

From Here to Retirement

Spring 2024



This presentation is for SURS members who are in Tier I & Tier II

- **Participation (Certification) date:**
 - 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 (Tier I or Tier II benefits)
- **Tier I** – Participation **prior to January 1, 2011**
- **Tier II** – Participation **on or after January 1, 2011**

It's Never Too Early to Start



Regardless of where you are in your career, now is a good time to consider your financial goals and evaluate your retirement readiness.



After retirement, an estimated 70-80% of pre-retirement income is needed to maintain pre-retirement lifestyle.



Few SURS members will reach this level with their SURS benefit alone.

About SURS

State Universities Retirement System

- Defined Benefit Plan (Estimated 1941)
- Defined Contribution Plan (added 1998)
- Tier II (added 2011)

401(a) Qualified Plan

Non-ERISA

- Employee Retirement Income Securities Act

Governed by Illinois Compiled Statutes

SURS Covered Employers

Community Colleges		Universities
Black Hawk College	Lewis & Clark Community College	Chicago State University
Carl Sandburg College	Lincoln Land Community College	Eastern Illinois University
City Colleges of Chicago	McHenry County College	Governors State University
Harold Washington	Moraine Valley Community College	Illinois State University
Harry S. Truman	Morton College	Northeastern Illinois University
Kennedy-King	Oakton College	Northern Illinois University
Malcolm X	Parkland College	Southern Illinois University - Carbondale
Olive Harvey	Prairie State College	Southern Illinois University - Edwardsville
Richard J. Daley	Rend Lake College	University of Illinois-Chicago
Wilbur Wright	Richland Community College	University of Illinois-Springfield
College of DuPage	Rock Valley College	University of Illinois-Urbana-Champaign
College of Lake County	Sauk Valley College	Western Illinois University
Danville Area Community College	Shawnee College	Other Participating Employers
Elgin Community College	South Suburban College	ILCS Section 15-107(1) Members-Springfield
Heartland Community College	Southeastern Illinois College	ILCS Section 15-107(c) Members-Springfield
Highland Community College	Southwestern Illinois College	Illinois Board of Examiners
Illinois Central College	Spoon River College	Illinois Board of Higher Education
Illinois Eastern Community Colleges	Triton College	Illinois Community College Board
Illinois Valley Community College	Waubensee Community College	Illinois Community College Trustee's Association
John A. Logan College	William Rainey Harper College	Illinois Department of Innovation & Technology
John Wood Community College		Illinois Mathematics & Science Academy
Joliet Junior College		Northern Illinois University Foundation
Kankakee Community College		State Universities Civil Service System
Kaskaskia College		State Universities Retirement System
Kishwaukee College		University of Illinois Alumni Association
Lake Land College		University of Illinois Foundation

Benefits SURS Administers

Think of your SURS benefit, or any other retirement benefit for that matter, as just one destination on your retirement journey

- Retirement
- Disability
- Disability Retirement
- Separation Refund
- Monthly Survivor Benefits
- Lump Sum Death Benefits
- Service Credit Purchases
- Insurance (withholding agent only)

Benefit Plans

Traditional	<ul style="list-style-type: none">• Defined benefit plan• Lifetime annuity (monthly retirement benefit)• Built-in survivor benefits• In no survivor at retirement, survivor refund is payable
Portable	<ul style="list-style-type: none">• Defined benefit plan• Optional forms of annuity• Enhanced lump sum distribution• Survivor benefits optional at a cost
RSP	<ul style="list-style-type: none">• Defined Contribution Plan• Lump sum or lifetime income options available• Flexible target date portfolio with secure income feature (default) or choose from SURS core fund lineup

Earnings Contribution Limits

Tier I

- Tier I – All Plans
 - If hired prior to July 1, 1996
 - No contribution limits apply to earnings
 - If hired on or after July 1, 1996
 - Contribution limits apply to earnings
 - Limits are set each year by IRS 401(a)-17
 - No contributions will be taken from earnings exceeding the limit

Earnings Contribution Limits

Tier I

	Traditional	Portable	RSP
Maximum Pensionable Earnings or IRS Limit	<ul style="list-style-type: none"> • Set each year by IRS 401(a)-17 limit* • FY 2024: \$330,000 • FY 2025: \$345,000 		
	<p>*IRS limit applies to Tier I members hired on or after July 1, 1996.</p> <p>For computing SURS benefits, pensionable earnings include gross salary, overtime, summer teaching pay, or other eligible pay for work performed.</p> <p>Contributions will not be deducted from earnings that exceed above limits in a fiscal year.</p>		

Earnings Contribution Limits

Tier II

- Tier II – Traditional & Portable Plans
 - Maximum pensionable earnings limits apply
 - Limits are set by state law
- Tier II – RSP Plan
 - Set each year by IRS 401(a)-17 limit

Earnings Contribution Limits

Tier II

	Traditional	Portable	RSP
Maximum Pensionable Earnings OR IRS Limit	<ul style="list-style-type: none"> • Set by state law • FY2024: \$123,489.18 • FY2025: \$125,773.73 • Increased each year by half of the change of the Consumer Price Index-Urban (CPI-U) 	<ul style="list-style-type: none"> • Set by state law • FY2024: \$123,489.18 • FY2025: \$125,773.73 • Increased each year by half of the change of the Consumer Price Index-Urban (CPI-U) 	<ul style="list-style-type: none"> • Set each year by IRS 401(a)-17 limit • FY2024: \$330,000 • FY2025: \$345,000

For computing SURS benefits, pensionable earnings include gross salary, overtime, summer teaching pay, or other eligible pay for work performed.

Contributions will not be deducted from earnings that exceed the earnings limit in the fiscal year.

Retirement Eligibility (Vesting)

Tier I Participation prior to 01/01/11	Tier II Participation on or after 01/01/11	
Traditional, Portable, & RSP	Traditional and Portable only	RSP
5 years at age 62	10 years at age 67	5 years at age 62
8 years at age 55 (with age reduction, if applicable)	10 years at age 62 (with age reduction)	8 years at age 55
30 years at any age		30 years at any age

Maximum Benefit Payable

The maximum monthly benefit payable is 80% of your Final Average Earnings

Tier I members reach 80% with 36.364 years of service credit (no age reduction with 30 years)*

Tier II members reach 80% with 36.364 years at age 67

*Members who certify prior to 07/01/05 and are eligible for the Money Purchase Calculation may reach 80% sooner

Automatic Annual Increases (AAI) Traditional & Portable Plans

Tier I	Tier II
3% Increase	Lesser of 3% or $\frac{1}{2}$ of the change of CPI
Compounded Annually	Not Compounded
Begins January 1 following Retirement	Begins January 1 following retirement or age 67, whichever is later

Service Credit

Earned Service

Part-time

Unused, unpaid sick leave

Purchases

Reciprocal Service

- Service with another Illinois Public Retirement System

Earned Service Credit

Service year is September 1 – August 31

Days/Months Worked	Service Credit Earned
15 or more calendar day	1 month
1-2 months	.25 year
3-5 months	.50 year
6-7 months	.75 year
8 months or more	1.00 year

Only 1 year of service is allowed per service year

Part-Time Service Credit

- Employer verifies all academic contracts at the time of retirement
 - Any changes could affect your eligibility for retirement
 - Service credit and age determines retirement eligibility
- Employer reports the part-time percentage to SURS on payrolls
 - If 50% time or less for more than 3 years, service credit may be adjusted for calculation of the benefit
- Recent Legislation – Public Act 103-0548
 - Eliminates the part-time adjustment **and** changes the method in which service credit is granted for participants of SURS on or after September 1, 2024

Sick Leave Service Credit

Unused/unpaid sick leave reported to SURS by employer upon termination of employment

Full Workdays	Additional Service Credit
20-59 days	.25 year
60-119 days	.50 year
120-179 days	.75 year
180 days or more	1.00 year

Retirement annuity must begin within 60 days of termination

Service Credit Purchases

Types of purchases

Repayment of
Refund

Prior service

Military

Leave of
Absence

Other Public
Employment*



To learn more about eligibility, cost, and payment options for these purchases, please contact the SURS office at (800)-275-7877.

***Does not apply towards vesting service**

Reciprocal Service

SURS has a reciprocal agreement with other Illinois public retirement systems

- Can provide a retirement benefit from public pension system for which you might not normally be eligible
- May enhance the retirement benefit from one or more of the retirement systems involved

Minimum requirements

- At least 1 year of pension credit in each of the retirement systems, and
- Age and combined service credit must meet the longest minimum vesting requirement in EACH system

Reciprocal Systems

CEABF	County Employees' Annuity & Benefit Fund of Cook County
CTPF	Chicago Teachers' Pension Fund
FPEABF	Forest Preserve District Employees' Annuity & Benefit Fund of Cook County
IMRF	Illinois Municipal Retirement Fund
JRS/GARS*	Judges' & General Assembly Retirement Systems
LABF	Laborers' Annuity & Benefit Fund
MEABF	Municipal Employees' Annuity & Benefit Fund
MWRD	Metropolitan Water Reclamation District
PEABF	Park Employees' Annuity & Benefit Fund of Chicago
SRS	State Employees' Retirement System
SURS	State Universities Retirement System
TRS	Teachers' Retirement System (of Illinois)

***These systems are NOT included in the Tier assignment**

Retirement Calculations Traditional & Portable



General Formula



Money Purchase

Money Purchase calculation
not applicable if certification
date is on or after 07/01/05



Minimum & Guarantee (PA89-616)



Police & Firefighter

RSP Investment Options

Two different paths for retirement savings

SURS Lifetime Income Strategy (default option)

- Target date portfolio that automatically adjusts as you age
- As you near retirement, money is automatically moved into a secure income portfolio that will provide guaranteed monthly income in retirement that you cannot outlive
- Can be used as a target date fund with secure income feature turned off
- Provides a lifetime income option that includes access to health insurance without giving up access to your entire account balance

SURS Core Investment Options

- Select from SURS best-in-class fund lineup to create your own investment portfolio
- Member accepts the risk and rewards of investing in the market

RSP Illustrations

Monthly Income Illustrations

Benefit Amount

- Based on value of member's account or amount of income secured at retirement

Obtaining Illustrations

- During Pre-retirement counseling, SURS will provide income illustrations for both Principal and LIS options
- To obtain additional estimates, please do the following:
 - **Principal:** contact SURS via telephone or send secure message via the SURS Member Website
 - **LIS:** contact SURS Defined Contribution Contact Center
 - **TIAA:** contact TIAA directly, if applicable

RSP Distribution Options

Member chooses form of distribution at retirement

Lump Sum

- Forfeit health insurance options, if applicable
- Partial distribution available
- Cannot re contribute to SURS if returning to a SURS eligible position
- Cash distribution or rollover to another qualified plan

Annuity through Principal (or TIAA, if applicable)

- 100% annuitization for health insurance

Guaranteed Lifetime Income from LIS

- At least 50% income conversion for health insurance
- Can purchase income over time or at retirement
- Offers flexibility while retaining health insurance

RSP Distribution Options

Qualifying for Health Insurance

To qualify for health insurance benefits, you must be receiving lifetime income. At retirement, RSP members may do one of the following to retain eligibility:

1. **If you have assets in the SURS Lifetime Income Strategy**, convert at least 50% of your SURS LIS account balance to secure income
2. **If you have assets in the core funds (or any pre-transition funds remaining in TIAA)**, annuitize 100% of those assets or move them to the SURS LIS to be used in the above LIS calculation

A combination of 1 and 2 is also permitted. You may convert at least 50% of your SURS LIS account balance to secure income *and* purchase an annuity with 100% of your assets that are invested in the core funds

Members who take a total lump sum distribution forfeit health insurance eligibility and cannot recontribute to SURS in the future

RSP – Ways to Connect

Online

- SURS.org
- Log into SURS member website & click on View/Manage My RSP Account

Counseling

Pre-Retirement (within 4 years)

- Schedule appointments at SURS.org, Member Access (Retirement Counseling link)

RSP or DCP Account Review

- Schedule appointments at sursrsp.timetap.com

Telephone

SURS Defined Contribution Contact Center

- 800-613-9543
- 800-579-5708 (hearing impaired)

Mobile App

- Voya Retire

Insurance Eligibility at Retirement

College Insurance Program (CIP)

- Must have been full-time employee eligible for group health insurance benefits while employed at an Illinois Community College district, excludes City Colleges of Chicago

Must be receiving a monthly benefit from SURS

State Group Health Plan

- Must meet vesting requirements of qualifying service for retirement according to Tier assignment
 - **Tier I:** minimum of 5 years of state service
 - **Tier II:** minimum of 10 years of state service

Must be receiving a monthly benefit from SURS

Insurance Program Rates

- **College Insurance Program (CIP)**
 - Member pays health insurance premium
- **State Group Health Plan**
 - State pays 5% of total health insurance premium per full active year of service
 - Premium Free Insurance with 20+ years
 - Members actively employed on July 7, 1997
 - Special circumstances may apply under P.A. 91-395
- Rates are determined by the Department of Central Management Services (CMS)

Contact Information

MyBenefits

MyBenefits.Illinois.gov

(844)-251-1777

Service Center:
Monday – Friday
8:00 am – 6:00 pm CST

Central Management System (CMS)

www2illinois.gov/cms/benefits

(800)-442-1300

Service Center:
Monday – Friday
8:00 am – 6:00 pm CST

Medicare

- SURS cannot provide information regarding Medicare eligibility, or the benefits provided
- For more information about Medicare eligibility, please contact Medicare directly at:

Medicare

www.medicare.gov

(800)-633-4227

Social Security

Social Security benefits *could* be affected by the Windfall Elimination Provision or the Government Pension Offset

Windfall Elimination Provision

“How it affects your Social Security retirement or disability benefits”

Government Pension Offset

“A law that affects spouse’s or widower’s benefits”

Social Security

www.ssa.gov

(800) 772-1213

SURS Counseling Services Counseling Appointment or Written Estimate

Eligibility

- Traditional/Portable Members
 - Should be eligible to retire within 10 years
- Retirement Savings Plan (RSP) Members
 - Should be eligible to retire within 4 years
- All Members are limited to 1 counseling appointment or written estimate each 12-month period

Process

- Member must complete a retirement estimate form online or contact SURS to initiate the request
- Submit completed form to SURS via online, fax, or mail
- Once form is submitted, can schedule counseling appointment online or by calling SURS

Type of Appointment

- Virtual (via Microsoft Teams)
- Telephone
- In Person

Retirement Estimate Information

Estimates calculated are only as good as the information you provide

- SURS does not have access to current salary, vacation, or sick leave balances

Critical Information

- Employment classification
- Retirement dates
- Salary
 - Base, overloads/overtime, summer
 - Future increases
- Vacation and sick leave
- Comments

SURS Deferred Compensation Plan (DCP)

Public Act 100-769, passed in August 2018, required SURS to implement a new Supplemental Plan

Supplemental savings plays a critical role in retirement readiness

SURS Deferred Compensation Plan:

- 457(b) plan
- Provides a vehicle for all active SURS members to save additionally via payroll deductions
- Offers the same investment lineup as the RSP
- Is a voluntary supplemental retirement plan designed to complement your SURS core retirement plan
- Beginning July 1, 2023, newly hired members are automatically enrolled into the plan unless they opt-out within the 30 day opt-out period

SURS Deferred Compensation Plan (DCP)

Why save supplementally?

- SURS members do not contribute to Social Security
- Approximately 70-80% of pre-retirement needed income to maintain lifestyle
- Can help you to reach retirement goals
- Tier II members have lower contribution limit

Why choose the SURS DCP?

- Save as little as \$10 (or 1%) per paycheck
- Offers 16 best-in-class investment options over multiple asset classes and competitive fees
- SURS Lifetime Income Strategy is a flexible, hands-off target date fund
- Closely monitored by trusted fiduciaries

Local Account Managers

To meet with a Local Plan Service Representative visit:
sursrsp.timetap.com



Maureen Zyglar, CRPC, AIF
VOYA Financial Advisors, Inc.



Roger Lewis
VOYA Financial Advisors, Inc.

Monthly Webinars are available Please visit the Education Events tab
at surs.org for upcoming dates/times.

SURS Website



[Active Members](#) [Retirees](#) [Retirement Plans](#) [Employers](#) [News](#) [Business](#) [Resources](#)

[Member Website](#)



A New Way To Save

SURS Deferred Compensation Plan (DCP)

[Read More](#)



New to SURS

Choosing one of SURS three retirement plans may seem a bit overwhelming at first. You will want to have a solid understanding of your options before you decide.



Ready to Retire

You have fulfilled the vesting requirements for retirement from your SURS-covered employer and would like to apply for retirement.



Educational Events

SURS hosts a number of online and in-person seminars and webinars for members in all plan types.



Resources

Helpful resources for new and existing SURS members including guides, videos and frequently asked questions.

Member Home Page



Member Website

Home

My SURS

Mailbox

Make Changes

Forms

Security

Member Information | Beneficiaries

▶ Home Page

Home Page

▶ Benefit Estimator

Retirement Counseling

**** ATTENTION ****

- Birth Verification is required.
- You are eligible to enroll in the SURS Deferred Compensation Plan (DCP) - (Click **Enroll in SURS Deferred Compensation Plan (DCP)** button below to enroll electronically).
- You have unread messages from SURS.

----- Personal Information -----

Date of Birth: -Birthdate Not Verified-

----- Tier Information -----

Tier Assignment: 1

[More information](#)

----- Member Information -----

Plan Election: Traditional by Default

Member Status: Active

SURS Service Credit: 30.75 years

Contributions: \$ 80,815.70

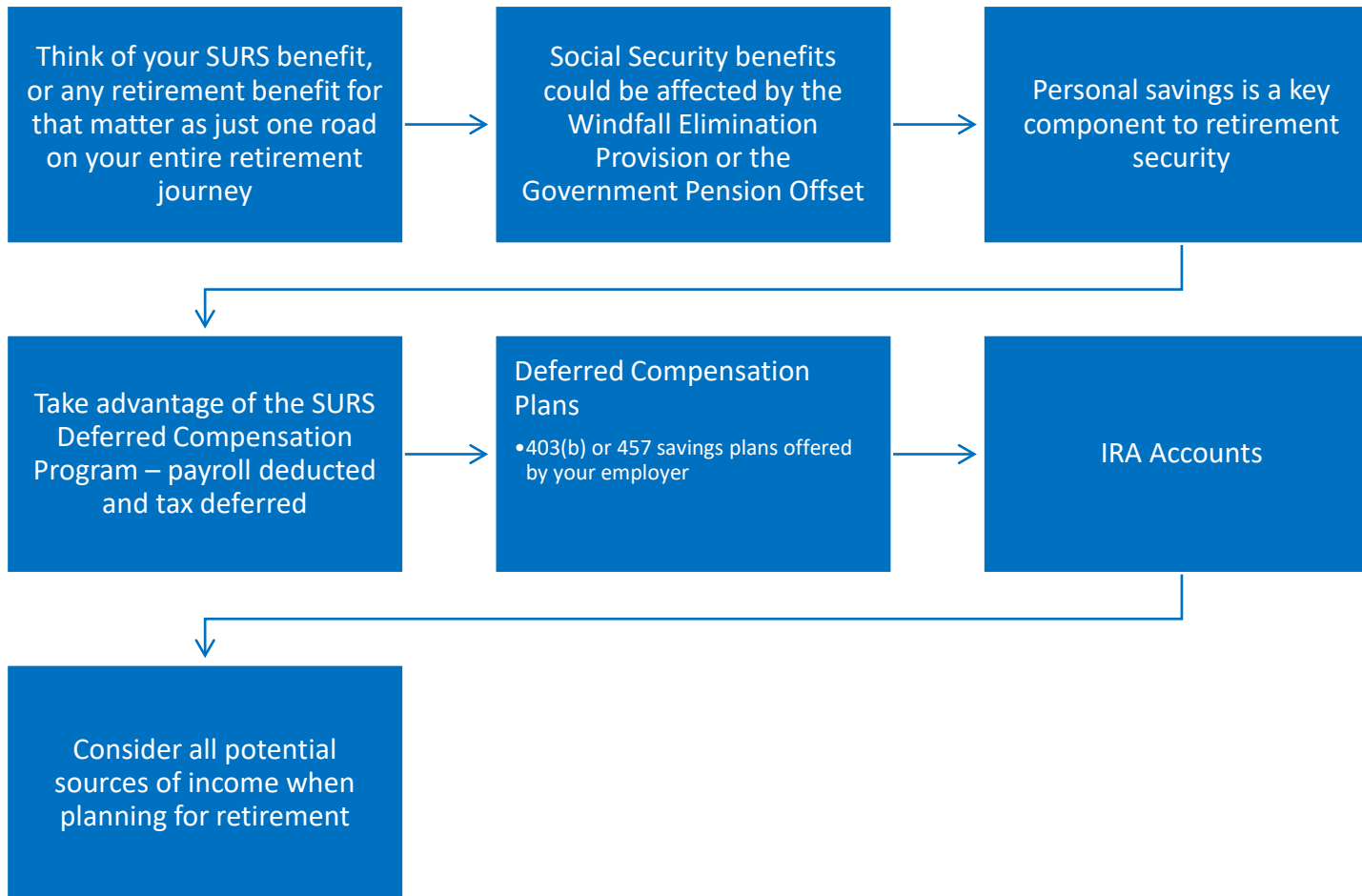
Total Interest: \$ 146,260.01

Contributions and Interest: \$ 227,075.71

Estimate what your SURS benefit will be at some future date with the [Benefit Estimator](#)

Enroll in SURS Deferred Compensation Plan (DCP)

Prepare for Your Journey



Reach Your Destination Safely

NOW

- Make a budget
- Start saving
- Establish an emergency fund

As Retirement Gets Closer

- Consolidate debt
- Consider downsizing
- Get financially organized

Contact Us



SURS Contact Center

800-275-7877

Defined Contribution
Contact Center

800-613-9543

SURS Website

www.surs.org

Defined Contribution
Investment Guidance
(RSP & DCP)

sursrsp.timetap.com

Visit our office:
1901 Fox Drive
Champaign, IL 61820



Disclaimer

All aspects of administration of the State Universities Retirement System (SURS), including but not limited to benefit calculation and payment, must comply with state and federal laws even in the event of an employee's factual or legal misstatement or in the event of a benefit miscalculation. No employee of SURS has the authority to take action and/or to bind the System in a way that is contrary to law, even in the event of misstatement of fact or law. Furthermore, the information contained herein is intended to reflect SURS' current understanding of the law that could change over time due to court opinions, statutory changes, or other legal matters or interpretations (e.g., attorney general opinions). This document was created as an aid to share general information only and the information provided may not apply to every situation. SURS members and employers are encouraged to contact SURS with questions they have regarding their individual situation. Any information provided by SURS does not represent personal tax advice or legal advice, either express or implied. You are encouraged to seek professional legal and/or tax advice for your personal tax questions and for all other legal purposes.

