SERS
State Employees' Retirement System
srs.illinois.gov

2101 South Veterans Parkway
P.O. Box 19255
Springfield, IL 62794-9255

217-785-7444
Email: sers@srs.illinois.gov

Retirement Application FAQs

Q: ***What is the effective date of my retirement?***

A: Retirements are only effective on the first day of a month. We recommend you work through the end of the month prior to your retirement effective date. If you choose not to work through the end of the month, we encourage you to at least work until the 17th of the month so insurance premiums can be deducted from your paycheck for the last half of the month. If you resign too soon in the first pay period of a month, your insurance would be terminated, you would have a lapse in coverage (unless you pay a COBRA premium), and insurance benefits would not start until the first of the next month. If you resign in the second pay period of the month, you will not have a lapse in insurance coverage.

Q: ***Why is my birth certificate required?***

A. We cannot process your retirement without a birth certificate on file. If we already have a copy, you do not need to submit another one. If you do not have a copy of your birth certificate, it will be necessary that you obtain a copy from the state in which you were born. If no record exists, you must submit a signed affidavit certifying that no birth record exists. Along with the submission of the signed affidavit, the following documents may be considered for proof of birth date: Military records, marriage record showing date of birth, evidence of Social Security payments that require attainment of specific age, church record of birth of baptism, valid passport, valid driver's license or two or more documents showing birth dates, such as Naturalization papers, insurance policies, school records of medical records.

Q: ***What is the survivor contribution refund?***

A. A portion of your retirement contributions are kept in a separate fund in order to pay a survivor benefit upon your death. If you are not married and do not have any dependent children at the time of your retirement, you are entitled to a refund of these contributions. You may however, elect to keep the funds at SERS in case of a future marriage. The refund can only be taken at the time of retirement.

If you take this refund and marry in the future, you may pay the refund back, with interest, after you have been married for one full year. If you take the refund and do not pay it back prior to your death, no survivor benefits will be paid.

Q: ***What is the Social Security Offset Removal?***

A: Retiring members who have contributed to SERS and Social Security have the option to reduce their retirement by 3.825% to ensure their eligible survivors receive 50% of their retirement benefit being paid at the time of death. To help you decide if this is a good option for you, refer to the Social Security Offset Removal Fact Sheet.

Q: ***What is the Level Income option?***

A: This option allows members who have paid into SERS and Social Security to receive their benefits at a level amount throughout their retirement years by combining their Social Security and SERS benefit. The Level Income option can be helpful when a member retires before the age when they qualify for a Social Security benefit.

Under Level Income, SERS pays an amount (based on your estimated Social Security benefit) in addition to your regular retirement benefit until you qualify for Social Security benefits. At this time, your pension is reduced regardless of when you actually begin receiving Social Security and regardless of how much this benefit actually is. This reduced amount will be paid for your lifetime. For further information, refer to the Level Income Option Fact Sheet.

Q: ***What is the Retirement Systems' Reciprocal Act?***

A: The Retirement Systems' Reciprocal Act provides that if an employee has at least one year of pension credits established in more than one Retirement System covered under the Reciprocal Act, the service credit from all systems will be considered together at the time of retirement or death of an employee. The purpose of the Act is to ensure full and continuous pension credit for service in public employment in the State of Illinois, and the transfer of employment from one governmental unit to another.

Q: ***Do I need to complete the Direct Deposit Agreement if my financial institution information is the same from while I was working?***

A: Yes. Because SERS is a separate agency from your employing agency a new form is required as your banking information does not carryover from one agency to the next.

Q: ***Do I need to complete new payroll deduction cards for my optional outside insurance and credit union deductions, and if so, can I get them from SERS?***

A: SERS is a separate agency from your employing agency and optional deductions such as these do not carryover from one agency to the next, therefore new cards (or copies of existing cards) must be submitted to SERS and must also include the *monthly* total amount of the deduction. SERS does not have cards for payroll deductions.

Q: ***What types of taxes are deducted from my SERS benefit?***

A: Benefits paid by SERS are considered ordinary income and are subject to federal withholding income tax. Benefits paid by SERS are *exempt* from Illinois income tax, as well as from all types of FICA withholdings.

Q: ***Is the retirement annuity my only payment option?***

A: A member who attains enough service credit to receive a pension from SERS without the use of service credit earned in another reciprocal retirement system may irrevocably elect to receive the accelerated total pension benefit payment in lieu of a pension. A member who desires this option is encouraged to apply at least 30 days prior to the date of separation from service, or the desired payment effective date. This allows time for you to submit your insurance enrollment application and first premium payment with the Central Management Services (CMS) Group Insurance Division before the 1st of the month of your intended retirement date to prevent a gap in coverage. For more information on this payment option, please refer to the Accelerated Total Pension Benefit Payment Fact Sheet found on our website at https://ilsrs.illinois.gov/content/dam/soi/en/web/srs/sers/publications/documents/fact-sheets/accelerated-total-pension-benefit-payment.pdf