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Regular 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.

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.

The regular retirement formula applies to most SERS members. The regular formula is 1.67% of final average compensation (FAC) for each year of service for employees contributing to Social Security (covered) and 2.2% of FAC for each year of service for employees not contributing to Social Security (non-covered). The maximum regular retirement benefit is 75% of final average compensation.

Eligibility

To receive a pension benefit, you must be vested with the system. That means you must have a minimum of eight years of service credit for Tier 1, or a minimum of 10 years of service credit for Tier 2. If you are retiring under the Reciprocal Systems Retirement Act, you must have a minimum of one year (12 months) service credit with SERS.

Tier 1 may retire:

- Age 60 with 8 years of service credit.
- Any age, when your age (years & whole months) plus years of service credit (years & whole months) equal 85 years (1020 months) (Rule of 85) with eight years of credited service in SERS.
- Between ages 55-60 with 25-30 years of service credit (reduced 1/2 of 1% for each month under age 60).
- Any age with 35 years of service.

Tier 2 may retire:

- Age 67 with 10 years of service credit.
- Between ages 62-67 with 10 years of service credit (reduced 1/2 of 1% for each month under age 67).

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

Final average compensation and retirement increases

Tier 1

Final average compensation is the 48 highest consecutive months of service within the last 120 months of service. If you retire at age 60 or older, you'll receive a 3% increase each year Jan. 1 following your first full year of retirement. If you retire with a reduced retirement benefit, you'll receive a 3% increase each Jan. 1 after you turn age 60 and have been retired one full year.

Tier 2

Final average compensation is the average of the 96 highest consecutive months of service within the last 120 months of service. If you retire at age 67 or older, you will receive a non-compounded pension increase of 3% or one-half of the Consumer Price Index for the preceding year, whichever is less, every year on January 1, following your first full year of retirement. If you retire before age 67 with a reduced retirement benefit, you will receive a pension increase of 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, every January 1 after you turn age 67 and have been retired at least one full year. These pension increases are not limited by the 75% maximum.