800 is greater than \$2,500, your disability benefit would be 50% of \$2,800, or \$1,400 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.



POLICE LINE OF DUTY (PLOD) DISABILITY BENEFIT

Police officers who are certified disabled and unable to perform his or her duties due to a sickness, accident or injury resulting from the performance and discharge of police duty may be eligible for the Police Line of Duty Disability Benefit (PLOD). The PLOD amount is:

- *65% of the basic compensation that would have been paid had the participant continued in employment for the entire period in which the disability benefits are payable, excluding wage or salary increases, subsequent to the date of disability; or*
- *65% of the participant's average earnings during the 24 months immediately preceding the month in which the disability occurs.*

SURS will evaluate the eligibility for both a regular disability and the PLOD disability benefit. A separate application is not required for the PLOD. If the member qualifies for both, SURS will pay the higher of the two benefit calculations.

To qualify for the PLOD, the disability must have occurred on or after January 1, 2022. The two-year minimum service credit rule does not apply to the PLOD.

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 \$1,400 a month, as in the previous example. Through part-time employment, you also earn \$1,500 a month. Your disability benefit would be reduced by \$100, so that your total monthly income would be \$2,800, 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.*
- *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 7 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 Required Minimum Distribution age (see Page 37 for more information).*
- *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.*

- *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)*

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 7 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.

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 Portable Pension Plan 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). 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, make it a priority to log in to the SURS Secure Member Website to update your Beneficiary Designation.

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

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

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

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

If you die after establishing one and a half years of service credit, the death benefit is the sum of

your total contributions and interest plus an equal amount of employer contributions.

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

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

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

IF YOU DIE AFTER RETIREMENT

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

Costs to elect this benefit will be determined at the time of retirement and will be deducted from the retiree's monthly annuity check. These costs are determined by a factor table that is calculated by the SURS actuary (see Joint & Survivor tables on pages 33 and 34).

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

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

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

Automatic Annual Increase

For death occurring before or 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. The increase is compounded at a rate of 3% each year.

For example, if the survivor annuity begins on Aug. 1, 2025, the first increase will take effect Jan. 1, 2026.

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.

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

A Portable member receiving a monthly benefit under the Supplemental Minimum Annuity Guarantee elects and Joint & Survivor Annuity at retirement, member's monthly benefit will be reduced to cover the cost of providing this benefit. The cost is determined by a factor table that is calculated by SURS actuary.

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 monthly retirement benefits are paid for life. Your eligibility to begin receiving a retirement benefit depends on when you satisfy the vesting and age requirements.

As a Tier II member, you are eligible to receive a monthly retirement benefit when you satisfy any of the following:

- *You are at least age 62 and have ten 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 ten or more years of Illinois service (no age reduction).*

**The minimum ten years of required service cannot include any OPE you have purchased (see OPE section on Page 12)*

You must begin receiving your retirement annuity by April 1 following the year you reach Required Minimum Distribution (RMD) age if you are not currently participating in SURS or another system covered by the Illinois Retirement Systems Reciprocal Act. (see RMD section on Page 37)

There are three formulas for calculating a retirement annuity:

- *General Formula*
- *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 monthly retirement benefit. 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 Page 27).

FINAL AVERAGE EARNINGS

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

TIER II FINAL AVERAGE EARNINGS

- *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 7 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 does not include severance or separation pay, payment for sick leave, or other payments that are not for services rendered.

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% (only applies to retirements on or before 9/1/24);*
- *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 benefit is based on your years of service credit 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 (Applies to retirements prior to 9/1/24, see Page 9 for additional information).*
- *Refer to the appropriate General Formula Table that applies for your termination date (see Page 27). 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 2024 with 25 years of service credit, with a final average earnings of \$70,000, SURS multiplies \$70,000 by the annual percentage of 55% (see 2.2% General Formula tables). Based on this, your annual General Formula amount would be \$ 38,500 (about \$3,200 per month).

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.

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 8). The percentages in the columns on the General Formula tables reflect the percentages already reduced for age, where applicable.

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. For Tier II, Normal retirement age is 67.*

MINIMUM ANNUITY FORMULA

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

MINIMUM ANNUITY CHART

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



SUPPLEMENTAL MINIMUM ANNUITY GUARANTEE

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

Unlike the Minimum 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 (This reduction will not apply to retirement calculations with effective date after 9/1/24 – see Part-Time Employment on Page 9).

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 or Minimum Annuity) retirement formula.

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

SPECIAL FEATURES FOR POLICE OFFICERS AND FIREFIGHTERS

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

Police Officer Defined

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

Employee Contributions

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

*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

Tier II Police officers and firefighters may claim their full, unreduced retirement benefit:

- *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 benefit 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 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 25.

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 Pension Plans. This formula also covers certain former firefighters employed by the University of Illinois at Urbana-Champaign.

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-year service requirement. Other credit will be calculated using the General Formula.

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

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%			

APPLYING FOR YOUR RETIREMENT BENEFIT

Retirement applications are available on the SURS Secure Member Website under the Forms tab. We recommend that you file your application approximately 60 days prior to the effective date of your retirement.

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 Secure Member Website.

ESTIMATE REQUESTS

If you are within 5 years of retirement eligibility you can schedule a retirement counseling appointment with a SURS retirement counselor. These meetings are 45 minutes in length and are specific to your personal SURS history. Retirement amounts, death and survivor benefits, insurance, and many other topics are reviewed. You are limited to one counseling session or written estimate every 12 months.

These meetings are conducted virtually, at your institution, the SURS Naperville or Champaign offices, or by telephone. Log in to the SURS Secure Member Website to view available times and schedule an appointment.

NORMAL FORM OF ANNUITY

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

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

You may revoke your election of the optional form of annuity at any time during the 180-day period prior to the effective date of your retirement and reinstate coverage under the qualified Joint & Survivor annuity. This does not require your spouse's/civil union partner's consent. However, your spouse's/civil union partner's written consent must be obtained if you revoke an optional form you had elected and then elect a new optional form or designate a different contingent annuitant.

Optional Forms of Annuity

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

Single-Life Annuity

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

Joint & Survivor Annuity Options

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

The Joint & Survivor tables (pages 33-34) show the approximate percent of annuity you will receive if you elect a 50%, 75%, or 100% Joint & Survivor annuity. Space limits how many age combinations we can show. Please contact SURS to receive an exact percent for your own situation.

Example 1 – A Tier II member is 67, beneficiary is 64. Electing a 50% Joint & Survivor. Rate is 92%. If monthly annuity is \$3,000, the reduced monthly annuity for the member is \$2,760 ($\$3,000 \times 92\%$) and the 50% survivorship annuity is \$1,380 ($\$2,760 \times 50\%$) during the first calendar year.

Example 2 – A Tier II member is 64, beneficiary is 66. Electing a 100% Joint & Survivor. Rate is 91%. If monthly annuity is \$3,300, the reduced monthly annuity for the member is \$3,000 ($\$3,300 \times 91\%$) and the 100% survivorship annuity is \$3,000 during the first calendar year.

Lump-Sum Retirement Benefit

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

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

- *State Employees Group Insurance Program – if you have qualified service with a state agency;*
or
- *College Insurance Program – if you have qualified service with a community college.*

However, you would retain the protection of the Illinois Retirement Systems Reciprocal Act (see Page 13).

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.

TIER II 100% JOINT & SURVIVOR TABLE

Effective July 2, 2025

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

TIER II 75% JOINT & SURVIVOR TABLE

Effective July 2, 2025

		Your Age at Retirement															
		55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70
Age of Beneficiary at Retirement	50	93%	92%	91%	90%	89%	89%	88%	87%	86%	84%	83%	82%	81%	79%	78%	76%
	51	93%	92%	91%	91%	90%	89%	88%	87%	86%	85%	84%	82%	81%	80%	78%	77%
	52	93%	93%	92%	91%	90%	89%	88%	87%	86%	85%	84%	83%	81%	80%	79%	77%
	53	93%	93%	92%	91%	91%	90%	89%	88%	87%	86%	85%	83%	82%	81%	79%	78%
	54	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	85%	84%	82%	81%	80%	78%
	55	94%	93%	93%	92%	91%	91%	90%	89%	88%	87%	86%	84%	83%	82%	80%	79%
	56	94%	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	85%	84%	82%	81%	79%
	57	95%	94%	94%	93%	92%	91%	91%	90%	89%	88%	87%	85%	84%	83%	81%	80%
	58	95%	94%	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	85%	83%	82%	80%
	59	95%	95%	94%	94%	93%	92%	91%	91%	90%	89%	88%	87%	85%	84%	83%	81%
	60	95%	95%	95%	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	85%	83%	82%
	61	96%	95%	95%	94%	94%	93%	92%	92%	91%	90%	89%	88%	87%	85%	84%	82%
	62	96%	96%	95%	95%	94%	93%	93%	92%	91%	90%	89%	88%	87%	86%	85%	83%
	63	96%	96%	95%	95%	94%	94%	93%	92%	92%	91%	90%	89%	88%	87%	85%	84%
	64	96%	96%	96%	95%	95%	94%	94%	93%	92%	91%	90%	89%	88%	87%	86%	85%
	65	97%	96%	96%	96%	95%	95%	94%	93%	93%	92%	91%	90%	89%	88%	87%	85%
	66	97%	97%	96%	96%	95%	95%	94%	94%	93%	92%	92%	91%	90%	89%	87%	86%
	67	97%	97%	97%	96%	96%	95%	95%	94%	94%	93%	92%	91%	90%	89%	88%	87%
	68	97%	97%	97%	96%	96%	96%	95%	95%	94%	93%	93%	92%	91%	90%	89%	88%
	69	98%	97%	97%	97%	96%	96%	95%	95%	94%	94%	93%	92%	91%	91%	89%	88%
70	98%	97%	97%	97%	97%	96%	96%	95%	95%	94%	94%	93%	92%	91%	90%	89%	

TIER II 50% JOINT & SURVIVOR TABLE

Effective July 2, 2025

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



YOUR BENEFIT PAYMENTS

Your benefit 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 retirement. Your first payment will be a preliminary estimated payment (PEP) because your claim will not yet be finalized. On average, it takes six months to finalize a claim. During this time, you will continue to be paid on the first day of each month.

The PEP is an estimated payment and will likely be a lower amount than any estimates that may have been calculated for you by SURS prior to your retirement. It may not include any of the following:

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

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

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 benefit began.

The benefit amount 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. This form can be found on the SURS Secure Member Website under the Forms tab.

Benefit 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 single person with zero 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.

REQUIRED MINIMUM DISTRIBUTIONS (RMD)

By law, members who are not currently participating in SURS or another system covered by the Illinois Retirement Systems Reciprocal Act must take a Required Minimum Distribution (RMD) by April 1 in the year following the year in which you reach RMD age or terminate employment, whichever is later. SURS is required to follow IRS rules on RMDs.

RMD age is as follows: members born on or before July 1, 1949, RMD age is 70.5; members born on or after July 1, 1949, but before Jan. 1, 1951, RMD age is 72; members born on or after Jan. 1, 1951, but before Jan. 1, 1959, RMD age is 73; members born on or after Jan. 1, 1959, but before Jan. 1, 1960, RMD age is 73 (under proposed IRS regulations); and members born on or after Jan. 1, 1960, the RMD age is 75. RMD rules apply to a lump-sum distribution and/or a monthly benefit, whichever the member qualifies for or elects. SURS contacts members as they approach RMD age so that the proper paperwork can be completed.

EMPLOYMENT AFTER RETIREMENT

If you return to work with a 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.*
- *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 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 you retire and return to full-time employment and resume participation under a reciprocal system (excluding General Assembly Retirement System, Judges Retirement System, or the Police/Fire systems), your SURS retirement annuity must be suspended during that employment.

If You Elect the Lump-Sum Benefit

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

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

AUTOMATIC ANNUAL INCREASE (AAI)

If you elect a lifetime monthly benefit, 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. This annual increase 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 March 1, 2025, when you turn 62, the first increase will take effect on January 1, 2031. This date is determined by comparing the Jan. 1 following the first anniversary date of your annuity, (Jan. 1, 2027) with Jan. 1 following your 67th birthday (March 1, 2030). Since Jan. 1, 2031, is the later date, it will be the effective date for the first increase.



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 a percentage 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 these contributions to Central Management Services (CMS), a division of Illinois state government that oversees such benefits.

CIP CONTRIBUTION RATES	
1/1/99 - 6/30/23	.50% of salary
7/1/23 - 6/30/24	.75% of salary
7/1/24 - 6/30/25	.85% of salary
7/1/25 - 6/30/26	.95% of salary
7/1/26 - 6/30/27	1.0% of salary

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). *Beginning with fiscal year 2026, the contribution rates will be a percentage of salary determined by CMS, but cannot exceed 105% of the percentage in the previous year.* 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](https://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) 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.

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](https://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.*

An electronic refund application may be sent to your secure portal on the SURS Secure Member Website for completion, or it can also be mailed to you. Upon receipt, you should check to verify that all pre-populated information is accurate, include any documents required, sign the form, have it notarized, and return it to SURS within 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 RMD age to be in compliance with RMD rules.

EMPLOYER INFORMATION

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

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

AMOUNT OF REFUND

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

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

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.*
 - *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. QILDRO packets 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 administrative decision. If you are not satisfied with this decision, you may file a complaint for administrative review 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 35 days after the trustees' decision has been served upon you.

CONFIDENTIALITY

SURS 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 to log in to the SURS Secure 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.

NEWSLETTER

SURS publishes Insights 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/news-publications/publications/.

SURS DEFERRED COMPENSATION PLAN

All active SURS members who are employed by an employer that has adopted the SURS Deferred Compensation Plan (DCP) are eligible to participate. The DCP is a voluntary 457(b) defined contribution plan that complements the SURS core retirement plans. You can contribute as little as \$10 or 1%, up to the maximum contribution limit. To learn more or enroll, go to surs.org/dcp.

SURS WEBSITE (WWW.SURS.ORG)

For the most current information about SURS, visit our website. Daily updates to this site ensure that newly proposed legislation, recent newsletters, important information about investments, board meetings, benefits, forms, educational webinars and other topics pertaining to SURS members are included.

MEMBER WEBSITE

Make sure you register for the SURS Secure 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 Member 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. If you don't have your SURS Member ID, you can call the SURS office to request it.



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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