Understanding Your SURS Benefits
Tier I & Tier II
Important

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

<table>
<thead>
<tr>
<th>Community Colleges</th>
<th>Universities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Black Hawk College</td>
<td>Lewis &amp; Clark Community College</td>
</tr>
<tr>
<td>Carl Sandburg College</td>
<td>Lincoln Land Community College</td>
</tr>
<tr>
<td>City Colleges of Chicago</td>
<td>McHenry College</td>
</tr>
<tr>
<td>Harold Washington</td>
<td>Moraine Valley Community College</td>
</tr>
<tr>
<td>Harry S. Truman</td>
<td>Morton College</td>
</tr>
<tr>
<td>Kennedy-King</td>
<td>Oakton Community College</td>
</tr>
<tr>
<td>Malcolm X</td>
<td>Parkland College</td>
</tr>
<tr>
<td>Olive Harvey</td>
<td>Prairie State College</td>
</tr>
<tr>
<td>Richard J. Daley</td>
<td>Rend Lake College</td>
</tr>
<tr>
<td>Wilbur Wright</td>
<td>Richland Community College</td>
</tr>
<tr>
<td>College of DuPage</td>
<td>Rock Valley College</td>
</tr>
<tr>
<td>College of Lake County</td>
<td>Sauk Valley College</td>
</tr>
<tr>
<td>Danville Area Community College</td>
<td>Shawnee College</td>
</tr>
<tr>
<td>Elgin Community College</td>
<td>South Suburban College</td>
</tr>
<tr>
<td>Heartland Community College</td>
<td>Southeastern Illinois College</td>
</tr>
<tr>
<td>Highland Community College</td>
<td>Southwestern Illinois College</td>
</tr>
<tr>
<td>Illinois Central College</td>
<td>Spoon River College</td>
</tr>
<tr>
<td>Illinois Eastern Community College</td>
<td>Triton College</td>
</tr>
<tr>
<td>Illinois Valley Community College</td>
<td>Waubonsee Community College</td>
</tr>
<tr>
<td>John A. Logan College</td>
<td>William Rainey Harper College</td>
</tr>
<tr>
<td>John Wood Community College</td>
<td></td>
</tr>
<tr>
<td>Joliet Junior College</td>
<td></td>
</tr>
<tr>
<td>Kankakee Community College</td>
<td></td>
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<tr>
<td>Kaskaskia College</td>
<td></td>
</tr>
<tr>
<td>Kishwaukee College</td>
<td></td>
</tr>
<tr>
<td>Lake Land College</td>
<td></td>
</tr>
</tbody>
</table>

### Other Participating Employers

- ILCS Section 15-107(1) 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
Benefits SURS Administers

- Retirement
- Disability
- Disability Retirement
- Separation Refund
- Lump Sum Death
- Monthly Survivor
- Service Credit Purchases
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 new SURS Deferred Compensation Program - payroll deducted and tax deferred.
## Benefit Plans

<table>
<thead>
<tr>
<th></th>
<th>Traditional</th>
<th>Portable</th>
<th>RSP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>• Defined benefit plan</td>
<td>• Defined benefit plan</td>
<td>• Defined contribution plan</td>
</tr>
<tr>
<td></td>
<td>• Lifetime monthly benefit</td>
<td>• Optional forms of annuity</td>
<td>• Lump sum, lifetime income or hybrid-like benefit options</td>
</tr>
<tr>
<td></td>
<td>• Built-in survivor benefits</td>
<td>• Enhanced lump sum distribution</td>
<td>• Flexible target date portfolio with secure income feature (default)</td>
</tr>
<tr>
<td></td>
<td>• If no survivor at retirement, survivor refund payable</td>
<td>• Survivor benefits optional at a cost</td>
<td>or choose from SURS core fund lineup</td>
</tr>
</tbody>
</table>
## Contributions

<table>
<thead>
<tr>
<th></th>
<th>Traditional</th>
<th>Portable</th>
<th>RSP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan Type</strong></td>
<td>Defined Benefit</td>
<td>Defined Benefit</td>
<td>Defined Contribution</td>
</tr>
<tr>
<td><strong>Your Contribution</strong></td>
<td>8% of maximum pensionable earnings required</td>
<td>Full-time community college employees (except City Colleges of Chicago) pay an additional 0.5% of earnings to fund a health insurance plan devised for community college retirees.</td>
<td></td>
</tr>
</tbody>
</table>
| **Your Contribution Breakdown** | • 6.5% Retirement  
  • 0.5% Automatic Annual Increase (AAI)  
  • 1.0% Survivors | • 6.5% Retirement  
  • 0.5% Automatic Annual Increase (AAI)  
  • 1.0% Portability | • 8% Retirement |
| **Employer Contribution** | Guarantee of fixed monthly retirement benefit for life, or “Normal” Cost (Money Purchase* $1.40 for each $1.00 of normal retirement contribution) | | • 7.6% Retirement (effective 07/01/21) |

*Money Purchase (MP) calculation is not applicable if certification date is on or after 07/01/05.*
Earnings Contribution Limits

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

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 I

<table>
<thead>
<tr>
<th>Traditional</th>
<th>Portable</th>
<th>RSP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Maximum Pensionable Earnings Or IRS Limit</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Set each year by IRS 401(a)-17 limit*</td>
<td>• FY2021: $285,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• FY2022: $290,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>*IRS limit applies to Tier I members hired on or after July 1, 1996. 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 above limits in a fiscal year.</td>
<td></td>
</tr>
</tbody>
</table>
# Earnings Limits – Tier II

<table>
<thead>
<tr>
<th>Traditional</th>
<th>Portable</th>
<th>RSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maximum Pensionable Earnings Or IRS Limit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Set by state law</td>
<td>• Set by state law</td>
<td>• Set each year by IRS 401(a)-17 limit</td>
</tr>
<tr>
<td>• FY2021: $115,928.92</td>
<td>• FY2021: $115,928.92</td>
<td>• FY2021: $285,000</td>
</tr>
<tr>
<td>• FY2022: $116,740.42</td>
<td>• FY2022: $116,740.42</td>
<td>• FY2022: $290,000</td>
</tr>
<tr>
<td>• Increased each year by half of the Consumer Price Index-Urban (CPI-U)</td>
<td>• Increased each year by half of the Consumer Price Index-Urban (CPI-U)</td>
<td></td>
</tr>
</tbody>
</table>

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 above limits in a fiscal year.
# Retirement Eligibility

**Vested**

*(Based on participation date)*

<table>
<thead>
<tr>
<th>Tier I</th>
<th>Tier II</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tier I</strong></td>
<td><strong>Participant prior to 01/01/11</strong></td>
</tr>
<tr>
<td>Traditional, Portable &amp; RSP</td>
<td>Traditional and Portable only</td>
</tr>
<tr>
<td>5 years at age 62</td>
<td>10 years at age 67</td>
</tr>
<tr>
<td>8 years at age 55 (with age reduction, if applicable)</td>
<td>10 years at age 62 (with age reduction)</td>
</tr>
<tr>
<td>30 years at any age</td>
<td>30 years at any age</td>
</tr>
</tbody>
</table>
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

<table>
<thead>
<tr>
<th>Days/Months Worked</th>
<th>Service Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>15 or more calendar days</td>
<td>1 month</td>
</tr>
<tr>
<td>1-2 months</td>
<td>.25 year</td>
</tr>
<tr>
<td>3-5 months</td>
<td>.50 year</td>
</tr>
<tr>
<td>6-7 months</td>
<td>.75 year</td>
</tr>
<tr>
<td>8 months or more</td>
<td>1 full year</td>
</tr>
</tbody>
</table>

- Only 1 year of service is allowed per service year
Sick Leave Service Credit

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

<table>
<thead>
<tr>
<th>Full Work Days</th>
<th>Additional Service Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-59 days</td>
<td>.25 year</td>
</tr>
<tr>
<td>60-119 days</td>
<td>.50 year</td>
</tr>
<tr>
<td>120-179 days</td>
<td>.75 year</td>
</tr>
<tr>
<td>180 days or more</td>
<td>1 full year</td>
</tr>
</tbody>
</table>

• Must retire within 60 days of termination
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
Service Credit Purchases

Types of purchases

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

If you previously participated in SURS and accepted a separation refund, you may reinstate that service credit if:

• You become a participating employee of SURS or another reciprocal system for at least 2 years following the date of the refund, and

• You repay SURS for the refund
Prior Service

• Employment with any SURS-covered employer prior to the date you began SURS participation (certification date)
  • Extra Help
  • Graduate Assistantship
  • Student Employment

• Employment must have been at least 50%
  • Percentage determined by employer
Other Public Employment (OPE)

- Prior employment with a public school, college, or university in the U.S.
- Must be 100%
- Must contribute to SURS at least 5 years following the employment
- OPE may not be used to meet SURS minimum vesting requirements
Military

• Active-duty military service that occurred prior to your certification date can be purchased
  • Copy of DD214 is required
  • Maximum of 2 years allowed
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
• 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 reciprocity with other Illinois public retirement systems in determining your eligibility for and amount of retirement benefits.

- Minimum requirements for retirement benefit:
  - At least 1 year of pension credit in more than one of the retirement systems,
  - Combined service credits must meet the highest minimum vesting requirement in each system.
## Reciprocal Systems

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEABF</td>
<td>County Employees’ Annuity &amp; Benefit Fund of Cook County</td>
</tr>
<tr>
<td>CTPF</td>
<td>Chicago Teachers’ Pension Fund</td>
</tr>
<tr>
<td>FPEABF</td>
<td>Forest Preserve District Employees’ Annuity &amp; Benefit Fund of Cook County</td>
</tr>
<tr>
<td>IMRF</td>
<td>Illinois Municipal Retirement Fund</td>
</tr>
<tr>
<td>JRS/GARS</td>
<td>Judges’ &amp; General Assembly Retirement Systems</td>
</tr>
<tr>
<td>LABF</td>
<td>Laborers’ Annuity &amp; Benefit Fund</td>
</tr>
<tr>
<td>MEABF</td>
<td>Municipal Employees’ Annuity &amp; Benefit Fund</td>
</tr>
<tr>
<td>MWRD</td>
<td>Metropolitan Water Reclamation District</td>
</tr>
<tr>
<td>PEABF</td>
<td>Park Employees’ Annuity &amp; Benefit Fund of Chicago</td>
</tr>
<tr>
<td>SRS</td>
<td>State Employees’ Retirement System</td>
</tr>
<tr>
<td>SURS</td>
<td>State Universities Retirement System</td>
</tr>
<tr>
<td>TRS</td>
<td>Teachers’ Retirement System (of Illinois)</td>
</tr>
</tbody>
</table>
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
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:
$80\% \text{ maximum benefit} = 36.364 \text{ years of service}$
Final Average Earnings (FAE)  

Tier I  

• Average of:  
  • High four consecutive academic years, or  
  • Last 48-months worked  
    • 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
Final Average Earnings (FAE)

Tier II

• Average of:
  • High eight (8) consecutive academic years within the last ten (10) years of employment, or
  • Highest consecutive 96 months of earnings during 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 = 60 years
• 28 years service credit
• Final Average Earnings = $48,350

Calculation of Benefit:

28 yrs x 2.2% = 61.6%
Annual Benefit: 61.6% x $48,350 = $29,783
Monthly Benefit: $29,783 ÷ 12 = $2,481
Age Reduction

Example – Tier I

If less than 30 years of service credit, annuity reduced by $\frac{1}{2}$ of 1% for each month under age 60

<table>
<thead>
<tr>
<th>Age</th>
<th>Annuity</th>
<th>Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 60</td>
<td>$2,481</td>
<td>No reduction</td>
</tr>
<tr>
<td>Age 59</td>
<td>$2,332</td>
<td>6% reduction</td>
</tr>
<tr>
<td>Age 58</td>
<td>$2,183</td>
<td>12% reduction</td>
</tr>
<tr>
<td>Age 57-1/2</td>
<td>$2,108</td>
<td>15% reduction</td>
</tr>
<tr>
<td>Age 56</td>
<td>$1,885</td>
<td>24% reduction</td>
</tr>
<tr>
<td>Age 55</td>
<td>$1,736</td>
<td>30% reduction</td>
</tr>
</tbody>
</table>
Age Reduction
Example – Tier II

If under age 67, annuity reduced by $1/2 of 1% for each month under age 67

<table>
<thead>
<tr>
<th>Age</th>
<th>Annuity</th>
<th>Reduction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age 67</td>
<td>$2,481</td>
<td>No reduction</td>
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<td>$2,332</td>
<td>6% reduction</td>
</tr>
<tr>
<td>Age 65</td>
<td>$2,183</td>
<td>12% reduction</td>
</tr>
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<td>24% reduction</td>
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<td>Age 62</td>
<td>$1,736</td>
<td>30% reduction</td>
</tr>
</tbody>
</table>
Money Purchase Calculation
Traditional and Portable – Tier I only
(Money Purchase calculation not applicable if certification date is on or after 7/1/05)

1. Retirement contributions and interest
   a) FY 2021 interest rate is 6.00%
   b) FY 2022 interest rate is 5.50%

2. Plus, employer (State of Illinois) share

3. Divided by actuarial factor
Money Purchase Calculation

Facts

(Money Purchase calculation not applicable if certification date is on or after 7/1/05)

- State actuary requires annual review of the economic assumptions (State actuary was designated in 2012)

- PA99-232 effective 08/03/15 requires an experience study be conducted at least every three years.

- Both the economic assumption review and the experience study can result in change to Money Purchase factors

- Current factors effective 07/02/19, based on the experience study completed December 2017
Money Purchase Calculation
Effective July 2, 2022

• New Money Purchase factors effective 07/02/22
  — Recent Experience study conducted in the fall of 2020

• Members who retire on or after 07/02/22 will see a reduction in benefit of approximately 2-4%

• Active members can recover the reduction in benefit by delaying retirement for approximately 3-4 months.

• Inactive members can recover the reduction in benefit by delaying retirement for approximately 4-6 months.

• Money Purchase Factors do not affect:
  — General Formula Benefit calculation
  — Members in the RSP Plan
  — Members who certified after 07/01/05 (including Tier II Members)
## Money Purchase Calculation

### Example – Tier I only

*(Money Purchase calculation not applicable if certification date is on or after 7/1/05)*

<table>
<thead>
<tr>
<th>Money Purchase Calculation:</th>
<th>Current Factors Effective 07/02/19-07/01/22</th>
<th>vs</th>
<th>New Factors Effective 07/02/22</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member Age 60</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Normal Retirement Contributions &amp; Interest*</td>
<td>$153,950</td>
<td></td>
<td>$153,950</td>
</tr>
<tr>
<td>State Employer Match</td>
<td>($153,950 x 1.4) + $215,531</td>
<td></td>
<td>$215,531</td>
</tr>
<tr>
<td>Total Normal Contributions &amp; Interest*</td>
<td>$369,481</td>
<td></td>
<td>$369,481</td>
</tr>
<tr>
<td>at Retirement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actuarial Age Factor</td>
<td>÷ 147.265</td>
<td></td>
<td>151.446</td>
</tr>
<tr>
<td>Monthly Retirement Benefit</td>
<td>= $2,508</td>
<td></td>
<td>$2,440</td>
</tr>
</tbody>
</table>

*Interest is based on Illinois State Comptroller rate
Calculation Results

General Formula  $2,481

Money Purchase  $2,508
   Based on current Money Purchase factors in effect through 07/01/22

Money Purchase  $2,440
   Based on New Money Purchase factors effective 07/02/22

- SURS calculates all applicable formulas and pays highest benefit to member
- In this example, if member retired prior to 07/02/22, benefit would be $2,508 (Money Purchase)
- If member retired on or after 07/02/22, benefit would be $2,481
- It would take the member approximately 3-4 months of continued employment to attain the level of benefit payable prior to the factor change
Calculation Recap
Traditional and Portable

General Formula Calculation
1. 2.2% x years of service = percentage
2. Percentage x final average earnings
3. Less age reduction, if applicable

Money Purchase Calculation
(Money Purchase calculation not applicable if certification date is on or after 07/01/05)
1. Normal retirement contributions and interest
2. Plus, employer (State of Illinois) share
3. Divided by actuarial factor
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

<table>
<thead>
<tr>
<th>Example 1:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Termination Date:</strong></td>
<td>May 31, 2022</td>
</tr>
<tr>
<td><strong>Retirement Date:</strong></td>
<td>June 1, 2022</td>
</tr>
<tr>
<td><strong>Annuity &amp; Insurance Begin Date:</strong></td>
<td>June 1, 2022</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Example 2:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Termination Date:</strong></td>
<td>May 16, 2022*</td>
</tr>
<tr>
<td><strong>Retirement Date:</strong></td>
<td>May 17, 2022</td>
</tr>
<tr>
<td><strong>Annuity &amp; Insurance Begin Date:</strong></td>
<td>June 1, 2022</td>
</tr>
</tbody>
</table>

*If your termination date is mid month, contact your current employer for insurance information.
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, you have the option to start moving money into a secure income portfolio that will provide guaranteed monthly retirement income that you cannot outlive
- 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 Distributions at Retirement

• Monthly income is based on value of member’s account or amount of income secured at retirement if invested in SURS LIS

• Contact provider(s) for estimate
  • Principal: 877-210-5565, ext. 202
  • For members in LIS, request estimate through SURS Defined Contribution Contact Center: 800-613-9543 or online through SURS member website.
  • Annuity option is available only for members with frozen assets in TIAA: 800-842-2252

• Member chooses form of distribution at retirement
  • Lump sum
  • Annuity (100% annuitization with Principal)
  • Distributions from LIS
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.
# RSP Types of Annuity

## Single-Life Annuity

<table>
<thead>
<tr>
<th>Description</th>
<th>Guarantee Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without Guarantee Period</td>
<td></td>
</tr>
<tr>
<td>With Guarantee Period</td>
<td>10 years, 15 years, 20 years</td>
</tr>
</tbody>
</table>

## Joint & Survivor Annuity

<table>
<thead>
<tr>
<th>Description</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Without Guarantee Period</td>
<td>50% or 100%</td>
</tr>
<tr>
<td>With Guarantee Period</td>
<td>50% or 100%</td>
</tr>
<tr>
<td></td>
<td>10 years, 15 years, 20 years</td>
</tr>
</tbody>
</table>
## RSP Annuity Example

<table>
<thead>
<tr>
<th>Type of Annuity</th>
<th>Age</th>
<th>$100,000</th>
<th>$150,000</th>
<th>$200,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single-Life</td>
<td>60</td>
<td>$420</td>
<td>$640</td>
<td>$850</td>
</tr>
<tr>
<td></td>
<td>65</td>
<td>$490</td>
<td>$730</td>
<td>$980</td>
</tr>
<tr>
<td>50% Joint &amp; Survivor</td>
<td>60</td>
<td>$380</td>
<td>$580</td>
<td>$770</td>
</tr>
<tr>
<td></td>
<td>65</td>
<td>$430</td>
<td>$650</td>
<td>$870</td>
</tr>
<tr>
<td>100% Joint &amp; Survivor</td>
<td>60</td>
<td>$350</td>
<td>$520</td>
<td>$700</td>
</tr>
<tr>
<td></td>
<td>65</td>
<td>$380</td>
<td>$580</td>
<td>$770</td>
</tr>
</tbody>
</table>

Above information provided by Principal Life Insurance Company. As of July 1, 2021 (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

<table>
<thead>
<tr>
<th><strong>Online</strong></th>
<th><strong>Counseling</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- SURS.org</td>
<td><strong>Pre-Retirement (within 4 years)</strong></td>
</tr>
<tr>
<td>- Log into SURS member website and click on View/Manage My RSP Account</td>
<td>- Schedule appointments at surs.org, Member Access (Retirement Counseling link)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Telephone</strong></th>
<th><strong>Mobile App</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SURS Defined Contribution Contact Center</strong></td>
<td></td>
</tr>
<tr>
<td>- 800-613-9543</td>
<td><strong>Voya Retire</strong></td>
</tr>
<tr>
<td>- 800-579-5708 (hearing impaired)</td>
<td></td>
</tr>
</tbody>
</table>
New SURES Deferred Compensation Plan

- Public Act 100-769, passed in August of 2018, requires SURES to implement a new supplemental plan
- Supplemental savings play a critical role in retirement
- SURES Deferred Compensation plan:
  - Provides a vehicle for all active SURES members (regardless of plan choice) to save additionally via payroll deduction
  - Is a 457(b) plan
  - Offers the same investment lineup as the RSP Plan
New 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 even more 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
New 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 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.
# Refund

<table>
<thead>
<tr>
<th>Traditional</th>
<th>Portable</th>
<th>RSP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Less than 5 years of service</strong></td>
<td><strong>5 or more years of service</strong></td>
<td><strong>5 or more years of service</strong></td>
</tr>
<tr>
<td>• Your contributions</td>
<td>• Your contributions</td>
<td>• Your contributions</td>
</tr>
<tr>
<td>• No employer contributions</td>
<td>• No employer contributions</td>
<td>• No employer contributions</td>
</tr>
<tr>
<td>• Up to 4.5% interest</td>
<td>• All interest earned</td>
<td>• Your associated investment return</td>
</tr>
<tr>
<td>• Your contributions</td>
<td>• All interest earned</td>
<td>• Employer matching contributions</td>
</tr>
<tr>
<td>• No employer contributions</td>
<td>• $1 for $1 employer match</td>
<td>• Your investment return</td>
</tr>
</tbody>
</table>

**Note:** Taking a refund will forfeit any/all retirement benefits, including insurance.
Disability Benefits

• 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 I

<table>
<thead>
<tr>
<th></th>
<th>Traditional</th>
<th>Portable</th>
<th>RSP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Qualified Survivors</strong></td>
<td>• Spouse or civil union partner</td>
<td>• Spouse or Civil Union partner, or</td>
<td>• Annuity: Spouse/civil union partner, or may name Contingent Annuitant (if no spouse or with spousal consent)</td>
</tr>
<tr>
<td></td>
<td>• Dependent child up to 18, or 22 if full-time student</td>
<td>• Contingent annuitant</td>
<td>• LIS: only spouse</td>
</tr>
<tr>
<td></td>
<td>• Disabled child(ren) 18, or over if disabled prior to age 18</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Financially dependent parent</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Eligibility</strong></td>
<td>• 1.50 years</td>
<td>• 1.50 years</td>
<td>• Immediate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• State match included with 1.50 years</td>
</tr>
<tr>
<td><strong>Benefit Amount</strong></td>
<td>• At least 50% of annuity</td>
<td>• Elective at retirement</td>
<td>• With annuity: various options at retirement at a cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 50%, 75%, or 100% of reduced annuity</td>
<td>• LIS: 100% survivor option, reduction applied to guaranteed withdrawal benefit</td>
</tr>
</tbody>
</table>
## Monthly Survivor Benefits - Tier II

<table>
<thead>
<tr>
<th></th>
<th>Traditional</th>
<th>Portable</th>
<th>RSP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Qualified Survivors</strong></td>
<td>• Spouse or civil union partner</td>
<td>• Spouse or Civil Union partner, or</td>
<td>• Annuity: Spouse/civil union partner, or may name Contingent Annuitant (if no spouse or with spousal consent)</td>
</tr>
<tr>
<td></td>
<td>• Dependent child up to 18, or 22 if full-time student</td>
<td>• Contingent annuitant</td>
<td>• LIS: only spouse</td>
</tr>
<tr>
<td></td>
<td>• Disabled child(ren) 18, or over if disabled prior to age 18</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Financially dependent parent</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Eligibility</strong></td>
<td>• 1.50 years</td>
<td>• 1.50 years</td>
<td>• Immediate</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• State match included with 1.50 years</td>
</tr>
<tr>
<td><strong>Benefit Amount</strong></td>
<td>• 66 2/3% of member’s earned retirement annuity</td>
<td>• Elective at retirement</td>
<td>• With Annuity: Various options at retirement at a cost</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• 50%, 75%, or 100% of reduced annuity</td>
<td>• LIS: 100% survivor option, reduction applied to guaranteed withdrawal benefit</td>
</tr>
</tbody>
</table>
# Death Benefit

## One-Time Lump Sum

<table>
<thead>
<tr>
<th></th>
<th>Traditional</th>
<th>Portable</th>
<th>RSP</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beneficiaries</strong></td>
<td>• Any person or legal entity</td>
<td>• Spouse or Civil Union partner, or</td>
<td>• Spouse or Civil Union partner, or</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Alternate beneficiary (with spousal consent)</td>
<td>• Alternate beneficiary (with spousal consent)</td>
</tr>
<tr>
<td><strong>Pre-Retirement</strong></td>
<td>• Account balance, less 1/8 if survivor benefit payable</td>
<td>• Member and employer contributions and interest, less value of survivor benefit payable, if applicable</td>
<td>• Account investment value</td>
</tr>
<tr>
<td><strong>Post-Retirement</strong></td>
<td>• <strong>Without survivor:</strong> Greater of $1,000 or remainder of account balance</td>
<td>• <strong>With survivor:</strong> No death benefit</td>
<td>• With annuity: depends on terms of annuity contract with RSP provider</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• LIS: Lump sum equal to market value (if no joint and survivor benefit payable)</td>
</tr>
</tbody>
</table>
Insurance Eligibility at Retirement

• **College Insurance Program (CIP)**
  - Full-time employees of Community Colleges, excludes City Colleges

• **State Group Health Plan**
  - Employees of State universities and affiliated State agencies, surveys, etc.
    - Minimum 5 years of state service

• **Must receive a monthly benefit**
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
# How to Contact MyBenefits

<table>
<thead>
<tr>
<th>MyBenefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>MyBenefits.illinois.gov</td>
</tr>
<tr>
<td>(844)-251-1777</td>
</tr>
<tr>
<td>Service Center: Monday – Friday 8:00 am – 6:00 pm CST</td>
</tr>
</tbody>
</table>
Insurance Program Rates

College Insurance Program (CIP)

- Rates are determined by the Department of Central Management Services (CMS)
- For more information contact MyBenefits
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
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](http://www.illinois.gov/cms/Employees/benefits)
    - (800)-442-1300
  - Medicare
    - [www.medicare.gov](http://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
SURT'S 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
- 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 7-8 months
Employment After Retirement
Employee Restrictions

• Non-SURS covered employment: no limitations

• 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 based on age at retirement
    • Before age 60: monthly limitation
    • Age 60+: annual limitation
    • Does not apply to Retirement Savings Plan (RSP)
Employment After Retirement

• **Non-SURS covered employment**
  • Tier I – no limitation
  • Tier II - full-time employment with a reciprocal retirement system may result in suspension of SURS annuity during that employment

• **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

- **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 for more information:

[www.ssa.gov](http://www.ssa.gov)  
(800) 772-1213
SURS Counseling Services

Counseling Appointment or Written Estimate

• **Eligibility**
  • Should be eligible to retire within 4 years
  • Limit 1 appointment or written estimate per 12-month period

• **Type of Appointment**
  • Virtual (via Microsoft Teams)
  • Telephone

• **Process**
  • 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
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
A New Way To Save
SURA Deferred Compensation Plan (DCP)

Read More

New to SURA
Choosing one of SURA’s 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 SURA-covered employer and would like to apply for retirement.

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

Resources
Helpful resources for new and existing SURA members, including guides, videos, and frequently asked questions.
Member Home Page

**ATTENTION**

- SURS' logo has been updated! Click here for more information if it is not displayed correctly.
- You have an appointment scheduled with SURS. Click here to view the Appointment Information.
- Click here if you would like to register for a Pre-retirement Seminar (State Insurance).

---

**Personal Information**

- Date of Birth: 01/16/1952
- Birthdate Verified: 

**Tier Information**

- Tier Assignment: 
- More information

**Member Information**

- Plan Election: Traditional by Default
- Member Status: Active
- Service Credit: 14.5000 years
- Contributions: $ 84,367.53
- Total Interest: $ 57,064.12
- Contributions and Interest: $ 141,431.65

*Estimate what your SURS benefit will be at some future date with the Benefit Estimator*
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.