SERS
State Employees' Retirement System
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Alternative Formula Employee Fact Sheet

Your retirement benefit is paid monthly for your lifetime. Your retirement effective date is no earlier than the first day of the month following eligibility. You will receive your first retirement check approximately 10 weeks after your retirement date.

You must apply for benefits in order to receive them. Contact your agency's Retirement Coordinator approximately 30-90 days before retiring so they can begin the separation process.

We can mail you a retirement packet or you can download it from your Member Services account at https://member.srs.illinois.gov. The packet includes a retirement application, forms and information about insurance, taxes and direct deposit. The application must be returned to our office before the retirement process begins.

Lump-Sum Salary Payments

Employees may receive a lump-sum payment at retirement for unused vacation and sick days earned between January 1, 1984 and December 31, 1997. This payment can be used to meet service eligibility requirements and increase your retirement benefit (21 days of sick & vacation time equals one month of service credit). If you want to purchase this service credit, contact your agency's Retirement Coordinator. This additional service credit does not affect your final average compensation. For any questions regarding this payment, contact your agency's payroll coordinator.

An alternative formula retirement applies to SERS members in specific positions*.

Eligibility

To receive an alternative formula benefit, you must have a minimum of 20 years of alternative formula service credit.

Tier 1 may retire:

- Age 50-54 and 11 months, with 25 years of alternative service credit.
- Age 55 and over with 20 years of alternative service credit.

Tier 2 may retire:

- Age 60 with 20 years of alternative service credit.
- Age 55 with 20 years of alternative service credit.[1]

Pension benefits are based on three factors: the retirement formula, final average compensation, and years of creditable service.

The alternative formula is 2.5% for each year of service for employees contributing to Social Security (covered) and 3.0% for each year of service for employees not contributing to Social Security (non-covered). The maximum alternative retirement benefit is 80% of the final average compensation.

Final Average Compensation and retirement increases

Tier 1

For members in the alternative formula prior to Jan. 1, 1998, the highest 48 consecutive months within the last 120 months of service or the final rate of pay, whichever is higher (capped at 115%). Members in the alternative formula after Jan. 1, 1998, final average compensation is the average of the last 48 months of service or final rate of pay, whichever is higher (capped at 115%). You will receive your first 3% increase on Jan. 1 following the first full year of retirement after age 55.

Tier 2

Final average compensation is the average of the 96 highest consecutive months of service within the last 120 months of service. Your non-compounding increases each year are either 3% or one-half of the Consumer Price Index, whichever is less. If you retired under the alternative formula, you will receive an increase to your pension on January 1 following your first full year of retirement or age 67, whichever is later. Future increases are not limited by the 80% maximum.

**See specific positions on the reverse side.*

[1]. Applies to certain job positions only (listed on reverse side)

Tier 1 alternative formula positions

- State Policeman
- Firefighter
- Security Employee with DOC or Juvenile Justice (includes Prisoner Review Board)
- Air Pilot
- Special Agent
- Secretary of State Investigator
- Conservation Police Officer
- Revenue Investigator
- Department of Human Services Security Employee (inc. Mental Health police)
- Central Management Services Police Officer
- Dangerous Drug Investigator
- State Police Investigator
- Attorney General Investigator
- Controlled Substance Inspector
- State's Attorney Appellate Prosecutor Investigator
- Commerce Commission Police Officer
- State Fire Marshal Arson Investigator
- State Highway Maintenance Worker
- Gaming Board Investigator

Tier 2 alternative formula positions

- State Policeman*
- Conservation Police Officer*
- Secretary of State Investigator*
- Attorney General Investigator*
- Commerce Commission Police Officer*
- Gaming Board Investigator*
- Department of Revenue Investigator*
- Arson Investigators*
- DOIT transfers from CMS to IDOC/IDJJ
- Firefighter
- Security Employee with DOC or Juvenile Justice
- State Fire Marshal Arson Investigator

** These positions are eligible to retire at Age 55 with 20 years of alternative service credit.*