



**Your  
Rights** **&** **Responsibilities**

**E M P L O Y E E  
H A N D B O O K**

**TIER 2**

*individuals who became a  
member of SERS or a reciprocal  
system after December 31, 2010*

**JUNE 1, 2025**

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# 1. GENERAL INFORMATION

*This handbook, presents a general overview of your SERS retirement benefits. It explains eligibility requirements, pension contributions, optional service credit and overall benefits. These benefits, when combined with your other sources of retirement income, are designed to provide you with financial security in retirement.*

*This handbook describes SERS benefits in nontechnical language. SERS is governed by 40 ILCS 5/1, 40 ILCS 5/14, and 40 ILCS 5/20 of the Illinois Compiled Statutes (Plan Document). If there is any discrepancy between this handbook and the plan document, the plan document controls.*

*This information applies to all active State employees who first became a member of SERS or a reciprocal system after December 31, 2010. Read this booklet carefully and keep it for reference. Make sure your loved ones are also familiar with this handbook and they know where your important papers are located.*

*The Member Handbook is intended to serve as a supplement to your benefit information contained in your Member Services account. If you have questions about the information in this handbook, call us at the appropriate phone number listed on page 2.*

# CONTACT INFORMATION

## EMAIL

The quickest and easiest way to obtain answers to your questions is to contact SERS by email at: [sers@srs.illinois.gov](mailto:sers@srs.illinois.gov).

## SPRINGFIELD

2101 S. Veterans Parkway  
P. O. Box 19255  
Springfield, IL 62794-9255  
Phone: 1-855-564-4275  
General: Fax: 217-785-7019

## CHICAGO

Michael A. Bilandic Building  
160 North LaSalle Street, Suite S200  
Chicago, Illinois 60601  
Fax: 312-814-5805

## TDD/TTY

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

## WEBSITE

SERS is online at [srs.illinois.gov](http://srs.illinois.gov).

The website provides an overview of benefits, and gives you easy access to a variety of information, including current retirement issues, how to contact us, answers to frequently asked questions, and education opportunities through our Benefit Seminars and workshops.

You may also sign up for access to your account information through the members services section of the website. The member services section allows members to view key account information including an unofficial estimate of your pension benefit.

Our website contains our annual financial report, a summary of the Illinois State Board of Investment annual financial report and links to other state agencies.

***You can contact us Monday thru Friday  
from 8 a.m. until 4:30 p.m.***

## **RECIPROCAL SYSTEMS**

In addition to SERS, the following systems participate in the Retirement Systems' Reciprocal Act. For more information on the Reciprocal Act, see page 15.

### **Chicago Teachers' Pension Fund**

203 North LaSalle, Suite 2600

Chicago, IL 60601

312-641-4464 Fax 312-641-7185

*ctpf.org*

### **County Employees' Annuity & Benefit Fund of Cook County**

33 North Dearborn Street, Suite 1000

Chicago, IL 60602-3103

312-603-1200 Fax 312-603-9760

*cookcountypension.com*

### **Forest Preserve District Employees' Annuity & Benefit Fund of Cook County**

33 North Dearborn Street, Suite 1000

Chicago, IL 60602-3103

312-603-1200 Fax 312-603-9760

*cookcountypension.com*

### **General Assembly Retirement System**

2101 South Veterans Parkway  
P. O. Box 19255  
Springfield, IL 62794-9255  
217-782-8500 Fax 217-524-9039  
[srs.illinois.gov](http://srs.illinois.gov)

### **Judges' Retirement System**

2101 South Veterans Parkway  
P. O. Box 19255  
Springfield, IL 62794-9255  
217-782-8500 Fax 217-524-9039  
[srs.illinois.gov](http://srs.illinois.gov)

### **Illinois Municipal Retirement Fund**

2211 S. York Road  
Suite 500  
Oak Brook, IL 60523-2337  
800-ASK-IMRF Fax 630-706-4289  
[imrf.org](http://imrf.org)

### **Laborers' Annuity & Benefit Fund of Chicago**

321 North Clark Street  
Suite 1300  
Chicago, IL 60654-4739  
312-236-2065 Fax 312-236-0574  
[labofchicago.org](http://labofchicago.org)

### **Metropolitan Water Reclamation District Retirement Fund**

111 East Erie, Suite 330  
Chicago, IL 60611-2898  
312-751-3222 Fax 312-751-5699  
[mwrdr.org](http://mwrdr.org)

### **Municipal Employees' Annuity & Benefit Fund of Chicago**

321 North Clark Street  
Suite 700  
Chicago, IL 60654-4767  
312-236-4700 Fax 312-527-0192  
[meabf.org](http://meabf.org)

### **Park Employees' Annuity & Benefit Fund of Chicago**

55 East Monroe  
Suite 2720  
Chicago, IL 60603  
312-553-9265 Fax 312-553-9114  
[chicagoparkpension.org](http://chicagoparkpension.org)

### **State Universities Retirement System**

1901 Fox Drive  
P. O. Box 2710  
Champaign, IL 61825-2710  
800-275-7877 Fax 217-378-9800  
[surs.org](http://surs.org)

### **Teachers' Retirement System**

2815 West Washington Street  
P. O. Box 19253  
Springfield, IL 62794-9253  
877-927-5877 Fax 217-753-0394  
[trsil.org](http://trsil.org)

# GENERAL BENEFIT INFORMATION

## **BENEFIT CLAIMS**

In order to receive any benefit, you must apply for it with the Claims Division and provide proof of your age. Your agency's Retirement Coordinator can assist you in filing a claim.

After you begin receiving benefits, you must notify SERS if you change your name, address, or wish to change your beneficiary(ies) for the lump sum death benefit.

All SERS records are maintained according to your Member ID/Social Security number. Therefore, make sure your number is correct when filing a claim.

## **SOCIAL SECURITY**

All Social Security benefit claims must be made directly to the Social Security Administration. You will need to provide your Social Security number and proof of age.

## **GROUP INSURANCE**

Upon approval of a SERS benefit claim, participation in the Group Insurance Program continues as described in your CMS group insurance handbook. Failure to pay your insurance premiums will result in termination of group coverage.

*All benefit claims and appeals are reviewed by the SERS Executive Committee of the 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 personal hearing before the Executive Committee.*

*Refer to the CMS Group Insurance Handbook, or [mybenefits.illinois.gov](http://mybenefits.illinois.gov) for detailed information on insurance benefits and premiums while on a leave of absence.*

# SEMINARS & WORKSHOPS

## **PRE-RETIREMENT WORKSHOPS**

Pre-retirement workshops are offered in-person and/or via WebEx for all state employees and their spouses.

### **Investing in Your Future (IYF)**

Investing in Your Future is primarily directed at employees who are new to state employment or who are not retirement age but want to learn about SERS benefits. This workshop is designed to encourage members to start planning for retirement early in their careers and learn a great deal about the retirement system plan and benefits such as disability offered by SERS.

### **Countdown to Retirement (CDR)**

The Countdown to Retirement is a training workshop designed for employees who are approaching retirement age or nearing retirement. This helps provide participants with a final assessment of their retirement plans and directs them on how to take the necessary steps to make the transition between employment and retirement as smooth as possible.

### **Sworn Officers (SWORN)**

The workshop for Sworn Officers is a training workshop designed for Sworn Officers who are approaching retirement age or nearing retirement. This helps provide participants with a final assessment of their retirement plans and directs them on how to take the necessary steps to make the transition between employment and retirement as smooth as possible. This workshop reviews SERS and insurance benefits.

### **Pension Application**

This Pension Application workshop helps understand all the forms and options of the Pension Application and the required documents.



# 2. S E R S MEMBERSHIP

# CONTRIBUTIONS

## **COORDINATION WITH SOCIAL SECURITY**

***With certain exceptions, most members who join SERS will also contribute to Social Security.***

## **CONTRIBUTIONS**

Contributions are based on a percentage of total compensation up to the annual limitation as determined by the Illinois Department of Insurance, including overtime pay. All contributions are credited to your account, regardless of the source.

## **EMPLOYER PAID CONTRIBUTIONS**

Some State employees have all or a portion of their contributions paid, by their employer. Your agency, board or commission determines whether it pays these such contributions.

If you receive a refund of contributions, the employer paid contributions are included, along with any other contributions that may have been deducted from your pay. The employer paid contributions are also included in the calculation of any death benefit involving member contributions.

## EMPLOYEE CONTRIBUTIONS

### REGULAR RETIREMENT FORMULA CONTRIBUTIONS

	Pension		Survivors' Benefit*		Total
Members with Social Security	3.5%	+	.5%	=	4.0%
Members without Social Security	7.0%	+	1.0%	=	8.0%

\* If you have no eligible survivors when you retire, you may elect to receive a refund of the survivors' portion of your contributions.

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### ALTERNATIVE RETIREMENT FORMULA CONTRIBUTIONS\*\*

					Total
With Social Security	8.0%	+	.5%	=	8.5%
Without Social Security	11.5%	+	1.0%	=	12.5%

\*\* If you do not qualify for the alternative formula when you retire, you will receive a refund of the alternative formula contributions in excess of the regular formula contributions.

***NOTE: Beginning on January 1, 2011, annual compensation on which employee contributions are taken cannot exceed the annual salary limitation set by the Department of Insurance. This salary limitation increases annually by 3% or one-half of the unadjusted percentage increase in the Consumer Price Index, whichever is less. Refer to the SERS website for a complete history of the annual salary limitations for Tier 2 members. Earnings that exceed this annual limit will not be included in any benefit calculation.***

# SERVICE

## MEMBERSHIP SERVICE

This includes full and partial months of state employment after December 31, 2010, when contributions were credited to your account.

## CREDITABLE SERVICE

Creditable service is the total amount of credit toward retirement, including any optional credit that may have been established.

You earn credited service for each month you make the required contributions (\*see below). The amount of credited service affects the amount of your retirement benefit; the more months of service, the greater the retirement benefit.

## OPTIONAL SERVICE CREDIT

The purchase of optional service credit does not have any effect on your tier status. Optional service credit is time that may be purchased to increase your pension. It includes: leaves of absence, military service, and the repayment of a refund (refer to page 13). Purchased service credit representing eligible employment that occurred prior to your membership does not change your membership date.

***All optional service credit must be paid and established before retirement.***

***Membership service is time after your hire date when contributions (made by you or an employer on your behalf) are credited to your account.***

### HOW CREDITED SERVICE IS COMPUTED\*

Monthly Employees	Hourly Employees	Daily (per diem) Employees	Monthly Credit
15 days or more	75 hours or more	10 workdays or more	1
8 - 14 days	38 - 74 hours	5–9 workdays	½
Less than 8 days	Less than 38 hours	Less than 5 workdays	¼

## **ESTABLISHING OPTIONAL SERVICE CREDIT**

If you wish to establish optional service credit, you may make a payment of the required employee contributions due along with interest at 6.5% compounded per annum, either in a lump sum or installment payments.

If you were previously employed and were paid on a regular payroll by a SERS covered employer prior to becoming a contributing member of SERS, you may establish credit for that service provided you pay the employee contributions due plus interest. It should be emphasized that establishing credit in this manner will not change your membership date nor will it change your Tier status.

### **Leaves of Absence**

You may establish service credit for periods of less than one year spent on an authorized leave of absence.

You may also establish service credit for more than one authorized leave of absence.

The total period of service established for multiple leaves of absence can then exceed one year.

### **Military Service**

Military service includes active-duty service in the United States Army, Navy, Air Force, Marines, or Coast Guard, or any of the women's auxiliaries.



SERS grants two types of military service credit:

### **1. Free Military Service Credit**

Up to 5 years of service credit for military service may be obtained without contributions provided:

- You were a State employee who severs rights to State employee benefits within 6 months immediately before first entering military service.
- You returned to State employment within 15 months after discharge, so long as it was not a dishonorable discharge.
- You establish creditable State service immediately before and after military service.

### **2. Paid credit, with contributions**

If you are ineligible to establish service credit as described in item 1, you may purchase up to four years of service credit for military service by paying the required employee and employer contributions, plus interest, provided:

- You were not dishonorably discharged;
- The service credit purchased when added to the military service credit that may have been granted under Item 1 does not exceed five years.

This service credit must be purchased while you are on the State payroll.

Interest is calculated from the date you last became a member of SERS. You will be notified in writing of the amount due, and the credit that may be established.

***Before any military credit can be granted, or any cost determined, SERS must receive a copy of form DD-214, or the appropriate separation or discharge papers verifying active duty service***

## IF YOUR CONTRIBUTIONS WERE REFUNDED

If you terminated State employment, received a refund of your contributions and were later rehired by a public employer covered by a reciprocal retirement system, you may reestablish your creditable service by repaying the refund with interest after completing at least two additional years of creditable service with SERS, or any of the reciprocal retirement systems.

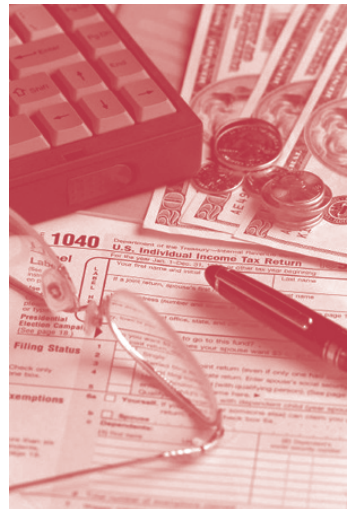
## TAX-DEFERRING OPTIONAL SERVICE PURCHASES

SERS allows you to tax-defer optional service credit purchases through payroll deduction. This lets you defer taxation until retirement. The tax-deferred withholding is made through an irrevocable payroll agreement for the total amount of service credit purchased.

You may also transfer funds from your Deferred Compensation account to purchase permissive service credit or repay a refund. Service credit is granted only after a refund or service purchase is paid in full. If you die before the payment plan is finished, a partial service credit may be granted based on contributions and interest paid as of the date of your death.

In the case of retirement, termination, or absences of more than one year, you can choose to make a lump-sum payment for the balance due, or the contributed amount can be refunded with taxes withheld and reported as income in that calendar year. Any lump-sum payment must be made no later than 30 days after SERS notifies you of the amount due.

If you are off the payroll for less than one year, the missed payroll deductions must be paid according to IRS rules and regulations. This may be done by either doubling your normal payroll deduction, or by a transfer from a qualified rollover account. No optional service purchase deductions can be made from a disability benefit payment.



### **Unused Sick Leave**

Unused and unpaid sick leave can be used to meet service eligibility requirements and increase your retirement benefit (21 unused sick days equals one month of service credit). Establishing service credit in this manner does not affect final average compensation.

### **Paid Vacation Time**

If you receive a lump-sum payment for vacation, or personal days when you retire, you may establish credit for this time to meet service eligibility requirements and increase your retirement benefit (21 days of unused vacation days equals one month of service credit). Lump sum-payments for unused vacation time are not included in the final average compensation calculation.

To be eligible for this option, your retirement date must be effective within 90 days of separating from service.

### **ROLLOVERS**

You may roll money from another qualified pension plan, an Individual Retirement Account, Roth IRA, a 403(b) plan or 457(b) plan to the SERS plan to purchase optional service credit.

### **PAYING FOR OPTIONAL SERVICE CREDIT WITH LUMP-SUM SALARY PAYMENTS**

Most employees will receive a lump-sum payment at retirement for unused vacation days. This lump-sum payment can be used to purchase any tax-deferred optional service credit. You must complete this transaction at the time you leave State employment.





## SERVICE UNDER OTHER ILLINOIS PUBLIC RETIREMENT SYSTEMS

If you have at least one year of service credit with an Illinois Public Retirement System under the Reciprocal Act, your service under that system may be used to meet the vesting requirements for SERS. The actual amount of your SERS benefit will be based on your service credit with SERS.

Under the Reciprocal Act, the highest final average compensation is used for computing benefits under all the systems you elect to receive a proportional annuity from. However, total benefits cannot be higher than it would have been if all service were in one system. If benefits are being paid under reciprocity, and you are granted service credit by more than one system for the same period of time, each system will reduce its credit proportionately. For more information on how Reciprocal Act impacts your benefits from multiple reciprocal retirement systems, please refer to the "Retirement Systems Reciprocal Act" brochure which can be found at <https://www2.illinois.gov/sites/SRS/SERS/Publications/Documents/Fact%20Sheets/Retirement%20Systems%20Reciprocal%20Act%20Fact%20Sheet.pdf>

***In general, the rules of each retirement system apply in determining eligibility for a benefit. For reciprocal system's addresses and phone numbers, refer to pages 3 & 4.***

# 3. S E R S B E N E F I T S

# REGULAR RETIREMENT BENEFITS

## RETIREMENT FORMULA

The regular retirement formula applies to most SERS members.

Covered by Social Security: 1.67% for each year of service

Not Covered by Social Security : 2.2% for each year of service

## ELIGIBILITY

To receive a pension benefit, you must have a minimum of 10 years of creditable service. You may retire at:

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

**Covered Example:** The member is covered under Social Security, is 67 years old, has 30 years of credited service, and a final average compensation of \$3,600 per month.

30 years x 1.67% = **50.1%** • 50.1% x \$3,600 FAC = **\$1,803.60** per month, or **\$21,643.20** annually.

**Non-Covered Example:** The employee is not covered by Social Security, is 67 years old, has 30 years of credited service, and a final average compensation of \$3,800 per month.

30 years x 2.2% = **66%** • 66% x \$3,800 FAC = **\$2,508.00** per month, or **\$30,096.00** annually.

## FINAL AVERAGE COMPENSATION

Your retirement benefit is based on final average compensation and creditable service. For regular formula employees, final average compensation is the average of the 96 highest consecutive months of service within the last 120 months of service. Compensation that exceeds the annual maximum salary limitation that is set by the Department of Insurance shall be excluded from the final average compensation. This limitation increases annually by 3% or one-half of the unadjusted percentage increase in the Consumer Price Index, whichever is less. Refer to the SERS website for a complete history of the annual compensation limitations for Tier 2 members.

***The maximum regular formula retirement benefit is 75% of final average compensation.***

## REDUCED RETIREMENT BENEFIT

A regular formula member can retire between the ages of 62-67 with 10 years of service credit with a pension reduced 1/2 of 1% for each month under age 67.

## ANNUAL PENSION INCREASES

If you retire at age 67 or older, you will receive a non-compounded pension increase of 3% or one-half of the unadjusted percentage increase in 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 non-compounded pension increase of 3% or one-half of the unadjusted percentage increase in 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% limitation.



# ALTERNATIVE RETIREMENT BENEFITS

***The maximum base alternative formula retirement benefit is 80% of final average compensation.***



## RETIREMENT FORMULA

The Alternative Formula applies to members in certain positions with 20 years of alternative service. Certain Members vested with police powers as identified below may retire at age 55 with at least 20 years of alternative formula service.

Covered by Social Security: 2.5% for each year of service

Not covered by Social Security: 3.0% for each year of service.

## ELIGIBILITY

Members eligible for the alternative formula who are coordinated with Social Security may retire at age 60 with 20 years of alternative formula service. Alternative formula members who do not contribute to Social Security may retire at age 55 with 20 years of alternative formula service.

## FINAL AVERAGE COMPENSATION

Like the Regular Formula Retirement Plan, your retirement benefit is based on final average compensation and credited service.

For alternative formula employees, final average compensation is the average of the 96 highest consecutive months of service within the last 120 months of service. Compensation that exceeds the annual maximum salary limitation that is set by the Department of Insurance shall be excluded from your Final Average Compensation calculation. This limitation increases annually by 3% or one-half of the unadjusted percentage increase in the Consumer Price Index, whichever is less. Refer to the SERS website for a complete history of the annual salary limitations for Tier 2 members.

### ***Positions eligible for benefits under the alternative formula:***

- State Policeman\*
  - Conservation Police Officer\*
  - Secretary of State Investigator\*
  - Investigator for the Office of the Attorney General\*
  - Commerce Commission Police Officer\*
  - Gaming Board Investigator\*
  - Department of Revenue Investigator\*
  - Arson Investigators\*
  - DOIT transfers from CMS to IDOC/IDJJ
  - Firefighter for a State Department
  - 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.

## **ANNUAL PENSION INCREASES**

Alternative formula retirees receive their first non-compounded pension increase of 3% or one-half of the unadjusted percentage increase in the Consumer Price Index for the preceding calendar year, whichever is less, following the first full year of retirement or age 67, whichever is later. These increases are not limited by the 80% maximum.

***Alternative Formula Example #1:*** The employee is not covered by Social Security, is 60 years old, has 26 years, 8 months (320 months) of credited service, and a final average compensation of \$5,000 per month.

26 Years, 8 months x 3% = **80%** • 80% x \$5,000 = **\$4,000** per month, or **\$48,000** annually.

***Alternative Formula Example #2:*** The employee is covered by Social Security, is 60 years old, has 32 years (384 months) of credited service, and a final average compensation of \$4,000 per month.

32 Years x 2.5% = **80%** • 80% x \$4,000 = **\$3,200** per month, or **\$38,400** annually.

# BENEFIT PAYMENTS

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

Retirement packets, which includes a retirement application, forms and information regarding insurance, taxes and direct deposit are available on the website.

Your retirement benefit is paid monthly for your lifetime. Your pension will become effective on the first day of the month following withdrawal from service. You will receive your first pension check approximately 8-10 weeks after your retirement date.

If you elect Direct Deposit, the first check may be mailed to you or direct deposited into your bank account. After that, all future checks will be electronically deposited into your bank account on the 19th of every month. You should promptly notify SERS of any changes to your mailing address or bank account after retirement.

***The level income option is an irrevocable election.***

## OPTIONAL FORMS OF PAYMENT

SERS allows you to choose several optional forms of payment.

### Level Income

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 they qualify for a Social Security benefit.

Under level income, SERS pays an additional amount to your regular benefit (based on your estimated Social Security benefit) until you reach the age to qualify for Social Security.

Once you reach the age as identified in the Social Security benefit estimate you provided at the time of your retirement, your monthly pension is reduced by the monthly estimated amount provided in Social Security benefit estimate.

If you choose level income, you are still responsible for applying for your Social Security benefit. The amount as reduced under the level income option plan, is paid for your lifetime.

### **Reversionary Annuity**

This option reduces your monthly retirement benefit to provide a lifetime income for your designated dependent after your death. The monthly amount paid to your dependent after your death may not be less than \$10 and may not exceed the amount of your reduced benefit. This benefit is in addition to the survivors' benefit.

The reversionary annuity is useful for providing income to a surviving spouse or another dependent who doesn't work, or worked very little, and won't receive much retirement or Social Security income. The election to provide a reversionary annuity is irrevocable.

***A spouse is assumed to be dependent for the Reversionary Annuity.***



If the designated dependent dies before you, the reversionary annuity is void and your retirement benefit is not recalculated. The reversionary annuity does not have an annual cost of living increase.

### **Reversionary Annuity Example #1**

A 67 year old member expects to receive a monthly retirement benefit of \$4,000. The member chooses a reversionary annuity so their spouse will receive 100% of their benefit after they die. The member's monthly benefit is reduced to \$3,393.20 and they will receive a non-compounded annual increase of 3% or one-half of the Consumer Price Index, whichever is less, until their death.

After the member's death, their spouse will receive 100% of their retirement benefit at the time of their death. The spouse may also qualify for a survivor benefit. If the spouse dies before the member the reversionary annuity is void, but the member's benefit will remain at the reduced amount, as the reversionary annuity option is irrevocable.

### **Reversionary Annuity Example #2**

A 67 year old member expects to receive a monthly retirement benefit of \$4,000. The member chooses a reversionary annuity so their spouse will receive 50% of their benefit after they die. The member's monthly benefit is reduced to \$3,671.60 and they will receive a non-compounded annual increase of 3% or one-half the Consumer Price Index, whichever is less, until their death.

After the member's death, their spouse will receive 50% of their retirement benefit at the time of their death. The spouse may also qualify for a survivor benefit. If the spouse dies before the member the reversionary annuity is void, but the member's benefit will remain at the reduced amount, as the reversionary annuity option is irrevocable.

## **Qualified Illinois Domestic Relations Order (QILDRO)**

A QILDRO allows for a retirement benefit or a refund of contributions to be divided due to divorce. It does not establish a new benefit.

Generally, the QILDRO orders the payment of a benefit to the spouse as the alternate payee. An alternate payee may also be a minor child or other dependent.

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 either a refund or retirement benefit, or dies.

Certain restrictions apply to members choosing level income with a QILDRO on file with SERS prior to retirement.

A Tier 2 member accepts the QILDRO as a condition of employment. Further information regarding the QILDRO process is available on our website (<https://www2.illinois.gov/sites/SRS/SERS/Resources/Pages/QILDRO-Information.aspx>). FAQs are also available on our website (<https://www2.illinois.gov/sites/SRS/SERS/Resources/Pages/FAQ-QILDRO.aspx>).

***The QILDRO does not apply to survivor annuities, disability benefits or group insurance benefits.***

***The QILDRO provisions do not apply to survivor annuities, disability benefits or group insurance benefits.***

For more information about QILDRO-related issues, See the SERS QILDRO Handbook, which is available online at the following address: <https://ilsrs.illinois.gov/content/dam/soi/en/web/srs/sers/publications/documents/handbooks/qildro.pdf>

## RETURNING TO EMPLOYMENT AFTER RETIRING

If you return to state employment or full-time employment covered by a reciprocal system after retirement, you must notify the SERS Claims Division immediately. If you become employed as a contractor by an agency other than the agency from which you retired, you may continue to receive your retirement benefit.

### Nonpermanent Reemployment

If your reemployment with the State lasts 75 working days or less during a calendar year (any part of a day is counted as a full day), you will continue to receive your pension payment. If reemployed in this manner, you will make no contributions to SERS, but you must contribute to Social Security. If you work more than 75 working days, your pension benefit will be suspended on the 76th day, and you will resume contributing to SERS.

***75-Day  
reemployment must  
be certified by the  
member and the  
employing agency  
and submitted to  
SERS for verification.***



## Permanent Reemployment

If you are reemployed by the State or another public employer on a full-time basis and become a member of a reciprocal system or fund (see page 3), your SERS pension benefits will be suspended while working. If you are reemployed by the State, you will make contributions to both SERS and Social Security during your employment and earn additional service credit.

After you retire, you must reapply for a pension. At that time, your new pension amount will be the monthly amount you received at the time of reentering service, plus an amount calculated on the service and earnings credit obtained during reemployment.

If you reenter state service within three years after retiring, you may qualify to have your prospective retirement benefit computed as though you never retired. To qualify, you must repay all of the pension benefits received prior to reemployment with interest. This repayment may be made in a lump sum, by installments paid within five years after your reemployment, or before your next retirement date, whichever is first.

If you choose not to complete installments payments before retirement or the end of the five-year period, your installment payments will be refunded and your pension will not be recomputed.

***If you receive a pension from more than one reciprocal system, you must notify each system of your reemployment. All reciprocal systems will determine if you can receive pension benefits during your reemployment.***

# DISABILITY BENEFITS

***While you receive disability benefits, your SERS account will continue to be credited with service and contributions as if you were working.***

If you become disabled and are unable to perform the duties of your position while actively employed, you may be eligible to receive disability benefits which partially replace your working income.

For disability benefits, final average compensation is the 96 highest consecutive months of service within the last 10 years, and is limited by the annual salary limitation set by the Department of Insurance.

## **NONOCCUPATIONAL DISABILITY BENEFITS**

If you become ill or injured from causes not work-related, you could be eligible for nonoccupational disability benefits if:

- Medical evidence you provide to SERS supports that your disabling condition prevents you from performing your job duties.
- You have at least 18 months of credited service with SERS (Teachers' or State Universities Retirement Systems service can be used to establish 18 months with SERS).
- You have used all your accumulated sick leave.
- You are granted a medical leave of absence by your agency.
- You and your agency have submitted the required forms to SERS.



## APPLYING FOR BENEFITS

You must apply in order to receive benefits. It is important to file an application for a disability benefit with SERS when it appears your disability will continue beyond 30 days after you stop working.

The application process requires you to obtain a medical report certifying you are unable to perform your assigned duties. You must also sign a release form giving SERS access to your medical records.

If you are eligible for either Social Security disability benefits or have attained the full retirement age for purposes of Social Security retirement benefits, your SERS disability benefit is subject to an offset equal to the amount payable from Social Security.

***If you receive, or are eligible for, any type of Social Security benefit while you are disabled, you must contact SERS. This may affect your SERS disability benefit.***

## WHEN PAYMENTS BEGIN & END

***Once SERS determines your eligibility, benefits begin to accrue on the latest of:***

- The 31st day of absence from work because of disability (including periods when sick pay was received).
- The last day you received wages (including periods when sick pay was received).

***Nonoccupational disability benefits end when:***

- You exhaust one-half of your service credit that was earned prior to your disability.
- Your disability ends.
- You return to work or become gainfully employed.
- You reach age 65. (If your disability begins at age 60 or older, benefits are payable for up to five years, subject to the one-half service credit limitation).

If your disability ends and you become disabled from the same cause within 60 days after you resume state employment, the 30-day waiting period is waived. The benefit amount for the second period of disability is the same as the first.

***SERS statutes require a SERS disability benefit to be offset by the amount the member is eligible to receive from Social Security, so it is in the member's interest to file for Social Security disability benefits if you are expected to receive SERS disability benefits for 12 months or longer.***

## **BENEFIT AMOUNT**

Your disability benefit equals 50% of your final average compensation on the date you were removed from the payroll. Your SERS benefit will be reduced by any Social Security disability benefit you are eligible to receive.

Furthermore, if you have attained the full retirement age for Social Security retirement benefit purposes, your SERS benefit will be reduced by the Social Security retirement benefit you are eligible to receive.

Any SERS disability benefit received during the same time as a retroactive Social Security payment will result in an overpayment. You are required to repay SERS the amount of retroactive Social Security benefits received during this overlapping period.

## **TERMINATION OF DISABILITY**

If your benefit is terminated because you received disability benefits for one-half of your creditable service, but you are still disabled, you become eligible for a retirement annuity if:

- You are age 67 and have at least 10 years of service credit; or
- You are between the ages of 62-67 and have at least 10 years of service credit, but it will be reduced accordingly, based on early retirement formulas.

## **SERVICE CREDIT**

While you receive disability benefits, your SERS account will continue to be credited with service and contributions as if you were working.

## **BENEFIT INCREASE**

Each nonoccupational disability benefit paid by SERS is increased 7% on January 1 after four years of receiving the benefit. Each January 1 following the date of the 7% increase, the increase equals 3%. The disability benefit is limited by the annual salary limitation set by the Department of Insurance

## **OCCUPATIONAL DISABILITY BENEFITS**

Occupational disability benefits are paid if you are unable to work due to a work-related illness or injury and have been awarded benefits payable under the Workers Compensation Act or Workers' Occupational Diseases Act.

### **Applying for Benefits**

- File a claim with the Illinois Workers' Compensation Commission (WCC), the Risk Management Division of your agency or the Risk Management Division of Department of Central Management Services to determine if your disability is work-related.
- Submit an application with the Claims Division of SERS.

***Refer to the SERS website for a complete history of the annual salary limitations for Tier 2 members.***

## **WHEN PAYMENTS BEGIN & END**

### ***Occupational disability benefits begin when:***

- Medical evidence you provide to SERS supports that your disabling condition prevents you from performing your job duties.
- You receive benefits under the Workers' Compensation or Occupational Diseases Act.
- You are removed from your agency's payroll.



### ***Occupational disability benefits end when:***

- Your disability ends, (your Doctor releases you).
- You return to work or become gainfully employed.
- When Worker's Compensation stops paying total temporary disability benefits.
- You reach age 65. (If your disability begins at age 60 or older, benefits are payable for five years).

### **BENEFIT AMOUNT**

Your disability benefit equals 75% of your final average compensation on the date you were removed from the payroll. This amount is reduced by any payments made under the Workers' Compensation Act, or the Workers' Occupational Diseases Act.

***If your injury was caused by a third party (i.e. motorist, contractor, etc.) and you collect money from that party, SERS is entitled to a reimbursement for sums paid to you in occupational disability benefits and service contributions.***

### **SERVICE CREDIT**

While you receive disability benefits, your SERS account will continue to be credited with service and contributions as if you were working.

### **BENEFIT INCREASE**

Each occupational disability benefit paid by SERS is increased 7% on January 1, after four years of receiving the benefit. On each January 1 following the date of the 7% increase, there is an increase of 3%.

## TEMPORARY DISABILITY BENEFITS

This benefit is available in disputed Workers' Compensation cases when your agency has formally denied all benefits and an appeal has been filed with the Illinois Workers' Compensation Commission (WCC).

### ***You may be eligible for the Temporary Disability Benefit if:***

- Medical evidence you provide to SERS supports that your disabling condition prevents you from performing your job duties.
- You have at least 18 months of credited service with SERS (Teachers' or State Universities Retirement Systems service can also be used to establish 18 months with SERS).
- Your claim for total temporary disability benefits under the Illinois WCC has been denied.
- You filed a request for a 19b or 19b-1 hearing due to a denial of total temporary disability benefits with the Illinois WCC.
- You submitted the required forms to SERS.
- You have not received, or had a right to receive, any compensation for at least 30 days.

### ***If the Workers' Compensation temporary total disability benefit you are receiving is terminated, you may be eligible for temporary disability benefits if:***

- Medical evidence you provide to SERS supports that your disabling condition prevents you from performing your job duties.
- You have at least 18 months of creditable service with SERS (Teachers' or State Universities Retirement Systems service can also be used to establish 18 months with SERS).
- You submitted the required forms to SERS.

- You have filed a 19b or 19b-1 appeal with the Illinois WCC.
- You have served a 30-day waiting period or received a decision from the Illinois WCC.

## **APPLYING FOR BENEFITS**

You must apply in order to receive benefits. It is important to file an application for a temporary disability benefit with SERS after it appears your disability will continue beyond 30 days after your removal from the payroll, or when your Workers' Compensation benefit is terminated.

The application process requires you to obtain a medical report certifying you are unable to perform the duties of your position. You must also sign a release form giving SERS access to your medical records.

***If you contribute to Social Security, SERS takes the amount of your Social Security benefit into account when determining your disability payment.***

## **WHEN PAYMENTS BEGIN & END**

### ***Temporary Disability Benefits begin to Accrue:***

- On the 31st day from the date you last received, or had a right to receive, any compensation if your claim was denied by the Workers' Compensation Commission.
- Disability benefits for all periods of disability are payable for a total period of time equal to one-half of creditable service not earned while on disability.

### ***Temporary Disability Benefits end when:***

- You exhaust one-half of the creditable service earned prior to your disability.
- Your disability ends.
- You become gainfully employed.
- You reach age 65. (If your disability began at age 60 or older, benefits are payable for up to five years, subject to the one-half service credit limitation).
- A payment is made on the member's claim pursuant to a determination made by the agency responsible for determining the liability of the State under the Workers'

Compensation Act or the Workers' Occupational Diseases Act.

- A final determination is made on the member's claim by the Illinois Workers' Compensation Act or the Workers' Occupational Diseases Act.

## **SERVICE CREDIT**

While you receive disability benefits, your SERS account will continue to be credited with service and contributions as if you were working.

## **BENEFIT AMOUNT**

Your disability benefit equals 50% of your final average compensation on the date you were removed from payroll. Your SERS benefit will be reduced by any Social Security disability benefit you are eligible to receive. Furthermore, if you have attained the full retirement age for Social Security retirement benefit purposes, your SERS benefit will be reduced by the Social Security retirement benefit you are eligible to receive.

***If you receive a Worker's Compensation award for the same period in which you received SERS temporary disability benefits, your SERS temporary benefits will be retroactively converted to occupational disability benefits subject to offset by the amount awarded under those Acts, resulting in the overpayment of SERS disability benefits. When you complete the application process for a temporary disability, you must acknowledge and accept the responsibility to repay SERS such overpayment.***

# DEATH BENEFITS

***Illinois recognizes legal civil unions between two people. They are entitled to the same SERS benefits as spouses if they have been legal partners for one year. Throughout this booklet, the terms 'civil union partner' and 'spouse' are used interchangeably.***

## NONOCCUPATIONAL DEATH

If your death results from a non-work related cause, your eligible survivors and beneficiaries may qualify for benefits.

### Death Before Retirement

If you die while actively employed and have at least 18 months of service, your qualified survivors will be eligible for benefits (see page 38).

In addition to survivor benefits, your pension contributions and interest will be paid to your named beneficiary(ies). If you die with no qualified survivors while actively employed, your named beneficiary(ies) will receive your contributions, plus interest, and one month's salary (based on your final average salary) for each year of service, up to a maximum of six years (six months' salary).

### Death After Termination

If your death occurs after termination of state employment, but before retirement benefits begin, you must have ten years of service for your survivors to qualify for survivor benefits.

The total survivor benefits payable are 66 2/3% of your earned pension on the date of your death, split between all eligible payees. If you die after termination with no survivors, or with less than ten years of service, your named beneficiary(ies) will receive your contributions and interest.

## Death After Retirement

If your death occurs after retirement, survivor benefits are 66 2/3% of your pension at the time of your death, split between all eligible payees. If you have no survivors, your beneficiary(ies) will receive any remaining contributions and interest, or \$500, whichever is greater.

A Social Security offset will be applied to the survivor benefit if a retired member chose not to eliminate the offset. The Social Security offset will not reduce the survivor's benefit to less than 50% of the benefit otherwise payable.

For example, if a member's pension at death is \$3,000, the survivor benefit BEFORE the offset would be \$2,000, but AFTER the offset the benefit could be reduced to no less than \$1,000.

For survivor's of retired members, the survivor benefit is increased 3% or by one-half of the Consumer Price Index on each January 1 for the preceding calendar year, whichever is less, non-compounded.

***The survivor benefit is increased 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, each January 1, following the first anniversary of the benefit.***

## ELIGIBLE SURVIVOR BENEFITS

**Your Spouse:** If you are survived by your spouse age 50 or over, and you were married at least one year prior to your death, they will receive \$1,000, plus a monthly annuity of 66 2/3% of your earned pension. They will receive this monthly benefit until death.

**Your Spouse and Children:** If your spouse supports your children under age 18 (22 if the child is a full-time student), or a disabled child over 18, they can receive benefits before age 50. They will receive \$1,000, plus a monthly annuity of 66 2/3% of your earned pension, split between all eligible payees. If your surviving spouse remains under age 50 at the time your last child reaches age 18 (22 if full-time student), marries, dies or is no longer disabled, then that survivor's annuity shall be suspended until the month following his or her 50th birthday.

**Your Children:** If you are not survived by a spouse, but have children under age 18 (22 if the child is a full-time student), or over 18 and disabled, they can receive \$1,000 plus a monthly annuity of 66 2/3% of your earned pension, split between all eligible payees. This benefit is payable until the last child reaches age 18 (22 if full-time student), marries, dies or is no longer disabled.

**Your Dependent Parents:** If your spouse or children do not survive you, your dependent parents may be eligible for benefits.

## OCCUPATIONAL DEATH BENEFITS

### Eligibility

If you die before retirement from a work-related injury or illness, as determined by the Illinois Workers' Compensation Commission, your survivors are eligible for an occupational death benefit.

If you have no qualified survivors, your nominated beneficiary(ies) will receive your contributions and interest, and one month's salary (based on your final average salary) for each year of service, up to a maximum of six years (six months' salary). If you have qualified survivors, your nominated beneficiary(ies) will receive your contributions and interest.

Additionally, annuities are paid to qualified survivors as described on the right. These amounts are reduced by any payments awarded under the Workers' Compensation Act, or the Workers' Occupational Diseases Act.

### Annual Increase

The occupational death benefit is increased by 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less, non-compounded. This increase will occur each January 1 following the first anniversary of the annuity.

**Your Spouse:** If you are survived by your spouse, they will receive a monthly annuity equal to 50% of your FAC. This benefit is payable until your spouse's death.

**Your Spouse and Children:** If your spouse has your children under his/her care who are under age 18 (22 if full-time student), or a disabled child over age 18, they can receive benefits up to a maximum of 75% of your FAC. This percentage increase to the benefit is payable until your last child reaches age 18 (22 if full-time student), marries, dies, or is no longer disabled.

**Your Children:** If you are not survived by a spouse, but have children under age 18 (22 if full-time student), or over age 18 and disabled, they can receive a monthly annuity, up to 50% of your FAC. This benefit is payable until the last child reaches age 18 (22 if full-time student), marries, dies, or is no longer disabled.

**Your Dependent Parents:** If your spouse or children do not survive you, your dependent parents may be eligible for benefits.



# LEAVING SERS

If you resign, are discharged, dismissed or laid-off from state employment, you may choose to withdraw your contributions or leave them in SERS. ***You must be off the payroll for 14 days to be eligible for a refund of contributions.***

***When you become eligible, you may restore any previous service by repaying your refunded contributions, with interest. Payments may be made in a lump sum, or by installments on a pre-tax or post-tax basis. See the Service section for more information.***

## ***If you choose to leave your contributions in SERS:***

- You must have ten years of service under SERS to qualify for a pension.
- You may have less than ten years of SERS service to qualify for a reciprocal pension; however a member's combined service credits must meet each system's minimum service credit requirements.

## ***If you choose to have your contributions refunded:***

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

## ***If you withdraw your contributions and later return to state employment:***

- You will be eligible to repay your refunded contributions and have your previous creditable service restored after you have completed two additional years of creditable service.

Creditable service under the Retirement Systems' Reciprocal Act (listed on pages 3–4) can be used to meet this requirement.

## WHEN BENEFITS OR REFUNDS ARE PAID TO YOU

- Because SERS is a qualified retirement plan under Section 401(a) of the Internal Revenue Code, you are not taxed on your contributions until you receive them,
- You pay no Illinois State Income Tax.
- You will pay federal tax on most benefits. Specific information will be furnished when benefits are payable.
- All benefits and refunds must be declared as income in the year they are received.
- Occupational disability and occupational death benefits are exempt from federal income taxes.
- You may postpone taxation of refunds by 'rolling over' the taxable portion of the payment to another employer plan that accepts it, or to an Individual Retirement Account.

The best tax treatment for you depends on your individual financial situation. Therefore, we advise all members to check with a qualified tax consultant before receiving benefits or refunds.



**Board of Trustees**

***Defined  
Benefit Plan***

**SERS Funding**

# 4. APPENDIX

## **PLAN DOCUMENT**

This handbook attempts to describe SERS benefits in nontechnical language. The official document describing SERS benefits is Illinois Compiled Statutes, 40 ILCS 5/1, 40 ILCS 5/14, and 40 ILCS 5/20 which legally governs the operation of the plan. If there is any variance between this handbook and the plan document, the plan document shall control.

## **BOARD OF TRUSTEES**

The Board of Trustees is responsible for the operation of SERS. The Board meets four times a year to review benefits, review and approve the System's finances and operations, approve legislative initiatives, approve actuarial assumptions, approve the annual certified contribution and administer policies & procedures.

The Board consists of the State Comptroller who acts as the Chairperson, six trustees who are appointed by the Governor, four elected SERS active members and two elected retirees.

## **ADMINISTRATION**

SERS is administered by the board-appointed Executive Secretary.

## **DEFINED BENEFIT PLAN**

The State Employees' Retirement System is a defined benefit plan governed by Section 401(a) of the Internal Revenue Code. In a defined benefit plan, the amount of your retirement benefit is based on your final average compensation and years of service credit.

## SERS FUNDING

The State of Illinois and SERS member contributions fund the benefit plan. The Illinois State Board of Investment invests all contributions not required for current operations for the exclusive benefit of our members and their beneficiaries.

To safeguard the proper operation and funding of this multi-billion dollar pension fund, operations are monitored both internally and externally. SERS' 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 of SERS is 37-1026227.

## PLAN YEAR

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

## LEGAL PROCESS

Legal process may be served on the SERS Executive Secretary.

## EMPLOYMENT RIGHTS

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



# GLOSSARY OF TERMS

**Agency Retirement Coordinator:** Person in each state agency who interacts with the employees of their agency and SERS.

**Alternative Retirement Formula:** The retirement formula for state employees in certain high-risk jobs.

**Automatic Increase in Retirement Annuity:**

A non-compounded increase of 3% or one-half of the unadjusted percentage increase in the Consumer Price Index during the preceding calendar year, whichever is less.

The increase is paid on January 1 following the first full year of retirement or age 67, whichever is later.

For survivors of active or inactive members or occupational death annuity, the increase is paid on January 1 following one full year of benefits.

For survivors of retired members, the increase is paid on January 1 following the commencement of the deceased member's retirement annuity.

3%

**Beneficiary for Lump-Sum Death Benefit:**

The beneficiary chosen by the member to receive his or her SERS death benefits. A beneficiary form is kept on file with SERS. This should not be confused with the Group Life Insurance beneficiary, or the Deferred Compensation beneficiary.

**Civil Union Partner:** A legal partner who is entitled to the same legal obligations, responsibilities, protections and benefits as spouses in Illinois.

**Coordinated/Covered:** A SERS member who contributes to Social Security.

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

**DD214:** A document issued by the U.S. Armed Forces to verify active duty as it pertains to military service credit.

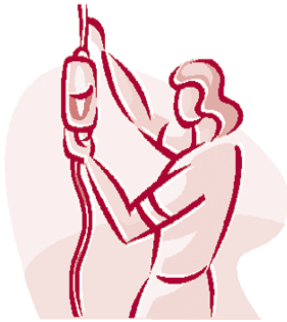
**Defined Benefit Plan:** Provides a predetermined benefit amount using a formula combining service credit and salary.

**FAC**

**Final Average Salary = Final Average Compensation (FAC):** FAC may not exceed the annual salary limitation set by the Department of Insurance. This amount increases annually by 3% or one-half of the unadjusted percentage increase in the Consumer Price Index, whichever is less. Refer to the SERS website for a complete history of the annual salary limitations for Tier 2 members.

For Retirement and Survivor Benefits – Final Average Compensation is the average of the 96 highest consecutive months of service within the last 120 months of service, including alternative formula employees'. A benefit calculated with a FAC that consists of the highest 48 96 consecutive months over the last 120





months of service will exclude earnings received in the last 12 months that exceed the mean average of the highest consecutive months by 25%.

A benefit of an alternative formula member calculated with a FAC that is equal to the monthly rate of compensation will exclude earnings greater than 115% of the average monthly compensation received by the person for the last 24 months of service.

For Death and Disability Benefits – Final Average Compensation is the average of the 96 highest consecutive months of service within the last 120 months from the date of death or disability.

**Level Income Option:** An option for coordinated/covered members when their SERS benefit is increased for the period before receiving Social Security benefits. Their SERS benefit is reduced when Social Security benefits begin. This option provides an income leveling effect throughout an individual's retirement years.

**Medical Leave of Absence:** An excused absence without pay, granted to an employee for an illness or injury not job-related.

**Member:** An active SERS employee, any former employee who has contributions credited to their account but has not received a refund, or is not receiving a retirement annuity.

**Military Service:** Active-duty service in the United States Army, Navy, Air Force, Marines, Coast Guard, or any women's auxiliary.

**Nonoccupational Disability:** A benefit paid to an individual for an injury or illness that is not work-related.

**Non-Coordinated/Non-Covered:** A SERS member who does not contribute to Social Security.

**Occupational Disability:** A benefit paid to a member for an injury or illness sustained while performing their duties as a State employee.

**Optional Service Credit:** Periods of employment that can be purchased for additional service credit. Examples include military time, repayment of refund and leaves of absence.

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

**Qualified Plan:** A retirement plan qualified under the Internal Revenue Code allowing SERS and its members certain tax advantages.

**Reciprocal Retirement Systems:** There are thirteen Illinois public retirement systems participating in the Retirement Systems' Reciprocal Act.

**Reciprocity:** A member who has at least one year of creditable service under another Illinois Public Retirement System, may use their service under that system to determine eligibility for a SERS benefit.

**Regular Retirement Formula:** The retirement formula for State employees in positions not designated as high-risk.

**Reversionary Annuity:** A member may elect to receive a reduced retirement benefit and provide a greater benefit for a designated beneficiary.

**Retirement Systems' Reciprocal Act:** Provides continuity of pension credits for individuals who have participated in more than one Illinois public employee retirement system. There are currently thirteen retirement systems participating in the Retirement Systems' Reciprocal Act.

**Rollover:** Postponing taxation of distributions by "rolling-over" the payment to another qualified plan, or to an Individual Retirement Account or Roth IRA.

**Service:** The total creditable service certified to a member's account.

**Sick Leave:** An absence from work due to illness, or the days that accrue for use in the event of illness. This time may be used to establish additional service credit at retirement.

**State Employee:** Any person who performs services for the State of Illinois.

**Survivor Annuity Beneficiary:** A beneficiary (spouse, civil union partner, child, dependent parent) 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.

**Temporary Disability:** A benefit payable during a period when an injury or illness is being contested under the Workers' Compensation Act. A temporary benefit eventually becomes a nonoccupational or occupational disability.

**Tier 1:** Any member who first enrolled in a reciprocal retirement system other than JRS or GARS before January 1, 2011.

**Tier 2:** Any individual who first becomes a member of SERS or a reciprocal system after December 31, 2010

# RETIREMENT TIMELINE

## First Year of State Employment

- Carefully review your Member Services account to ensure that SERS records match yours.
- Purchase all allowable service credit. Optional service includes:
  - Qualifying Periods
  - Military Service
  - Refunded Contributions
  - Leaves of Absence
- Visit our website and become familiar with its content.

## 3 Years from Retirement

- Carefully review your Member Services account to ensure that SERS records match yours.
- Purchase all allowable service credit.
- Attend the preretirement work-shop *Countdown to Retirement*.
- Utilize the estimate on your Member Services account.
- Contact the local Social Security office for an estimate of your Social Security benefit.

## Early in Your Career

- Carefully review your Member Services account to ensure that SERS records match yours.
- Purchase all allowable service credit.
- Attend the preretirement work-shop *Investing in Your Future*.

## 12 Months from Retirement

- Carefully review your Member Services account to ensure that SERS records match yours.
- Purchase all allowable service credit.
- Discuss benefit options with family members.
- Contact SERS for an official pension estimate.

## 5-15 Years from Retirement

- Carefully review your Member Services account.
- Purchase all allowable service credit.
- Attend the preretirement work-shop *Education for Tomorrow's Choices*.

## 1-2 Months from Retirement

- Carefully review your Member Services account to ensure that SERS records match yours.
- Purchase all allowable service credit.
- Request, complete and return the Application for Retirement Annuity Pension form #3004 to SERS within 30 days of your pension becoming effective. Other documents which should be returned with your retirement application are:
  - The Depository Agreement for SERS Benefit Payments (form #3967) if you want your annuity electronically deposited in your bank.
  - A photocopy of your certified birth certificate, if requested on retirement application.
- Check with the Deferred Compensation office about distribution.

## At Retirement

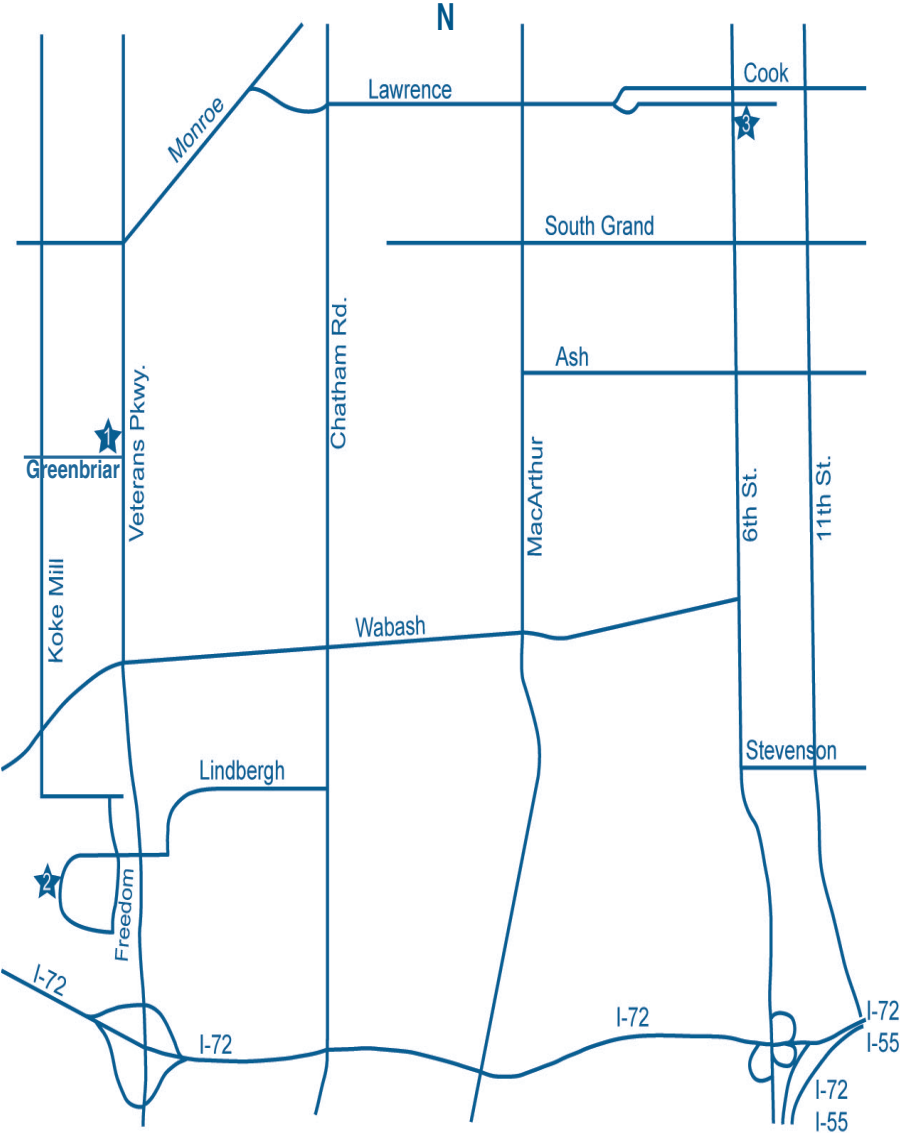
- Acquire additional service credit by purchasing your sick and vacation days by contacting your agency's Retirement Coordinator before you terminate service.
- Notify your agency of your intent to retire and the date you wish to do so.

- If you need to change your SERS beneficiary, contact SERS for a Nomination of Beneficiary form #101.
- On your last day of employment, resign from your agency by signing the appropriate documents. If you are on disability, you must resign from your leave of absence in order to retire.

## After Retirement

- The State of Illinois requires plan participants who become eligible for premium-free Medicare Part A when turning age 65 or due to a disability before age 65, to enroll in Medicare Part B. Failure to enroll and maintain enrollment in Parts A & B results in a reduction of benefits and additional out-of-pocket expenses for medical services.
- After you retire, questions about the group insurance program should be made to SERS.

# CITY OF SPRINGFIELD



★ SERS  
2101 S. Veterans Parkway  
P. O. Box 19255  
Springfield, IL  
62794-9255

★ Social Security  
3112 Constitution Drive  
Springfield, IL  
62704

★ Deferred Compensation  
801 South 7th Street  
P. O. Box 19208  
Springfield, IL  
62794-9208

## **SERS MISSION STATEMENT**

To provide an orderly means whereby aged or disabled employees may be retired from active service, without prejudice or hardship, and to enable the employees to accumulate reserves for themselves and their dependents for old age, disability, death and termination of employment, thus effecting economy and efficiency in the administration of the State Government.