



# Your Rights & Responsibilities

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# M E M B E R H A N D B O O K

## TIER 2

*For members who were first  
enrolled in GARS on or after  
January 1, 2011*

**OCTOBER 1, 2024**

# TABLE OF CONTENTS

General Information .....	1
Membership .....	3
Contributions .....	5
Service .....	6
Retirement Benefits .....	9
Returning to Employment .....	12
QILDRO .....	13
Death Benefits .....	14
Leaving GARS .....	17
Tax Treatment .....	19
Appendix .....	20
Glossary of Terms .....	22

# GENERAL INFORMATION

This handbook, which is provided by the General Assembly Retirement System (GARS), presents you with a general overview of your GARS benefits in nontechnical language. It provides explanations of GARS eligibility requirements, retirement and survivor benefits, pension contributions, optional service credit purchases, and other aspects of your GARS benefits. These benefits, when combined with other sources of income, are designed to provide you with financial security in retirement and during periods of disability.

GARS is primarily governed by various provisions in the Illinois Pension Code, which can be found in Articles 1, 2, and 20. These portions of the Illinois Pension Code and the administrative rules and Board policies adopted pursuant to these portions of the Code comprise the “plan document.” The statutory provisions referenced above are codified at 40 ILCS 5/Arts. 1, 2, and 20, and the Board’s administrative rules are set out at 80 Ill. Admin. Code 1700. If there is any conflict, discrepancy, or inconsistency between this handbook and the plan document, the plan document controls.

The information in this handbook applies to all GARS participants who first became a GARS participant on or after January 1, 2011. Read this handbook carefully; keep a copy for future reference; and make sure your loved ones are familiar with this handbook and know where it and your other important papers are located.

This handbook is intended to serve as a supplement to your annual benefit statement, which includes personal benefit information pertaining specifically to you. It is being provided for general informational purposes only and is not intended to and does not implement, apply, interpret, or prescribe any law or policy. If you have questions about the information in this handbook, please contact us by email at [gars@srs.illinois.gov](mailto:gars@srs.illinois.gov) or by phone at one of the phone numbers listed on page 2. However, please note that GARS staff cannot provide legal, financial, or tax advice of any kind.

# GARS ADDRESSES & PHONE NUMBERS

**Office Hours:**  
**8 a.m. – 4:30 p.m.**

**Email:**  
***[gars@srs.illinois.gov](mailto:gars@srs.illinois.gov)***

**Website:**  
***[srs.illinois.gov](http://srs.illinois.gov)***

***You can access your current account information using our secure and easy to use Member Services website.***

**SPRINGFIELD**  
2101 South Veterans Parkway  
P. O. Box 19255  
Springfield, Illinois 62794-9255  
217-782-8500                      Fax: 217-524-9039

**TDD/TTY**  
A Telecommunications Device for the Deaf (TDD/TTY) is available for members and annuitants who are hearing or speech-impaired. If you have a TDD device, you may access this service at 866-321-7625.

**INTERNET**  
GARS is online at ***[srs.illinois.gov](http://srs.illinois.gov)***. Our website provides an overview of retirement and death benefits, and gives you easy access to a variety of information: current retirement issues, how to contact us, answers to frequently asked questions, the GARS annual financial report and a link to other state agencies.

# GARS MEMBERSHIP

Membership in the General Assembly Retirement System of Illinois is comprised of members of the General Assembly and state officials of the executive branch who are elected by the people of Illinois. Under certain conditions, the Clerk or the Assistant Clerk of the House of Representatives and the Secretary or the Assistant Secretary of the Senate may be eligible for membership.

## ELIGIBILITY

You automatically become a member of GARS unless you file an irrevocable election with GARS not to participate. Your written decision declining participation must be filed within 24 months from your first date of employment.

If you choose not to participate in GARS, you are subject to mandatory Social Security coverage unless you contribute a minimum of 7.5% of your legislative salary to the Illinois Deferred Compensation Plan.

## BENEFIT CLAIMS

In order to receive any benefit, you or your survivors must apply for it. All benefit claims should be made to the General Assembly Retirement System. A copy of your birth certificate and membership record are required for all benefits. All GARS records are maintained according to your Social Security number or Member ID.

After you begin receiving benefits, you should notify GARS if you change any of your information.

***All benefit claims and appeals are reviewed by the GARS Board of Trustees.***

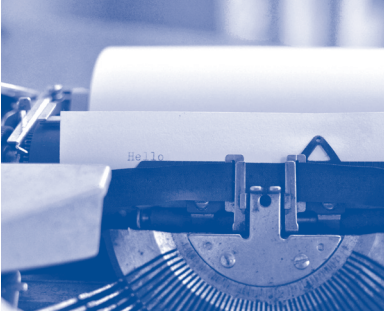
***If your claim is denied or you question the payment of any benefit, you or your representative may file a written appeal or request a hearing before the Board of Trustees.***

***After you begin receiving benefits, notify GARS if you change your name, address, marital status or wish to change your beneficiary(ies) for the lump-sum death benefit.***

## MAILING ADDRESS

GARS maintains a mailing address for each contributing member. This address is taken from your payroll record and is maintained by the Office of the Comptroller. You must report

any change of address directly to the Comptroller's Office. If you terminate employment, advise GARS of any change of address.



## ANNUAL BENEFIT STATEMENTS

Your annual GARS benefit statement is published to your SRS Member Services account in August for the preceding fiscal year ending June 30. This statement includes information on your contributions, credited service, reciprocal service, retirement, disability, death benefits and beneficiaries. You can view your annual statement by signing up for an SRS Member Services account at [srs.illinois.gov](http://srs.illinois.gov).

## INDIVIDUAL COUNSELING

Contact GARS by phone or email to learn more about your benefits or request a customized benefit estimate. You can also schedule an individual conference (by telephone or in person, if available) with the GARS Manager by emailing [gars@srs.illinois.gov](mailto:gars@srs.illinois.gov) or calling (217) 782-8500. A GARS staff member will also attend the new member conference to answer questions for new members.

# CONTRIBUTIONS

As a Tier 2 member, you contribute a percentage of your salary by payroll deduction for benefits. You will pay contributions to GARS until your earnings reach that year's annual salary maximum used for benefit computations, as provided by the Illinois Department of Insurance. The table below shows current contribution rates.

You may choose not to contribute to the survivors' annuity if you have no eligible survivors. If you revoke this election, you can requalify for the survivors' annuity by repaying GARS all contributions that would have been paid during this time period, plus interest of 4%.

Retirement Annuity	8.5%
Automatic Annuity Increase	1.0%
Survivors' Annuity	2.0%
<b>TOTAL</b>	<b>11.5%</b>

If you have no eligible survivors and have contributed to the survivor annuity provision, you may elect to cease making contributions for survivor's annuity and apply for a refund of those contributions prior to retirement. Once retired, survivor contributions are no longer refunded.

## YOUR CONTRIBUTIONS ARE TAX SHELTERED

Your contributions are excluded from your gross income for federal and state income tax purposes. You pay no tax on your contributions until you receive them. See page 19 for information on tax treatment of GARS benefits.

# SERVICE

*Service credit starts the first day you become a contributing member. Your service during any fraction of a month is considered a full month of service.*

## IF YOUR CONTRIBUTIONS WERE REFUNDED

If you terminated service, received a refund of your contributions, and later return to a GARS-covered position or accrue 2 years of service in a reciprocal retirement system after receiving your refund from GARS, you may reestablish your GARS credited service by repaying your refund, plus 4% interest compounded annually. Contributions must be repaid before retirement in order for your service to be credited.

If you are unmarried, have no eligible survivors, and have contributed to the survivor's annuity, upon terminating service you can apply for a refund of these contributions at anytime before retiring, as long as you apply before you begin receiving your retirement annuity.

## TAX-DEFERRING OPTIONAL SERVICE PURCHASES

As a GARS participant, you may qualify to purchase various types of optional service credit (i.e., military service, refunded GARS service, etc.) to increase your GARS service. The cost may include employee and employer contributions plus interest. GARS will require documentation to determine eligibility and provide estimated costs. If you qualify, you can purchase service by establishing an irrevocable payroll deduction agreement from one to five years. Service credit is only granted after a service purchase is paid in full.

Additional information on the tax-deferred payment options is provided in the fact sheet, Tax-Deferring Optional Services Purchases, found on the GARS website.



## MILITARY SERVICE

Military service can be purchased based on your rate of compensation on the last date as a GARS participant prior to the military service, or on the first date as a participant after such military service, whichever is greater. A copy of your DD-214 is required.

## ROLLOVERS

You may roll money over from another qualified pension plan or an individual retirement account (IRA) to purchase optional service credit.

You may also transfer money while still employed from your deferred compensation account (457(b)) or tax-sheltered annuity (403(b)) to purchase service credit or repay a refund. To do so, you must obtain and complete a Transfer/Rollover Certification form from GARS.

## SERVICE UNDER OTHER ILLINOIS PUBLIC RETIREMENT SYSTEMS

If you have established at least one year of credited service under an Illinois public retirement system that participates in the Retirement Systems’ Reciprocal Act, your service under that system may be used to determine your eligibility for a GARS benefit.

In general, the rules of each retirement system apply in determining a benefit. The benefit amount is based on the benefit formula and amount of service in each system and is paid to you by each system. Annual benefit increases are made in accordance with each system’s statutes.

***Contributions and service credit in all reciprocal systems and the non-reciprocal public safety systems may be transferred to GARS at a cost.***

## **CALCULATING GARS BENEFIT WHEN ELECTING TO RETIRE USING RECIPROCAL ACT**

If you elect to retire under the Reciprocal Act, the salary used to calculate your GARS benefit is determined by your GARS membership date. For Tier 2 GARS participants with membership dates on or after January 1, 2011, GARS calculates benefits using an eight-year final average salary. The final average salary is calculated using the 96 highest consecutive months of earnings within the last 120 months of service. The eight-year average salary is subject to the annual salary maximums as determined by the Department of Insurance.

The reciprocal system's formula requires an average salary to calculate their share of the benefit. GARS will provide the reciprocal system with your service credit and earnings history, subject to the annual salary maximums (as determined by the Department of Insurance). Your total benefits cannot be higher than it would have been if all service were in one system. If service credit under GARS is granted by a reciprocal system for the same period of time, each system will reduce its credit proportionately. Concurrent service cannot be considered in a reciprocal benefit calculation.

As a Tier 2 member, your GARS share of the benefit is based on the Tier 2 formula as described in ILCS 40 5/2. You cannot be grandfathered into the Tier 1 formula based on service in a reciprocal system prior to January 1, 2011.

# RETIREMENT BENEFITS

## ELIGIBILITY

You may retire:

- At age 62 with eight years of credited service but with a reduction of 1/2 of 1% for each month under age 67. If you take a reduced benefit, it remains in effect throughout your retirement.
- At age 67 with eight years of credited service.

Tier 2 benefits are based on the final average salary of the 96 highest consecutive months of GARS earnings out of the last 120 months, using each calendar year's annual salary maximum (as determined by the Department of Insurance) and your total credited service. If at retirement you have served as an officer of the General Assembly for at least two years, you will be given the option of making the required additional contributions to meet the four-year requirement to use the officer salary in the calculation of benefits. For each year of credited service, the formula factor is 3% and the maximum retirement benefit is earned after 20 years of service credit at age 67. The maximum retirement benefit is 60% of your final average salary. The benefit is paid for your lifetime.

You must submit a retirement application and include a copy of your birth certificate in order to receive benefits. If you elect to retire under the Reciprocal Act, it is your responsibility to file an application with each system involved.

Contact GARS approximately 60-90 days before your retirement date. Your pension becomes effective on the day following your last paid day of service, or the date you first meet eligibility requirements. Inactive members who qualify may elect to backdate their benefit effective date up to one year prior to receipt of the pension application.

*This table displays the percentage of salary that GARS members with 8 to 20 years of GARS service credit will receive at age 67.*

Years of service	Percent of salary
8	24%
9	27
10	30
11	33
12	36
13	39
14	42
15	45
16	48
17	51
18	54
19	57
20	60

**Example:** A member is age 67, has 20 years of credited service, and a final average salary of \$65,164.00.

$60\% \times \$65,164.00 = \$39,098.40$  annually or \$3,258.20 per month.

If at retirement you have served as an officer of the General Assembly for at least two years, you will be given the option of purchasing enough service to meet the four-year requirement to use the officer salary in the calculation of benefits.

**GROUP INSURANCE**

To be eligible for the State of Illinois Employees Group Insurance Program, you must meet the minimum eight-year vesting requirement in GARS.

**ANNUAL PENSION INCREASES**

If you retire at age 67 or older, you will receive a pension increase of 3% or the annual unadjusted percentage increase in the Consumer Price Index-U, whichever is less, on January 1 or July 1, whichever occurs first, following your first full year of retirement. This annual increase is compounded on your previous year’s annuity. If you retire prior to age 67, your first increase becomes effective on Jan. 1 or July 1 after you turn age 67 and have received pension benefits for at least one full year.

**REVERSIONARY ANNUITY**

This option allows you to elect to reduce your monthly retirement benefit to provide lifetime income for certain eligible family members such as your children, spouse, parents, or siblings after your death. You may elect this option at any time prior to retirement, but if you pass away either before you begin receiving your retirement benefits, or less than 2 years after making such election, then no reversionary annuity benefits shall be payable.

The reversionary annuity is paid in addition to survivor benefits. If the death of your named reversionary annuitant occurs after your retirement date, then your reduced annuity will remain unchanged.

# RETURNING TO EMPLOYMENT

*It is your responsibility to notify GARS immediately of your reemployment.*

As a Tier 2 retiree, your GARS benefit will be suspended if:

- You become employed in a position eligible for participation in GARS.
- You become a full-time participant in any Illinois reciprocal retirement system.
- You retired using the Reciprocal Act and exceed the post retirement employment limits in a reciprocal system from which you are receiving retirement benefits.

Retired members who return to a GARS-covered position have the option to:

1. Repay pension benefits already received. After your subsequent retirement, your pension benefit will be recalculated as if you had not previously retired. This may benefit you if your salary upon re-entry is higher than what was used for your previous retirement.
2. Upon returning to service, you will resume contributions to GARS and accrue additional service credit. Upon subsequent retirement, you will be entitled to a retirement benefit consisting of the amount of your original pension, plus the amount of additional service credit earned during your return to service. However, the total pension cannot exceed the total maximum applicable at the date of your last retirement.

Your GARS pension benefit will continue if you:

- Accept private sector employment.
- Work for the U.S. government.
- Work in a public sector position outside the State of Illinois.

## QUALIFIED ILLINOIS DOMESTIC RELATIONS ORDER (QILDRO)

A QILDRO allows for the division of a retirement benefit or a refund of contributions due to divorce. It does not establish a new benefit, nor does it create a new member or beneficiary.

Generally, the QILDRO orders the payment of a benefit to the ex-spouse as the alternate payee. It may also be payable to a child or other dependent as the alternate payee.

A member may not choose a benefit type that would diminish the alternate payee's benefit without written consent from the alternate payee. The QILDRO is usually issued at the time of divorce and sent to the member's retirement system. It is recorded and retained until the member applies for a refund, retirement benefit or dies.

Any member who begins employment with an Illinois public retirement system after July 1, 1999 accepts the QILDRO as a condition of employment.

QILDRO information and forms may be downloaded from the GARS website at ***srs.illinois.gov***.

# DEATH BENEFITS

*Your eligible survivors, beneficiaries or estate may qualify for death benefits.*

## DEATH BEFORE RETIREMENT

If you die while in active service and have at least two years of service credit, your eligible survivors will qualify for the monthly survivor benefit effective on the date of your death.

If you die after termination of service, but before receiving a retirement annuity, you must have at least four years of service credit for your spouse to qualify for the survivor benefit.

If you die while in active service with no qualified survivors, your named beneficiary or estate will receive your GARS contributions.

## DEATH AFTER RETIREMENT

If you die with no qualified survivors while receiving retirement benefits, your named beneficiary or estate will receive your total contributions, less any benefits paid.

## YOUR SURVIVING SPOUSE

If you are survived by your spouse aged 50 or over, and were married for at least one year prior to your death, (s)he will receive a monthly survivor benefit following your death.

If the member is an annuitant and dies without children in the care of the surviving spouse, then the annuity becomes payable on the first of the month following the date of death, unless the surviving spouse is under age 50, in which case, the annuity becomes payable in the month following the surviving spouse's 50th birthday.



Your surviving spouse under age 50 can receive a survivor benefit if (s)he supports your unmarried children under age 18 (22 if full-time student), or a disabled child over age 18. A spouse's own children (your step children) who meet eligibility requirements may also qualify a spouse to receive survivor benefits prior to age 50. As children cease to be eligible, the annuity to the surviving spouse or other eligible children will be recalculated, if necessary. This benefit is payable until the last child reaches age 18 (22 if full-time student), marries, dies, or is no longer disabled.

If your spouse is under age 50, this benefit is suspended until (s)he reaches age 50. Remarriage is permitted without loss of benefits. The minimum survivor benefit for any qualified survivor is \$300 per month.

Survivor benefits may be reduced by any amounts received under the Workers' Compensation Act or Occupational Diseases Act if benefits are connected to the same disabling condition.

## YOUR SURVIVING CHILDREN

If you are not survived by a spouse, but have unmarried children under age 18 (22 if full-time student), or a disabled child over age 18, they may qualify for a monthly survivor benefit.



ANNUAL INCREASE

The survivor benefit is increased by 3% or the annual unadjusted percentage increase in the Consumer Price Index-U, whichever is less, each January 1 following the first full year of receiving this benefit. The increase is compounded based on the previous year’s survivor benefit.

If the member was retired at the date of death, the increase is effective on January 1 after the benefit began.

AMOUNT OF SURVIVORS’ ANNUITY

	Death in Service	Death After Termination or Retirement
Your Spouse	66 2/3% of earned retirement annuity	66 2/3% of earned retirement annuity
Your eligible children	66 2/3% of earned retirement annuity	66 2/3% of earned retirement annuity

*\*The total survivor’s benefit can’t exceed the 66 2/3% of the retirement annuity and is shared equally among the eligible survivors.*

# LEAVING GARS

If you terminate service in the General Assembly, you may withdraw your contributions in GARS or transfer your contributions over to another qualified plan or IRA.

## IF YOU LEAVE YOUR CONTRIBUTIONS IN GARS

- You must have eight years of service under GARS to qualify for a pension.
- You may use less than eight years of service to qualify for a reciprocal pension; however, your combined service credit must meet each system's minimum service credit requirements.



## IF YOU HAVE CONTRIBUTIONS REFUNDED

- You receive no interest on your contributions.
- You forfeit all rights to GARS benefits for yourself and your beneficiaries.

***Service under the Retirement System's Reciprocal Act can be used to meet the two year requirement.***

**IF YOU WITHDRAW YOUR GARS CONTRIBUTIONS AND LATER RETURN TO SERVICE**

If you return to a GARS-covered position, you will be eligible to repay your refunded contributions plus 4% interest from the date of the refund to the date of repayment. Payments may be made in a lump sum, via a rollover from a qualified plan, or by installments on a pre-tax or post-tax basis.

If you become a participant in another reciprocal retirement system, you must establish two years of credited service before you will be eligible to repay your GARS refund. Service earned in any system covered under the Retirement Systems' Reciprocal Act can be used to meet this requirement. A fact sheet on the GARS website provides a listing of all systems covered under the Retirement Systems' Reciprocal Act.

# TAX TREATMENT

Your contributions are not included in your gross income and therefore are not immediately taxable.

## WHEN BENEFITS OR REFUNDS ARE PAID TO YOU

- You pay no Illinois state income tax.
- You pay federal tax on your GARS benefit.
- All benefits and refunds must be declared as income in the year they are received.
- Specific tax information will be furnished in your first payment letter when your benefit is processed.
- You may postpone taxation of refunds by transferring (direct rollover) the payment to another qualified plan or an individual retirement account (IRA) that accepts it.

GARS advises all members to consult with a qualified tax professional or financial planner before receiving benefits or refunds.

***In general, you will not be taxed on your contributions until you receive benefits.***



***The best tax treatment for you depends on your individual financial situation.***

# APPENDIX

*GARS is a defined benefit plan, which uses a formula factor, service credit and final average salary to determine your retirement benefit.*

## BOARD OF TRUSTEES

The Board of Trustees is responsible for the operation of GARS. The seven-member Board includes senators, representatives, and an elected General Assembly annuitant.

## PLAN DOCUMENT

This handbook describes the benefits of GARS in non-technical language. Some features, particularly those that apply to very few employees, are not included.

The official document describing GARS benefits is the Illinois Compiled Statutes, 40 ILCS 5/2, which legally governs the operation of the plan.

If there is any variance between this handbook and the plan document, the plan document rules.

## PLAN YEAR

For record-keeping purposes, the plan year is July 1 through June 30.

## ADMINISTRATION

GARS is administered by the board-appointed Secretary.

## GARS FUNDING

Contributions are made by the State and GARS members. All contributions not required for current operations are invested by the Illinois State Board of Investment for the exclusive benefit of our members and their beneficiaries.

To safeguard the proper operation and funding of this pension fund, operations are monitored both internally and externally. GARS’ financial and administrative activities are subject to an annual audit by an independent accounting firm under the direction of the state’s Auditor General.

Proper funding includes an actuarial review of the fund balances to ensure that funds will be available for current and future benefit payments.

**EMPLOYER IDENTIFICATION NUMBER**

The employer identification number is 37-1254629.

**EMPLOYMENT RIGHTS**

Membership in GARS does not guarantee continued public employment, nor does it guarantee a right or claim to any benefit not accrued under the terms of the plan document.

**LEGAL PROCESS**

Legal process may be served on the GARS Secretary.

# GLOSSARY OF TERMS

*The active statement summarizes the member's account and benefits, which includes service credit, projected and accrued pension benefits, and lists the member's beneficiaries.*

*The inactive statements include service credit and lists the member's beneficiaries.*

**Annual Benefit Statement:** The annual benefit statement summarizes the member's personal account and benefits. Participants can view their annual statement by signing up for an SRS Member Services account at [srs.illinois.gov](http://srs.illinois.gov). Active participant statements are available in August each year; inactive in May.

**Annual Salary Maximum:** The Public Pension Division of the Illinois Department of Insurance determines the annual salary maximum used for Tier 2 participant benefit calculations. The increase to the annual salary maximum is the lesser of 3% or the unadjusted change in the CPI-U over the last 12 months, as derived by the U.S. Department of Labor. The CPI-U measures the average change in prices of goods and services purchased by all urban consumers.

**Automatic Increase in Retirement Annuity:**  
If you retire at age 67 or older, you will receive a pension increase of 3% or the annual unadjusted percentage increase in the Consumer Price Index for Urban Consumers (CPI-U), whichever is less, on January 1 or July 1 following your first full year of retirement.

If you retire prior to age 67, you will receive a compounded pension increase of 3% or the annual unadjusted percentage increase in the Consumer Price Index for Urban Consumers (CPI-U), whichever is less, every year on January 1 or July 1, whichever occurs first, after you turn age 67 and have been retired at least one full year.



**Defined Benefit Plan:** Provides a predetermined benefit amount using a formula combining service credit and salary.

**Final Average Salary:** *For Retirement and Survivor Benefits* – The average of the highest 96 consecutive months of service over the last 120 months, using the annual salary maximums as determined by the Department of Insurance each calendar year.

**Pension:** Retirement annuity paid for a member’s lifetime.

**Qualified Plan:** A retirement plan qualified under the Internal Revenue Code allowing GARS and it’s members certain tax advantages.

**Reciprocal Retirement Systems:** There are thirteen Illinois public retirement systems participating in the Retirement Systems’ Reciprocal Act. [Fact Sheet](#)

**Reciprocity:** A member who has at least one year of credited service under another Illinois public retirement system, may use service under that system to determine eligibility for a GARS benefit.

**Retirement Systems’ Reciprocal Act:** Provides continuity of pension credits for individuals who have participated in more than one Illinois public employee retirement system.

**Rollovers:** Postponing taxation of distributions by rolling the payment over to another qualified plan, or to an individual retirement account (IRA).

**Service:** The total credited service certified to a member's record.

**Solon:** An online newsletter for GARS members which contains timely and pertinent information. The Solon is produced in January and August.

**Survivor Annuitant:** A qualified survivor (spouse or child) designated by statute to receive a monthly annuity upon the death of the member.

**Tax-Sheltered/Tax-Deferred:** Contributions made by a member that are not taxed until a benefit is paid.

**Tier 2:** A member of the General Assembly who was first elected or appointed on or after January 1, 2011.

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