

Understanding Your SURS Benefits Tier II



Summer 2023

Important

This presentation is for SURS members who are in **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 II - Participation on or after January 1, 2011**

About SURS

- State Universities Retirement System
 - Defined Benefit (established 1941)
 - Defined Contribution (added 1998)
 - Tier II (added 2011)
- 401(a) Qualified Plan
- Non-ERISA
 - Employee Retirement Income Securities Act
- Governed by Illinois Compiled Statutes

SURS Members Are



- Public higher education employees
- Employees that have worked for at least 4 months at a SURS-covered employer

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 College	Governors State University
Harold Washington	Moraine Valley Community College	Illinois State University
Harry S. Truman	Morton College	Northeastern Illinois University
Kennedy-King	Oakton Community 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 ILCS Section 15-107(1) Members-Springfield ILCS Section 15-107(c) Members-Springfield Illinois Board of Examiners Illinois Board of Higher Education Illinois Century Network Illinois Community College Board Illinois Community College Trustee Association Illinois Mathematics & Science Academy Northern Illinois University Foundation State Universities Civil Service System State Universities Retirement System University of Illinois Alumni Association University of Illinois Foundation
Elgin Community College	South Suburban College	
Heartland Community College	Southeastern Illinois College	
Highland Community College	Southwestern Illinois College	
Illinois Central College	Spoon River College	
Illinois Eastern Community College	Triton College	
Illinois Valley Community College	Waubonsee Community College	
John A. Logan College	William Rainey Harper College	
John Wood Community College		
Joliet Junior College		
Kankakee Community College		
Kaskaskia College		
Kishwaukee College		
Lake Land College		

Benefits SURS Administers

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



One Piece of the Puzzle



- Think of your SURS benefit, or any retirement benefit for that matter, as just one piece to your retirement puzzle
- After retirement, an estimated 70-80% of pre-retirement income is needed to maintain pre-retirement lifestyle
- Social Security benefits could be affected by the Windfall Elimination Provision or the Government Pension Offset
- Personal savings is a key component to retirement security
- Take advantage of the SURS Deferred Compensation Program - payroll deducted and tax deferred

Benefit Plans

Traditional	<ul style="list-style-type: none">• Defined benefit plan• Lifetime annuity (monthly retirement benefit)• Built-in survivor benefits• If no survivor at retirement, survivor refund 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, lifetime income options available• Flexible target date portfolio with secure income feature (default) or choose from SURS core fund lineup

Contributions

	Traditional	Portable	RSP
Plan Type	Defined Benefit	Defined Benefit	Defined Contribution
Your Contribution	8% of maximum pensionable earnings required Full-time community college employees (except City Colleges of Chicago) pay an additional 0.75% of earnings to fund a health insurance plan devised for community college retirees.		
Your Contribution Breakdown	<ul style="list-style-type: none"> • 6.5% Retirement • 0.5% Automatic Annual Increase (AAI) • 1.0% Survivors 	<ul style="list-style-type: none"> • 6.5% Retirement • 0.5% Automatic Annual Increase (AAI) • 1.0% Portability 	<ul style="list-style-type: none"> • 8% Retirement
Employer Contribution	Guarantee of fixed monthly retirement benefit for life		<ul style="list-style-type: none"> • 7.6% Retirement (effective 07/01/21)

Earnings Contribution Limits

Tier II – Traditional & Portable Plans

- Maximum Pensionable earnings limits apply
- Limits are set by state law

Tier II – RSP Plan

- Same as Tier I

Earnings Limits

Tier II

	Traditional	Portable	RSP
Maximum Pensionable Earnings Or IRS Limit	<ul style="list-style-type: none"> Set by state law Increased each year by half of the Consumer Price Index-Urban (CPI-U) 	<ul style="list-style-type: none"> Set by state law Increased each year by half of the Consumer Price Index-Urban (CPI-U) 	<ul style="list-style-type: none"> Set each year by IRS 401(a)-17 limit

For computing SURS benefits, pensionable earnings includes gross salary, overtime, summer teaching pay, or other eligible pay for work performed. Contributions will not be deducted from earnings that exceed above limits in a fiscal year.

Retirement Eligibility

Vested

Tier II	
Participant on or after 01/01/11	
Traditional and Portable only	RSP
10 years at age 67	5 years at age 62
10 years at age 62 (with age reduction)	8 years at age 55
	30 years at any age

Service Credit

- Earned service
- 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 Earned
15 or more calendar days	1 month
1-2 months	.25 year
3-5 months	.50 year
6-7 months	.75 year
8 months or more	1 full year

- Only 1 year of service is allowed per service year

Part-time Employee

- 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

Sick Leave Service Credit

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

<u>Full Workdays</u>	<u>Additional Service Credit</u>
20-59 days	.25 year
60-119 days	.50 year
120-179 days	.75 year
180 days or more	1 full year

- Must retire within 60 days of termination

Service Credit Purchases

Types of purchases

- Repayment of refund
- Prior service
- Other public employment (OPE)
 - Does not apply toward vesting
- Military
- Leave of absence



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

Purchases

General Information

- All purchase types must be verified
 - Contact SURS to initiate process
- Not required to make the purchase
- Payments must be made prior to retirement date
 - Various Payment Options available
- RSP members must be actively employed in the SURS system
 - Except repayment of a refund
- Cost increases each month due to interest

Purchases

Methods of Payment

1. Check

- After-tax dollars

2. Rollover

- Tax-deferred dollars
- IRA account or another qualified plan, 403b, or 457 plan

3. Installment Plan

- Payroll deductions for 12, 24, 36, or 48 months
- Before-tax deduction



Reciprocal Service

- SURS has a reciprocal agreement with other Illinois public retirement systems
 - Can provide a retirement benefit from a 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 for reciprocal retirement benefit:
 - At least 1 year of pension credit in each of the retirement systems, and
 - Age and combined service credit must meet the highest 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)

Retirement Calculations

Traditional & Portable

- General Formula
- Minimum & Guarantee (PA89-616)
- Police & Firefighter



General Formula

Traditional & Portable

1. $2.2\% \times \text{years of service} = \text{percentage}$
2. $\text{Percentage} \times \text{final average earnings (FAE)}$
3. Less age reduction, if applicable

Note:

80% maximum benefit = 36.364 years of service

Final Average Earnings (FAE)

Tier II

- Average of:
 - High eight (8) consecutive academic years within the last ten (10) years immediately prior to termination, or
 - Highest consecutive 96 months of earnings within the last 120 months prior to termination
 - Applies to hourly employees, or
 - Employees who receive a 12-month salary paid over 12 months
- SURS uses the higher of these calculations, if applicable

General Formula

Example

- Age at retirement = 67 years
- 28 years service credit
- Final Average Earnings= \$67,500

Calculation of Benefit:

$$28 \text{ yrs} \times 2.2\% = 61.6\%$$

$$\text{Annual Benefit: } 61.6\% \times \$67,500 = \$41,580$$

$$\text{Monthly Benefit: } \$41,580 \div 12 = \$3,465^*$$

*Assumes no age reduction applicable

Age Reduction

Example – Tier II

If under age 67, annuity reduced by $\frac{1}{2}$ of 1% for each month under age 67.

Age 67	\$3,465	No reduction
Age 66	\$3,257	6% reduction
Age 65	\$3,049	12% reduction
Age 64-1/2	\$2,945	15% reduction
Age 63	\$2,633	24% reduction
Age 62	\$2,425	30% reduction

Calculation Recap

Traditional and Portable

General Formula Calculation

1. $2.2\% \times \text{years of service} = \text{percentage}$
2. $\text{Percentage} \times \text{final average earnings}$
3. Less age reduction, if applicable

MINIMUM FORMULA GUARANTEE (PA89-616)

- \$25 x years of benefit service
- Maximum of \$750 per month
- No automatic annual increase



POLICE/FIRE FORMULA

Tier II

- $2.25\% \times \text{years } 1-10$
- $2.50\% \times \text{years } 11-20$
- $2.75\% \times \text{years } 21-30 \text{ and over}$



Note:

- Maximum benefit is 80% of final average earnings (FAE)
- Takes 31.819 years of service to reach maximum benefit under this formula
- Any non-Police/Fire years will be calculated at 2.2%
- Vesting requirements for Police/Fire members are different, please contact SURS for more information

Maximum Benefit

Tier II

- 80% of final average earnings (FAE)
- When do you reach maximum benefit
 - General Formula: 36.364 years
 - Police/Fire: 31.819 years (assumes all Police/Fire years)
- If reach maximum benefit, waiver of excess service credit or excess contributions may be payable

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 retirement income 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 line up to create your own portfolio
- Accept risk and rewards of investing in the market

RSP Illustrations

Monthly Income Illustrations

- Based on value of member's account or amount of income secured at retirement
- During Pre-retirement counseling, SURS will provide illustrations for both Principal and LIS options
- To obtain additional estimates, please do the following:
 - **Principal:** contact SURS via telephone or send a secure email by logging on to your SURS Member Website.
 - **LIS:** request estimate through SURS Defined Contribution Contact Center at 800-613-9543 and request to speak to an LIS specialist or use the LIS benefits estimator through the SURS member website.
 - **TIAA:** Members with frozen TIAA assets should contact TIAA directly for estimates.

RSP Distribution Options

Member chooses form of distribution at retirement

- Lump sum
 - Forfeit health insurance options
 - Partial distribution available
 - Cannot recontribute to SURS if returning to a SURS eligible position
 - Cash distribution or rollover to another qualified plan
- Annuity
 - 100% annuitization for health insurance
 - Annuitize through Principal or TIAA, if applicable
- Guaranteed Lifetime Income from LIS
 - At least 50% income conversion for health insurance
 - Can purchase income over time or at retirement
 - Offers flexibility

RSP Distribution Options & Qualifying for Health Insurance

In order to qualify for health insurance benefits, you must be receiving lifetime income. At retirement, RSP members must 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 LIS calculation (above)

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 & cannot recontribute to SURS in the future.

RSP Types of Annuity

Single-Life Annuity	
• Without Guarantee Period	
• With Guarantee Period	<ul style="list-style-type: none">• 10 years• 15 years• 20 years

Joint & Survivor Annuity	
• Without Guarantee Period	50% or 100%
• With Guarantee Period	<div>50% or 100%</div> <ul style="list-style-type: none">• 10 years• 15 years• 20 years

RSP Annuity

Example

		Projected Account Values		
Type of Annuity	Age	\$100,000	\$150,000	\$200,000
Single-Life	60	\$540	\$820	\$1,090
	65	\$610	\$930	\$1,230
50% Joint & Survivor	60	\$480	\$730	\$ 970
	65	\$540	\$810	\$1,090
100% Joint & Survivor	60	\$450	\$670	\$ 900
	65	\$490	\$740	\$ 990

Above information provided by Principal Life Insurance Company.
 Rates as of October 1, 2022 (Amounts rounded down to nearest ten dollars).
 All J & S options assume spouse is 5 years younger.
 No guarantee option selected.

Retirement Savings Plan

Ways to Connect

Online

- SURS.org
- Log into SURS member website and 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

SURS Deferred Compensation Plan (DCP)

- Public Act 100-769, passed in August of 2018, requires SURS to implement a new Supplemental Plan
- Supplemental savings plays a critical role in retirement readiness
- SURS Deferred Compensation plan:
 - Is a 457 plan
 - Provides a vehicle for all active SURS members (regardless of plan choice) to save additionally via payroll deduction
 - Offers the same investment lineup as the RSP Plan

What is a 457(b) Plan?

- Supplemental savings
- Voluntary
- Employer Sponsored
- Contribute through Payroll Deduction
- Tax Deferred Retirement Savings*
- Pre-tax or Roth Option
- Different than 403(b)

*** Distributions from employer sponsored retirement plans are taxed as ordinary income in the year they are withdrawn.**

SURS Deferred Compensation Plan (cont.)

- **Why save supplementally?**
 - SURS members do not contribute to Social Security
 - It takes approximately 70-80% of pre-retirement income to maintain your standard of living
 - SURS DCP can help you reach retirement goals
 - Additional savings is important for Tier II members
- **Why choose the SURS DCP?**
 - You can save as little as \$10 (or 1%) per paycheck
 - Offers 16 best-in-class investment options over multiple asset classes and competitive fees, including the new SURS Lifetime Income Strategy (LIS)
 - SURS LIS is a flexible, hands-off target date fund designed to help members meet retirement income goals
 - SURS DCP is closely monitored by trusted fiduciaries

SURS Deferred Compensation Plan (cont.)

- How to enroll in SURS DCP?
 - Once your employer has adopted the SURS DCP, you are eligible to enroll
 - Go to [SURS.org](https://surs.org) and click on the “Member Website Login” button
 - Click on the “Enroll in the SURS DCP” button
 - Follow instructions to choose your contribution rate and investments
 - You will have the option to name beneficiaries
 - After you confirm your choices and complete your enrollment, you will receive a welcome email
 - You may use the SURS Defined Contribution Contact Center 800.613.9543, at any time during this process

Contact a SURS Defined Contribution Account Representative for an individual appointment at sursrsp.timetap.com

SURS DCP Enrollment Online - 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 ****

- **Beneficiary information is needed. There are none on file at SURS.**
- **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).**
- **Multi-Factor Authentication (MFA) is available to provide an additional layer of account security. Click here or register via the Security tab > Add/Update MFA Options link.**

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

Date of Birth: 03/31/1993 -Birthdate Not Verified-

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

Tier Assignment: II
Participation Date: 08/16/2021
System: SURS

[More information](#)

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

Plan Election: Traditional by Default
Member Status: Active
SURS Service Credit: 1.25 years
Contributions: \$ 612.66
Total Interest: \$ 6.04
Contributions and Interest: \$ 618.70

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

Enroll in SURS Deferred Compensation Plan (DCP)



Refund

Tier II

	Traditional	Portable	RSP
Less than 5 years of service	<ul style="list-style-type: none"> Your contributions No employer contributions Up to 4.5% interest 	<ul style="list-style-type: none"> Your contributions No employer contributions All interest earned 	<ul style="list-style-type: none"> Your contributions No employer contributions Your associated investment return
5 or more years of service	<ul style="list-style-type: none"> Your contributions No employer contributions Up to 4.5% interest 	<ul style="list-style-type: none"> Your contributions All interest earned \$1 for \$1 employer match 	<ul style="list-style-type: none"> Your contributions Employer matching contributions Your investment return
Note: Taking a refund will forfeit any/all retirement benefits, including insurance			

Disability Benefits

Tier II

- Disability
 - 50% of base salary, if approved
 - Apply through employer
 - Medical documentation required
 - If approved, continue to earn service credit
- Disability Retirement Annuity (DRA)
 - 35% of base salary, if approved
 - Must first exhaust disability benefits
 - Permanently disabled from any gainful employment
 - DRA not available with RSP

Monthly Survivor Benefits

Tier II

	Traditional	Portable	RSP
Qualified Survivors	<ul style="list-style-type: none"> Spouse or civil union partner Dependent child up to 18, or 22 if full-time student Disabled child(ren) 18, or over if disabled prior to age 18 Financially dependent parent 	<ul style="list-style-type: none"> Spouse or Civil Union partner, or Contingent annuitant 	<ul style="list-style-type: none"> Annuity: Spouse/civil union partner, or may name Contingent Annuitant (if no spouse or with spousal consent) LIS: only spouse
Eligibility	<ul style="list-style-type: none"> 1.50 years 	<ul style="list-style-type: none"> 1.50 years 	<ul style="list-style-type: none"> Immediate State match included with 1.50 years
Benefit Amount	<ul style="list-style-type: none"> 66 $\frac{2}{3}$% of member's earned retirement annuity 	<ul style="list-style-type: none"> Elective at retirement 50%, 75%, or 100% of reduced annuity 	<ul style="list-style-type: none"> With Annuity: various options at retirement at a cost LIS: 100% survivor option, reduction applied to guaranteed withdrawal benefit

Death Benefit

One-Time Lump Sum

	Traditional	Portable	RSP
Beneficiaries	<ul style="list-style-type: none"> Any person or legal entity 	<ul style="list-style-type: none"> Spouse or Civil Union partner, or Alternate beneficiary (with spousal consent) 	<ul style="list-style-type: none"> Spouse or Civil Union partner, or Alternate beneficiary (with spousal consent)
Pre-Retirement	<ul style="list-style-type: none"> Account balance, less 1/8 if survivor benefit payable 	<ul style="list-style-type: none"> Member and employer contributions and interest, less value of survivor benefit payable, if applicable 	<ul style="list-style-type: none"> Account investment value
Post-Retirement	<ul style="list-style-type: none"> Without survivor: Greater of \$1,000 or remainder of account balance With survivor: No death benefit 		<ul style="list-style-type: none"> With annuity: depends on terms of annuity contract with RSP provider LIS: Lump sum equal to market value (if no joint and survivor benefit payable)

Insurance Eligibility at Retirement

- **College Insurance Program (CIP)**
 - Must have been a full-time employee eligible for group health insurance benefits while employed at an Illinois Community College district, excludes City Colleges
 - Must be receiving a monthly benefit from SURS (all plans)
- **State Group Health Plan**
 - Must meet vesting requirements of qualifying service for retirement according to Tier assignment:
 - Minimum 5 years of state service (Tier I)
 - Minimum 10 years of state service (Tier II)
 - Must be receiving a monthly benefit from SURS (all plans)

Enrollment Process

- Complete and submit insurance participation election form to SURS
- Member registration will be required
 - Members will need their CMS-issued Employee ID Number
- MyBenefits is responsible for:
 - Initial enrollment online or via telephone
 - Provide insurance coverage and plan information
- SURS is responsible for:
 - Determining insurance eligibility
 - Collecting premiums
 - Explaining and initiating the enrollment process

Insurance Program Rates

College Insurance Program (CIP)

- Rates are determined by the Department of Central Management Services (CMS)
- Member pays health insurance premium
- For more information contact MyBenefits

MyBenefits

[MyBenefits.illinois.gov](https://mybenefits.illinois.gov)

(844)-251-1777

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

Insurance Program Rates

State Group Health Plan

- State pays 5% of total health insurance premium per full active year of service
- 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)
- For more information contact MyBenefits

MyBenefits

MyBenefits.illinois.gov

(844)-251-1777

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

Medicare

- SURS cannot provide information regarding Medicare eligibility, or the benefits provided
- For information about the CIP or State insurance and Medicare, please contact:
 - Central Management Services (CMS)
www.illinois.gov/cms/Employees/benefits
(800)-442-1300
 - Medicare
www.medicare.gov
(800)-633-4227



Medicare Advantage Plans

CIP and State MAPD

- Total Retiree Advantage Illinois (TRAIL)

Medicare Advantage Prescription Drug Plan(MAPD)

- Comprehensive medical and prescription drug plan offered by the State of Illinois for members who are 65 and older AND enrolled in Medicare Part A (hospital) and Part B (medical)
 - Includes health, prescription and vision coverage
 - CIP MAPD: also includes dental
 - State MAPD: dental is available for a premium



- Enrollment

- Member and all covered dependents must be eligible and enrolled in Medicare Parts A & B
- Member will receive information regarding enrollment in a Medicare Advantage Plan and will have 60 days to enroll
- Member continues to pay Medicare premiums

Member's Responsibility

- Anticipate, plan, decide
- Utilize retirement checklist
- Obtain, complete, and submit retirement application to SURS at least 60 days prior to retirement date
 - Submit application to reciprocal system, if applicable
- Notify employer of retirement



Employer's Responsibility

- Process employee's final payments
- Submit Termination Report to SURS
- Verify academic contracts
- Verify part-time service



SURS' Responsibility



- Request and gather information
- Accurately calculate Traditional and Portable claims
- Notify provider(s) for RSP claims
- Ensure member receives every dollar the law allows

Preliminary Estimated Payment (PEP)

Traditional & Portable

- Completed retirement application
 - Verify member eligibility (vested)
 - Member birth verification (required)
 - Spouse birth & marriage verifications, if applicable
- Typically, members receive 80-90% of the estimated benefit amount based on what SURS knows when the PEP is set up
 - Certain instances occur where the PEP payment may be less
- PEP is paid the first of every month until claim is finalized
- Makeup payment sent when claim is finalized
 - Current processing time is at least 4-6 months

Deductions from Annuity

- Insurance Premiums, if applicable
- Taxes
 - Federal Income Tax
 - Not taxed by State of Illinois
 - If you reside in another state, check with that state regarding tax provisions



Employment After Retirement

Employee Restrictions – Tier II

- **Non-SURS covered employment**
 - No restrictions or earnings limitations, however
 - Full-time employment with a reciprocal retirement system may result in suspension of SURS annuity (and insurance, if applicable) during that employment
- **SURS covered employment**
 - Clear separation from SURS-covered employment
 - No agreement (written or oral) in place at retirement to return to SURS-covered employment
 - 60-day waiting period
 - Applies regardless of whether the employment is paid or unpaid
 - Earnings limitation
 - Age 62+: annual limitation
 - Does not apply to Retirement Savings Plan (RSP)



Employment After Retirement

Employer Restrictions

- **Employer Restrictions**
 - SURS covered employers that employ affected annuitants must make annual contribution to SURS
 - Affected annuitant is an annuitant who:
 - Receives compensation during an academic year that is greater than 40% of the highest annual rate of earnings (HAE) prior to retirement, and
 - Receives an annuity of at least \$10,000 per year

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”

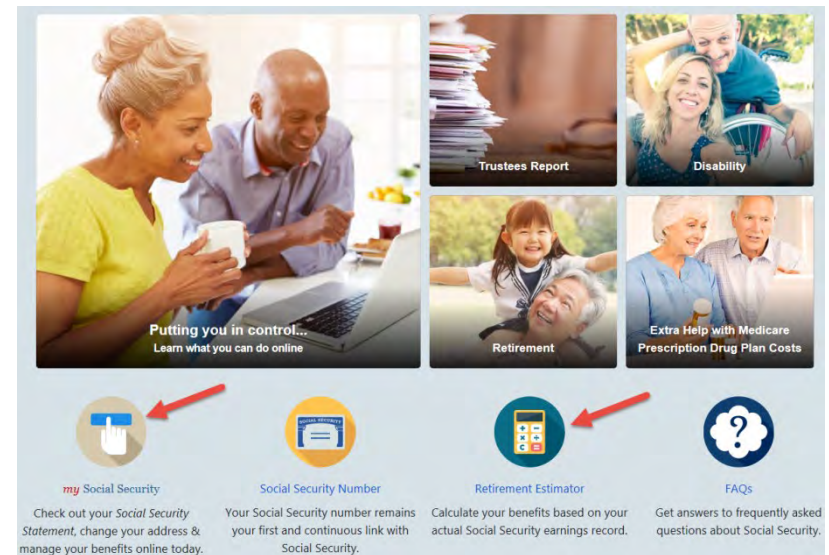
- **Government Pension Offset**

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

- **Contact Social Security**

www.ssa.gov

(800) 772-1213



SURS Counseling Services

Counseling Appointment or Written Estimate

- Eligibility
 - Member should be eligible to retire within 10 years
 - Limited to 1 counseling appointment or written estimate per 12-month period
- Process
 - Member must complete retirement estimate form online, or contact SURS to initiate request
 - Submit completed form to SURS via online, fax, or mail
 - For counseling appointment - schedule online, or call 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 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: I
[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)



Determining a Retirement Date

- Termination Date
 - Last date of employment
 - Typically, the last day of a month
- Retirement Date
 - Must follow the termination date
- Annuity Begin Date
 - Typically, the first of the month following your termination date



Note: Any insurance benefits you are eligible for as a retiree will not begin until your annuity begin date.

Retirement Date

Examples

Example 1:	
Termination Date:	May 31, 2025
Retirement Date:	June 1, 2025
Annuity & Insurance Begin Date:	June 1, 2025
Example 2:	
Termination Date:	May 16, 2025*
Retirement Date:	May 17, 2025
Annuity & Insurance Begin Date:	June 1, 2025
*If your termination date is mid month, contact your current employer for insurance information through the end of the last month employed	

How to Apply for Retirement

- Request application from SURS
 - Use the Application Builder on the SURS website, or
 - Call SURS to have one mailed to your address
- Submit completed application to SURS & any reciprocal systems at least 60 days prior to retirement
- Notify employer of last day you plan on working



2024 Trustee Election

**On May 1, 2024, SURS members will elect
3 participating employee trustee positions:**



6-year term



6-year term



3-year term

1 annuitant trustee position (non-U of I):



6-year term

All Members Strongly Encouraged to Apply
Applications, petitions and detailed information will be available at surs.org beginning Oct. 1, 2023.


How to Contact SURS





SURS

1901 Fox Drive

Champaign, IL 61820

 800-275-7877

 217-378-8800

 217-378-9800

 www.surs.org

Follow SURS on Social Media, Vimeo & LinkedIn



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 law. No employee of SURS has the authority to bind the System to take action contrary to law, even in the event of misstatement of fact or law. Furthermore, the information contained herein states SURS' current understanding of the law which could change over time due to court opinions, statutory changes, or other legal matters or interpretations (e.g., attorney general opinions). SURS is required under law to correct any mistake in benefit amount, even after payments have begun. This document was created for general information only. Any information provided by SURS does not represent personal tax or legal advice, either express or implied. You are encouraged to seek professional legal and/or tax advice for your personal income tax questions and for all other legal purposes.