



PENSION BENEFIT APPLICATION PACKET

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS



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

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

Retirement Checklist

It is recommended the required retirement documents are submitted within 30 days of your retirement date. Retirement documents received more than 90 days before your retirement date will be returned. If you change your retirement date after submission, your application is valid for 90 days then a new one is required.

Coordinate with Agency/Reciprocal Systems:

- ☐ Notify your agency of the date you wish to retire and contact your Retirement Coordinator for assistance.
- ☐ Inform your agency payroll officer if you want additional service credit for your paid sick and paid vacation days.
- ☐ Resign from your agency. If you are on disability, you must resign from your leave of absence to retire. Layoff, discharge, or dismissal is considered a final personnel action for retirement purposes and resignation is not required.
- ☐ If you are retiring under the Reciprocal Act, you must apply with all applicable systems.

Required documents:

- ☐ A complete and signed Form 3004 - Retirement Application
Your retirement date must be the first of the month and all questions on the form must be answered.
- ☐ A photocopy of your birth certificate must be on record (see Form 3928 - Birth Certificate Notice)
- ☐ A complete and signed Form 3991 - Retiree Insurance Form (see Form 3018 - Retiree State Insurance Checklist)
- ☐ A complete Form 3967 - Direct Deposit Agreement for Benefit Payments signed by you and your financial institution.
- ☐ A complete and signed Form W-4P - Withholding Certificate for Pension or Annuity Payments for federal taxes.

Required documents, if applicable:

- ☐ A photocopy of an official marriage certificate from the county in which you were married.
- ☐ A photocopy of your spouse's birth certificate.
- ☐ A photocopy of your spouse's death certificate or obituary.
- ☐ A photocopy of the first page and the Judge's signature page of your divorce decree.
- ☐ A photocopy of your and/or your dependent's Medicare cards.

Optional documents:

- ☐ A complete and signed Form 101 - Death Benefit Beneficiary Designation to update your beneficiaries.
- ☐ Appropriate authorization for any optional deductions from your benefit payment (additional life insurance, union dues, etc.).

To have your NCPERS Voluntary Life Program premiums deducted from your retirement check you must re-enroll. Visit their website at ncpers.memberbenefits.com/SRS, call 800-525-8056, or email ncpers@memberbenefits.com.

To purchase additional service credit before you retire, (e.g., qualifying/short periods, military service, refunded contributions or leave(s) of absence) go to your Member Services online account/Service Purchases.

To retain access to your SERS account after retirement, create a Member Services account at memberservices.srs.illinois.gov. Be sure to use a personal email address, you won't have access to your illinois.gov email after retirement.

An acknowledgment letter will be sent via email or US mail once your application packet is processed. A survivor contributions refund form will be sent once eligibility is verified when the application packet is processed.

Please return completed application packets, free of fact sheets and instruction pages, to our office:

Email: sers@srs.illinois.gov

US Mail: State Employees' Retirement System
2101 S. Veterans Parkway
P.O. Box 19255
Springfield, IL 62794-9255

Fax: 217-558-8520



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Retiree State Insurance Checklist

The State of Illinois Group Insurance Program is administered by MyBenefits through the Illinois Department of Central Management Services (CMS). MyBenefits will assist SERS retirees with insurance questions, available coverage options, and making any necessary changes through their customized website and/or a call center.

Required documents

- ☐ A complete and signed Form 3991 - Retiree Insurance Form must be submitted with your retirement application packet to initiate your insurance change to a retiree.
- ☐ A photocopy of your and/or your dependent's Medicare cards, if applicable.

SERS will process completed forms no sooner than two weeks prior to your retirement date. Completed forms received within (or after) two weeks of the retirement date will be processed as quickly as possible, but typically no later than 5 business days.

Your retirement date must be the first of the month.

Once SERS processes your form through CMS a Retirement Event opens in MyBenefits, and you have 60 days from your retirement date to enroll, make coverage elections and/or make other necessary changes. Depending on how you registered, a letter or email will be sent from MyBenefits once they have received notification of your retirement.

If you were previously enrolled in the State of Illinois Group Insurance Program through your agency, your health insurance elections will remain intact. You can, however, make changes within your 60 days.

Register online to make changes to your insurance at retirement, during open enrollment periods, and/or when a qualifying life event happens (marriage, divorce, etc.). Users can download and upload required forms and view available insurance plans, premium costs, and compare coverages. MyBenefits also offers online tools and other necessary information used to make informed decisions for your insurance coverages.

The appropriate contact information is as follows:

MyBenefits website: [MyBenefits.illinois.gov](https://mybenefits.illinois.gov)

MyBenefits call center: 844-251-1777 or 844-251-1778 (TDD/TTY)

Opt-out Financial Incentive:

If you are not currently eligible for Medicare, you may elect to not participate in the State Employees Group Insurance Program and receive a monthly financial incentive. Members who have 20 years of service are eligible to receive \$500 per month. Members who have less than 20 years are eligible for \$150 per month.

You must make this election on your Form 3991 – Retiree Insurance Form. This incentive is administered through CMS, but you must go through SERS for approval. Once the completed form is processed SERS will review for eligibility and provide the necessary documents as required by CMS. **Please note, these payments are not made by SERS and are NOT included with your retirement annuity payments.**



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Birth Certificate Notice

We need a copy of your birth certificate to complete your record. Please write the last four digits of your social security number or your member ID on the copy you provide. It does not need to be a certified copy.

Any member applying for a retirement annuity, survivor's annuity or any disability benefit must submit a copy of their birth record issued by the state/county of birth as proof of your birth date.

If you do not have a copy of your birth certificate, it will be necessary that you obtain a copy from the state/county in which you were born.

If no record exists, you must submit a signed affidavit from the state/county certifying that no birth record exists. Along with the signed affidavit, the following documents may be submitted for consideration of proof of birth date:

- Military records;
- Marriage record showing date of birth;
- Evidence of Social security payments that require you to reach a specific age;
- Church record of birth or baptism;
- Valid passport;
- Valid driver's license; or
- Two or more documents showing date of birth, such as naturalization papers, insurance policies, school or medical records.

If none of the above documents are available, an affidavit from a parent, adult sibling or relative having knowledge of your date of birth may be considered. If you need information on where to contact for your birth record, please contact our office at 217-785-7444.

Please be aware that knowingly making a false statement or falsifying a record in an attempt to defraud SERS is a class 3 felony. If the SERS Board of Trustees has a reasonable suspicion that an attempt has been made to defraud SERS, it is required to report the matter to the appropriate State's Attorney for investigation.









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Payable Benefit Time Fact Sheet (Only Available Upon Retirement)

Upon retirement, your unused payable benefit time can be converted into service credit. In order to convert this time, contact your retirement coordinator/payroll coordinator to discuss your options. If you elect to do so and as part of the process, your retirement coordinator/payroll coordinator will send you an email about your contribution election. Once you receive this email, you'll need to log into your Member Services account and elect to purchase this time with either a Pre-Tax deduction, a Post-Tax payment, or elect NOT to purchase the time.

SERS MEMBERSHIP RECORD	
FEDERAL WITHHOLDING	
DEMOGRAPHICS	
MEMBER SERVICES	
SERVICE PURCHASES 	SERS SERVICE PURCHASES
ANNUAL STATEMENTS	Request the Cost of Optional Service Purchases for which I May Qualify 
PAY STUB	My Service Purchase Offers with Payment Options 
INSURANCE	View My Service Purchase Payments and Balances 
TERMS AND CONDITIONS	SERS PAYABLE BENEFIT TIME (ONLY AVAILABLE UPON RETIREMENT)
	My Sick And Vacation Contribution Election  

Step 1

From the Member Services website,
click "Service Purchases" from the menu.

Step 2

Under the "SERS Payable Benefit Time (Only Available Upon Retirement)" heading, click "My Sick and Vacation Contributions Election"

Step 3 / 4

Make your election. Choose from Pre-Tax, Post-Tax, or No, I DID NOT want to establish extra months of service.

Click "Review and Confirm Sick and Vacation Election"

Select Payment Method

Your employer has indicated that you would like to establish extra months of service using your lump sum payment for Paid Sick, Vacation and Personal Days. If this is correct, please select either the Pre-Tax or Post-Tax option, the contributions will be withheld from your lump sum payment. If this is incorrect, please select No, I did not want to establish extra months of service.

☐ **Pre-Tax** (Contributions are not taxed until after employee retires.)
I elect and authorize the deduction of employee retirement contributions for my lump sum pay for sick days, vacation and or personal days on a pre-tax (i.e. tax deferred) basis.

IRREVOCABLE PAYROLL AUTHORIZATION
I hereby authorize and understand that this authorization is binding and irrevocable.

- A deduction is to be made from my lump sum sick and vacation payment in the amount of **\$1,540.54**.
- For the effective period of this agreement, payments are to be made by my employer. While this agreement is in effect, I understand that SERS will only accept payment from my employer and not directly from me.
- My employer is obligated to make payment pursuant to this agreement only if there are sufficient funds from my earnings to do so after any other mandatory deductions.

☐ **Post-Tax (Uncommon)** (Contributions are taxed at the time of Lump Sum payment.)
I elect and authorize the deduction of employee retirement contributions on my lump sum pay for sick days, vacation and/or personal days on a post-tax (i.e. NOT tax deferred) basis.

☐ **No, I DID NOT want to establish extra months of service.**

Step 5 / 6

Review the cost information. Check the two boxes that begin with "I understand". Review your email address on file. It is listed in the yellow text box.

When you are satisfied with your selection, click "Submit". This will send your election to SERS.

Lincoln, Abraham - XXX-XXX-7890 - [Member Id: 12-34567890]

SICK AND VACATION MEMBER ELECTION

Lump Sum Payment from Paid Sick, Vacation and Personal Days	\$6,052.47
Paid Months of Service Established	1.50
Contributions Due	514.46
Tax Option	Pre-Tax

☐ I understand that by checking this box I elect and authorize the deduction of employee retirement contributions for my lump sum pay for sick days, vacation and or personal days on a pre-tax (i.e. tax deferred) basis.

☐ I understand that checking this box constitutes a legal signature under Illinois Law that confirms I acknowledge and warrant the truthfulness of the information provided in this official record of the retirement system. I understand that pursuant to State law, any person who knowingly makes a false statement or falsifies a record in an attempt to defraud the retirement system is guilty of a Class 3 felony.

☒ Please send me an e-mail receipt of this election confirmation. Your notification e-mail address is: d-witt1969@hotmail.com. Click [Profile](#) to update your e-mail address.

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 or 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>

Returning to State Employment Fact Sheet

If you are returning to State employment after retiring or taking a refund of your contributions, you have different options to restore your account to the level it was when you left State employment.

Returning to Work After Retiring

If you return to state employment on a permanent basis after retirement, you should notify SERS immediately.

There are two methods of returning to state employment that may affect the continuation of your SERS pension: contractual and non-permanent.

Reciprocity

If you receive a pension from more than one Illinois public retirement system which participates in the Retirement Systems' Reciprocal Act, you must notify each retirement system. Each reciprocal retirement system has specific rules to determine if retirees are eligible to receive pension benefits during reemployment.

Tier 1

If you are receiving a proportional annuity from another reciprocal retirement system and return to service under that system, then the proportional annuities payable from that System and SERS shall be suspended for the duration of that service.

Tier 2

If you become reemployed by an employer covered by a retirement system that participates in the Illinois Retirement Systems Reciprocal Act, your retirement benefits will be subject to suspension until you cease working.

Contractual Employment

Tier 1

If you return to State employment on a contractual basis after retiring and were not a participant in the 2002-2003 Early Retirement Incentive (ERI) program or if you return to employment in the private sector, your SERS benefit will not be affected. Early Retirement Incentive participants from 2002-03 are not allowed to return to work on a contractual basis.

Tier 2

If you are a Tier 2 member who first began service on or after January 1, 2012 who returns to State employment as a contractor with the employer from which you retired, your benefit shall be suspended. This provision does not apply to Tier 2 members who first began service between January 1, 2011 and December 31, 2011.

Non-Permanent Reemployment

If your employment with the state will last for 75 or less working days during a calendar year (any part of a day is counted as a full day), you will continue to receive your pension payment.

During your employment, you make no contributions to SERS, but you must contribute to Social Security. If you work more than 75 working days, your pension benefit will end on the 76th day, and you will resume contributing to SERS. 75-day employment requires certification to be submitted to SERS.

Permanent Reemployment

If you are reemployed by the state on a permanent basis, you won't be eligible for pension benefits while working. You will make contributions to both SERS and Social Security during your employment and earn additional service credit.

After you again retire from state employment, you must reapply for a pension. Your new pension amount will be the benefit earned before reemployment, plus an additional amount based on the service and earnings credits earned during reemployment.

If you reenter state service within three years after retiring, you may qualify to have your new retirement benefit computed as though you never retired. To qualify, you must repay all of the pension benefits you received, plus interest.

The 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 installment payments before retirement or the end of the five-year period, your installment payments will be refunded and your pension will not be recomputed.

Returning to Work After Receiving a Refund

If you return to state employment after receiving a refund, you may repay your refunded contributions with interest and have your previous service credit restored after you complete at least two years of credited service subsequent to the date of the refund.

Credited service from other public retirement systems under the Reciprocal Act can also be used to meet the two year requirement.

Returning to Work After Receiving the Alternative Retirement Cancellation Payment (ARCP) or the Contingent Lump Sum Incentive Payment (CLSIP)

If you return to full-time employment, legislation requires repayment of the ARCP portion of your lump sum payout from SERS within 60 days. ARCP and CLSIP participants can work 75 days of non-permanent employment and avoid repaying the lump sum. However, if these individuals work more than 75 days per calendar year, they will be required to repay their lump sum amount. CLSIP repayment is monitored by Central Management Services.

Returning to Work from Inactive Status

If you return to state employment after being an inactive SERS member, notify your new employing agency that you are a member of SERS. Contributions start immediately.



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Level Income Fact Sheet

The following example illustrates how the Level Income option works for a Tier 1 member.

A member is eligible for a monthly pension of \$3,500 from SERS at age 55. The member is also eligible for a monthly Social Security benefit of \$1,500 at age 62.

Member retires at age 55

The member's \$1,500 monthly Social Security benefit is reduced to \$798.00. By adding the SERS benefit of \$3,500 to the \$798.00 Social Security benefit, the monthly benefit amount calculates to \$4,298.00. This benefit will increase by 3% each year to \$5,286.00 per month at age 62 years, 1 month.

When the member turns 62 years, 1 month

The member's monthly SERS benefit reduces by the full Social Security benefit of \$1,500 to equal \$3,786.00. However, the member's combined monthly benefit from SERS and Social Security would still total \$5,286.00.

You can elect the Level Income option until age 62 through age 67.

If you pay into both SERS and Social Security, choosing the Level Income option allows you to receive benefits at a steady amount throughout retirement. You may select the Level Income option at retirement as long as you are not yet eligible to receive Social Security benefits.

Under Level Income, SERS pays your regular retirement benefit plus an additional amount based on your estimated Social Security benefit until you reach the age you elected on your retirement application. At that time, we reduce your pension by the amount on your Social Security estimate that you indicated on your retirement application. We pay the reduced amount for your lifetime, regardless of when you apply and begin receiving your Social Security benefit or the actual amount of the benefit.

When you begin receiving your Social Security benefit, that amount should make up the difference in the reduction of your SERS benefit, therefore continuing your steady income. If you choose Level Income, it is your responsibility to apply for Social Security benefits in a timely manner.

If you would like an estimate of your SERS benefit using the Level Income option, request a retirement estimate from Social Security by using the online Retirement Estimator from their website. Once you receive your estimate, contact SERS and we will assist you with your Level Income estimate. When asked for last year's earnings you will need to enter \$0.

Social Security Estimate

Social Security's online Retirement Estimator can provide a retirement estimate based on your actual Social Security earnings record. *To get a Social Security estimate using the Retirement Estimator, go to socialsecurity.gov/estimator.*

You can use the Retirement Estimator if you have enough Social Security credits and you are NOT:

- Currently receiving benefits on your own record;
- Age 62 or older receiving benefits on another record;
- Eligible for a pension based upon work not covered by Social Security.

The Level Income option is NOT collecting Social Security Benefits earlier and is a strictly optional election. Level Income is irrevocable once it is chosen. It is important to understand what you're electing, as it will impact your benefit amount. Level Income will temporarily increase your pension benefit amount until you are of Social Security age. Once you reach your elected Social Security retirement age, your pension will be PERMANENTLY reduced to level your income from the previous increase.

Examples of Level Income (assuming Social Security Benefits equal \$1,000)

From age 55

SRS Normal Distribution	\$2,000.00
Level Income	\$536.00
Total SERS Pension	\$2,536.00

Age 62

SERS Pension w/COLAs	\$3,118.96
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At age 62 and One Month

Reduced SERS Pension	\$2,118.96
Social Security	\$1,000.00
Total	\$3,118.96

Age 55 Without Level Income

Total SERS Pension	\$2,000.00
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Age 62 Without Level Income

SERS Pension w/COLAs	\$2,459.75
Social Security	\$1,000.00
Total Pension	\$3,459.75



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Social Security Offset Fact Sheet

An offset of 50% of the gain of the survivor's Social Security benefit is applied when necessary to the SERS survivor's benefit when the survivor reaches age 60. The amount of the survivor benefit will be reduced by 50% of the gain of the social security benefit if the survivor switches from their own Social Security benefit to the member's.

These offsets cannot reduce the SERS survivors benefit by more than 50%.

The offset does not include any increases to the Social Security survivor benefit that are applied after the offset takes effect.

The Social Security offset for a survivor annuity is reviewed between age 50-59, at age 60 and at age 62.

You can elect to remove the Social Security offset on your retirement application, which will reduce your monthly pension annuity by 3.825%.

If you've never paid into Social Security as a state employee, no offset will apply.

Example: Age 60 (under the deceased member's social security number)

SERS	\$2,000	x	50%	=	\$1000
SS	\$800	x	50%	=	-\$400
					\$600

SERS Benefit Pays	\$600
SS Pays	\$800
Total Survivor Benefit	\$1,400

Most SERS members contribute to Social Security. If you pay into Social Security, your survivor may be eligible for a SERS survivor benefit in addition to a Social Security survivor benefit. A SERS survivor benefit is reduced by 50% of any gain in Social Security survivor benefit. This offset only applies to SERS survivor benefits earned during SERS service coordinated with Social Security and cannot reduce the SERS survivor benefit to less than 25% of the member's pension at death.

At age 50, if a survivor is eligible for a disabled widow's benefit from Social Security, 50% of the disabled widow's benefit is subtracted from the SERS survivor's monthly gross annuity. This offset remains for the survivor's lifetime. At age 60, 50% of the widow's Social Security benefit is subtracted from the SERS survivor's monthly gross annuity. At age 62, Social Security benefits are reviewed again, and the survivor's own Social Security benefit is subtracted from the widow's Social Security benefit. This total is divided in half and subtracted from the survivor's monthly gross annuity.

When completing a retirement application, you may elect to remove the Social Security offset. By making this election, your monthly annuity is reduced by 3.825% and any future SERS survivor benefit payable after your death will not be reduced due to a Social Security survivor benefit.

This option may be a good choice for you if:

- You are in poor health
- Your spouse is much younger than you
- Your spouse contributed very little to Social Security Administration (SSA)
- You and your spouse both contributed to SSA, but your salary has been much higher than your spouse's

This option may not be a good choice for you if:

- Your spouse is in poor health
- Your spouse is much older than you
- Your spouse is not eligible for a widow's benefit from SSA due to their own employment from a governmental unit, including any service time not paid into Social Security. (Ex: Teacher's Retirement System, State Universities' Retirement System)
- You and your spouse both contributed to SSA, but your salary has been much lower than your spouse's

If you choose the Social Security offset removal and your marital status changes due to divorce or death of your spouse, you can elect to discontinue the 3.825% reduction going forward. You will not be refunded the prior reductions from your retirement annuity. You cannot revoke the Social Security offset removal if you have an eligible survivor, such as a minor child, full-time student under age 22 or a dependent disabled adult child.



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Accelerated Pension Benefit Payment Fact Sheet (COLA Buyout)

The lump-sum payment is optional and only available to Tier 1 members who are retiring from SERS for the first time.

Qualified plans include:

- 401(a)
- 401(k)
- 403(b)
- *457(b)
- IRAs (SIMPLE and traditional)

***Rollovers to 457(b)**

Members who currently have a 457(b) State of Illinois Deferred Compensation account may roll over the entire accelerated pension benefit payment to their Deferred Compensation account.

Rollovers to IRAs

Some IRAs limit the amount of transfers you can make within a 12-month period.

If you are a Tier 1 member and your retirement effective date is December 1, 2018 through June 1, 2026, you may elect to waive the 3% compounded cost of living adjustments (COLAs) and instead receive 1.5% non-compounded COLAs. These reduced COLAs will begin the January 1st following the first anniversary of retirement or age 67, whichever is later. Survivors of members who elect this option will also receive 1.5% non-compounded COLAs beginning the January 1 following the anniversary of the start of the survivor annuity.

Members who elect to waive the Tier 1 COLAs will receive a one-time lump-sum payment equal to 70% of the difference in the present value of the Tier 1 COLAs and the 1.5% non-compounded COLAs, as calculated by SERS. The calculated lump-sum payment amount will be based on current SERS' actuarial assumptions, are subject to applicable IRS withholding and tax laws and must be transferred to a qualified retirement plan. You must report any payments you roll to a qualified plan to the IRS. Buyout payments will be issued as soon as possible, although it may take several months.

Eligibility requirements for this payment option:

- You must terminate service;
- You must be eligible to retire;
- You cannot have ever received SERS retirement benefits;
- You cannot choose the level income option;
- You cannot choose the Social Security Offset Removal;
- You cannot choose the reversionary option;
- If you have a QILDRO (Qualified Illinois Domestic Relations Order) on file, you may have to receive permission for the buyout from the alternate payee.

After you submit your completed retirement application to SERS, you will receive notification of the lump-sum amount you may elect to receive, along with an election form that allows you to choose to waive the 3% compounded COLAs in exchange for the lump-sum payment. You must submit the election forms accepting such payment no later than May 31, 2026 for you to be eligible for the Accelerated Pension Benefit Payment (COLA Buyout).

Your retirement effective date must be December 1, 2018 through June 1, 2026 for you to be eligible for an Accelerated Pension Benefit Payment (COLA Buyout). Please note the COLA Buyout option may end before June 1, 2026 if available funds are exhausted prior to that date.

The COLA buyout option is a strictly optional election, but it is irrevocable once it's chosen. It is important to understand what you're electing, as it will impact your benefit amount.



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P.O. Box 19255
Springfield, IL 62794-9255

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

Taxes, Lump-Sum Payments and Rollovers Fact Sheet

Common lump-sum payments

The most common lump-sum payments are termination refunds when leaving state employment, death benefits paid to your beneficiaries, and survivor contribution refunds at retirement.

Early distribution penalty

If you terminate State employment prior to age 55 (50 for public safety employees), and take a refund of your SERS contributions prior to age 59½, you are subject to a 10% early distribution penalty if you do not roll the refund into a qualified plan. This early distribution penalty does not apply if you terminate State employment in or after the year you attain age 55 and receive a termination refund, or receive a lump-sum payment because of death or disability. Lump-sum death benefits, survivor contribution refunds and alternative formula refunds are typically not subject to the 10% early distribution penalty.

*Limitations on rollovers

You can roll any of the taxable portions of your funds into a 457(b) Deferred Compensation Plan, however you are not allowed to roll after-tax contributions into this plan.

Rollovers to IRAs

You must report any after-tax contributions you roll to an IRA to the IRS. Some IRAs limit the amount of transfers you can make within a 12-month period.

Taxation of Monthly SERS Benefits

All SERS benefits are exempt from Illinois State Income Tax, but are subject to federal taxes, with the exception of monthly occupational disability benefits and monthly occupational death benefits. When applying for a benefit, you may choose how you want your federal taxes withheld. If you don't make an initial election, we withhold federal taxes at the rate for a single person or married filing separately. You may change your withholding election at any time. The Comptroller's Office will send you a 1099-R tax statement every January.

If you made after-tax contributions or purchased service credit with after-tax dollars, part of your benefit will not be subject to federal taxes. SERS calculates the portion of your benefit that is exempt from federal taxes using the IRS Simplified Method. For more details, see IRS Publication 575, Pension and Annuity Income.

If you have a non-IRS dependent on your state health and dental policies, or if you have group term life insurance coverage over \$50,000, the Comptroller's office will send you a Form W-2GI+.

Taxation of SERS Lump-sum payments

When we send a lump-sum payment directly to you, it is subject to a mandatory 20% federal withholding tax rate in the year you receive the payment. This withholding will be reported to the IRS and credited toward any income tax you may owe. Lump-sum payments include death benefits paid to your beneficiaries, and termination refunds when you leave state service.

Rollovers to a qualified plan

You may have all or a portion of a lump-sum payment made directly to a qualified plan to avoid a tax penalty.

Qualified plans include:

- 401(a)
- 401(k)
- 403(b)
- *457(b)
- IRAs (SIMPLE and traditional)

If you choose to receive a lump-sum payment made directly to you, you have 60 days to roll the payment into a qualified plan. However, we cannot reverse the mandatory 20% federal tax withholding, so you are responsible for supplying the additional funds.

You should consult with your tax advisor for additional questions.



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Group Insurance Benefits Fact Sheet

MyBenefits will assist you with insurance questions, choices, and changes through their website Mybenefits.illinois.gov and/or a call center at 844-251-1777.

To properly maintain your insurance record, it is important to keep your residential address, email address and phone number current with SERS.

For up-to-date information, rates, publications, contact information and the latest news about the Group Insurance Program, visit these locations:

MyBenefits
Mybenefits.illinois.gov

MyBenefits Call Center
844-251-1777
844-251-1778 (TTD/TTY)

SERS Insurance Webpage
srs.illinois.gov

INSURANCE INFORMATION AT RETIREMENT

To qualify for State of Illinois Group Insurance at retirement, a member must be vested in the State Employees' Retirement System (SERS). A Tier 1 member must have a minimum of 8 years of SERS service. A Tier 2 member must have a minimum of 10 years of SERS service.

Insurance coverage becomes effective on the date of commencement of the monthly annuity, or the first of the month the retirement application was received, whichever is later.

A member's health insurance premium is paid by the State if 20 or more full years of service were completed. For members with less than 20 years of service, the State will pay 5% of the State's cost for health insurance for each full year of service and the member is responsible for the remaining premium.

A complete, signed Form 3991 – Retiree Insurance Form is required with a retirement application packet and Form 3018 – Retiree State Insurance Checklist provides details on how to access insurance information and make elections.

Premiums for dental coverage and dependent health coverage are available in the most current Benefit Choice Booklet, which is on the SRS, CMS, and MyBenefits websites.

GROUP LIFE INSURANCE AT THE TIME OF RETIREMENT

If you are age 60 or older, the basic life insurance amount reduces to \$5,000 at retirement. When this occurs, the optional life insurance coverage will also reduce to increments of \$5,000 up to a maximum of four times the basic life insurance amount.

GROUP LIFE INSURANCE BENEFICIARY

MetLife is the current life insurance administrator for the State of Illinois. MetLife maintains their own life insurance beneficiary designations. If you need to designate a beneficiary or wish to change a beneficiary designation, contact them at (800) 880-6394 or visit their website at metlife.com. **Please note, your Group Life Insurance beneficiary nominations are separate from your SERS Death Benefit beneficiary nominations.**



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Medicare Insurance Fact Sheet

To ensure benefits are coordinated appropriately, and to prevent financial liabilities with health care claims, participants must submit documentation to the Central Management Services (CMS) Medicare Coordination of Benefits Unit (MCOB) when becoming eligible for Medicare.

TRAIL - Total Retiree Advantage Illinois Medicare Advantage Program

Initial Enrollment: which is offered to all Medicare-eligible retirees and their Medicare-eligible dependents within 60-days of the 65th birthday (of the youngest enrollee).

Open Enrollment: an annual enrollment held in the fall of each year. This period is open to change elections or enroll. Changes are effective January 1st.

If you have questions about Medicare or how it coordinates with Group Insurance, please contact:

CMS MCOB
PO Box 19208
Springfield, IL 62794-9208
217-782-7007 OR
1-800-442-1300 ext. 7007
CMS.Ben.MedicareCOB@illinois.gov

Medicare is a federal health insurance program for individuals 65 and older, individuals under age 65 with certain disabilities, and individuals at any age with End Stage Renal Disease.

The State of Illinois Group Insurance Program requires retired or disabled plan participants, and their dependents who become eligible for premium free Medicare Part A (hospitalization) to enroll in Medicare Part B (outpatient services including office visits, labs, x-rays, and some medical supplies).

If you are unsure you qualify for premium free Medicare Part A, contact your local Social Security Administration (SSA) Office. If a retiring or disabled plan participant fails to purchase Medicare Part B once they become eligible for premium free Medicare Part A, the State will reduce its benefits and the member will pay the portion Medicare would have paid.

If a member and/or member dependent are not eligible for premium free Medicare Part A, the State will pay your health insurance claims at the normal benefit level with no reduction. A letter from the SSA must be provided to the Medicare Coordination of Benefits Unit (MCOB) of CMS to verify ineligibility for premium free Medicare Part A.

State health insurance premiums are lower for Medicare Primary (enrolled in both Medicare Part A and Medicare Part B) dependents.

CMS will mail a letter to the member 90 days prior to turning age 65 that provides important information on both the requirement to enroll in Medicare and the transition to the TRAIL Medicare Advantage Prescription Drug Program (MAPD).

If you and/or your dependents receive or have Medicare cards from SSA, please send a photocopy of the card(s) to MCOB to ensure your insurance is coded correctly to avoid claim and/or premium errors.



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Accessing the Member Services Website Fact Sheet

When you access the SRS website, you can view the following information:

- Membership Data
- Phone Numbers
- Email Addresses
- Earnings Statements

MEMBER SERVICES Q & A'S

What browsers can I use to access the SRS Member Services website?

We support the following browsers:

- Internet Explorer 9 and higher
- Chrome 33.x and higher
- Firefox 23.x and higher
- Safari 5.x and higher
- Opera 20.x and higher

If you do not have the current version of one of these browsers, download and install a current version.

How do I find the SRS Member Services website?

On the web, navigate to memberservices.srs.illinois.gov.

What do I need to access the SRS Member Services website?

You will need an Illinois Public Account.

What is an Illinois Public Account?

It's an online account maintained by the State of Illinois that allows you secure access to the SRS Member Services website.

Is an Illinois Public Account free?

Yes, it is free to sign up. There is a one-time registration process during your first sign up.

Over the last several years, the misuse and theft of Social Security numbers and other personal information has become a major problem in private industry and government agencies across the United States. To help protect our member's personal information, SERS has created a secure Member Website.

Legislation passed by the General Assembly instructs each State agency to implement a secure website for employees to access an electronic version of their earnings statement issued after July 1, 2014. The Comptroller will no longer mail earnings statements.

To meet this mandate, we have created the SRS Member Services website which provides members with secure interactive access to their membership data. To view your SERS information, you will have to access our SRS Member Services Website.

To sign up for an Illinois Public Account (if you do not have one):

1. From your Internet browser enter <https://memberservices.srs.illinois.gov> or access the SRS Member Services website link from www.srs.illinois.gov
2. Click the "Create a New Account" link.
3. Enter your "First Name" and "Last Name"
4. Enter your **personal "Email Address"** and again in "Confirm Email Address"
5. Enter your "Cell Phone" (Optional)
6. Enter your chosen "Username"
7. Enter your chosen "Password" (be sure to review the link for State of Illinois password requirements).
8. "Confirm Password" by reentering your password.
9. Click "Register"

Email Confirmation

1. You will receive a confirmation email to complete the Sign up process.

When you access the SRS website, you can view the following information:

- **Membership Data**
- **Phone Numbers**
- **Email Addresses**
- **Earnings Statements**

MEMBER SERVICES Q & A'S

What browsers can I use to access the SRS Member Services website?

We support the following browsers:

- **Internet Explorer 9 and higher**
- **Chrome 33.x and higher**
- **Firefox 23.x and higher**
- **Safari 5.x and higher**
- **Opera 20.x and higher**

If you do not have the current version of one of these browsers, download and install a current version.

How do I find the SRS Member Services website?

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What do I need to access the SRS Member Services website?

You will need an Illinois Public Account.

What is an Illinois Public Account?

It's an online account maintained by the State of Illinois that allows you secure access to the SRS Member Services website.

Is an Illinois Public Account free?

Yes, it is free to sign up. There is a one-time registration process during your first sign up.

You only need to create this Illinois Public Account once. The email will come from IdentityManagement@illinois.gov. If the email does not appear in your inbox, please check your junk or spam folder. Within the email will be a link that you will need to click on within 24 hours.

2. Once you have clicked on the link, you will then receive a second email that confirms your Username. Now you are ready to sign in!

Once you confirm your Illinois Public Account:

1. From the Internet enter <https://memberservices.srs.illinois.gov/>
2. Under Sign In section, enter your Username and Password and then click.

To complete one-time eRegistration on first visit:

1. If it's your first time visiting the website, you will complete a one time "State of Illinois eRegistration"
2. Enter your **personal "Email Address"** and again in "Confirm Email Address"
3. Enter your name: first, middle, last and suffix if needed.
4. Enter your "Phone Number" and type (mobile, home or work).
5. Enter your "Birth Date" as mm/dd/yyyy (example: 01/01/1960).
6. Enter your "Social Security Number" or "Employee ID." The "Employee ID" is the "Member ID" on your most recent annual statement or retiree ID card.
7. Click on the button.
8. Review the registration for accuracy. To finalize the registration, click the button.

After registration, you will be redirected to the SRS Member Services website.

On future visits, you will be directed to the SRS Member Services website upon sign in.



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P.O. Box 19255
Springfield, IL 62794-9255

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

Retirement Application

Please print or type

Member information

Name

Effective date of your
retirement (MM/DD/YY)

/ 01 /

Address (Street)

Phone number

(H)

(City, State, Zip)

(C)

SSN (last 4) or Member ID

Date of birth

Birth certificate required

☐ Yes ☐ No

Personal Email address

Dependents

Current marital status (select one)

☐ Single ☐ Divorced ☐ Widowed ☐ Married – Date of marriage or civil union: Month ____ Day ____ Year ____

If currently married, name of spouse: _____ Spouse's date of birth _____

List all minor children, even if not living with you (including natural, adopted or step children) under age 18, under age 22 if a full-time student and/or over age 18 who are physically or mentally disabled. Dependent parents may be listed as well.

Name	Relationship	Date of birth	Disabled
_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
_____	_____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

If you have no eligible survivor at retirement, would you like a refund of survivor contributions?

☐ Yes ☐ No

By electing to accept a refund of survivor contributions, I declare that there are no individuals eligible for survivor benefit payments on account of my death and all survivor benefits are forfeited.

This refund is only payable at retirement. If left blank, the default election is no refund being paid.

Legal history

Were you ever convicted of a felony related to, arising from or in connection with your service as a member of SERS?

☐ Yes ☐ No

Social Security Offset removal

As part of your SERS benefits, your qualified survivor(s) will be eligible for a survivor annuity after your death. If you contributed to Social Security as a state employee, an offset of 50% is usually applied to the survivor benefit when the survivor becomes eligible for Social Security benefits. ***You may elect to reduce your retirement annuity by 3.825% to avoid the offset that may be applied to a future survivor annuity.***

Please check one:

- ☐ I elect to participate and authorize SERS to reduce my monthly benefit by 3.825%.
- ☐ I do not elect to participate.

Level Income option

Only members who contribute to Social Security are eligible to choose the Level Income option. This option increases your retirement by a percentage of the amount of Social Security benefit you are eligible to receive immediately. Your retirement benefit will later be reduced by the full amount of the Social Security benefit for which you are eligible to receive at the age you choose below. You must submit a Social Security estimate with your signature, dated within six (6) months of your retirement date, which will be used to calculate your Level Income amount.

A retiring member with a QILDRO on file with SERS may not choose Level Income without contacting the QILDRO Department at 217-524-6965. A retirement benefit including a QILDRO and Level Income will require additional processing time.

I fully understand the Level Income option and agree my retirement benefit will be reduced at the age I elect.

Please check one:

- ☐ I elect the Level Income option for age 62 years and 1 month.
- ☐ I elect the Level Income option for the age at which I am eligible to receive my full Social Security benefit.
- ☐ I do not elect the Level Income option, or it does not apply to me.

Special note for those electing the Level Income option: SERS benefits are paid for the current month (July's payment is paid in July) and Social Security benefits are paid one month behind (July's payment is paid in August); therefore, there will be one month you will receive a reduced benefit from SERS and you will not receive a Social Security benefit.

Reciprocal service

Do you have service credit in any of the following systems? ☐ Yes ☐ No

If yes, please check only the system(s) you wish to include when having your reciprocal benefit calculated. ***You must apply with all systems when you apply for a reciprocal retirement.***

- | | |
|--|--|
| <input type="checkbox"/> Chicago Teachers' Pension Fund | <input type="checkbox"/> Laborers' Annuity & Benefit Fund of Chicago |
| <input type="checkbox"/> County Employees' Annuity & Benefit Fund of Cook County | <input type="checkbox"/> Metropolitan Water Reclamation District Retirement Fund |
| <input type="checkbox"/> Forest Preserve District Employees' Annuity & Benefit | <input type="checkbox"/> Municipal Employees' Annuity & Benefit Fund of Chicago |
| <input type="checkbox"/> General Assembly Retirement System | <input type="checkbox"/> Park Employees' Annuity & Benefit Fund of Chicago |
| <input type="checkbox"/> Illinois Municipal Retirement Fund | <input type="checkbox"/> State Universities Retirement System |
| <input type="checkbox"/> Judges' Retirement System | <input type="checkbox"/> Teachers' Retirement System |

If I am currently receiving SERS disability benefits, I understand these benefits will be terminated and retirement benefits will begin.

By signing below, I certify this information is correct and that I am aware that knowingly making a false statement or falsifying a record in an attempt to defraud SERS is a class 3 felony. I understand that if the SERS Board of Trustees has a reasonable suspicion that an attempt has been made to defraud SERS, it is required to report the matter to the appropriate State's Attorney for investigation.

Member signature _____

Date _____



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Springfield, IL 62794-9255

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

Office Use Only

Immediate _____
Deferred _____
Percentage _____
Age _____

Retiree Insurance Form

This form is required if you meet the following service credit requirements for insurance eligibility. Tier 1 members must be vested for a retirement benefit with 8 years of SERS service. Tier 2 members must be vested for a retirement benefit with 10 years of SERS service. Members meeting these requirements are eligible to participate in the State of Illinois Group Insurance Program at the time of retirement. **If you do not meet these requirements, you are not eligible to participate and should not complete this form.**

Failure to submit this form timely will delay your ability to enroll and/or make changes to your insurance coverages. If applicable, please also submit a photocopy of your and/or your dependent's Medicare card.

Rates

A member's health insurance premium is paid by the State if 20 or more full years of service were completed. For members with less than 20 years of service the State will pay 5% of the State's cost for health insurance for each full year of service, and the member is responsible for the remaining premium. Please visit MyBenefits.illinois.gov for current premium rates.

Member/payee information

Name (Last, first, middle) _____

Effective date of your retirement
(MM/DD/YY) _____

/ 01 /

Residential address (Street, City, State, Zip) (No P.O. Box) _____

SSN (last 4) or Member ID _____

Mailing address (if different than street address) (Street, City, State, Zip) _____

Date of birth _____

Personal Email address _____

Phone number(s) _____

(H) _____

(C) _____

Opt-out financial incentive

If you are not currently eligible for Medicare, you may elect not to participate in the State Employees Group Insurance Program and receive a monthly financial incentive. Members who have 20 years of service are eligible to receive \$500/mo. Members who have less than 20 years are eligible for \$150/mo.

Please see Form 3018 - Retiree State Insurance Checklist for more information.

- ☐ I elect to opt out of the insurance program and take the financial incentive. Please send an incentive packet to me.
(You must be vested to qualify for this option.)

Date sent (by email or U.S. mail) _____ GIR initials _____

Annuitant Waiver (PA 93-553)

- ☐ I am currently enrolled as a dependent under my state-covered spouse or civil union partner's insurance coverage for at least one year, therefore I qualify to remain a dependent. I understand that by waiving my coverage as a retiree to remain a dependent under my spouse/civil union partner, the only coverage I qualify for as a retiree (member) is life insurance coverage.

Enrolled as a dependent under member: Name _____ SSN (last 4) or Member ID _____

By signing below I certify this information is correct and that I am aware that knowingly making a false statement or falsifying a record in an attempt to defraud SERS is a class 3 felony. I understand that if the SERS Board of Trustees has a reasonable suspicion that an attempt has been made to defraud SERS, it is required to report the matter to the appropriate State's Attorney for investigation.

Member signature _____ Date _____



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

217-785-7444
Email: voucheringsection@srs.illinois.gov
Fax: 217-524-9039

Initial Direct Deposit Agreement for Benefit Payments

Member/Payee Information

Name (Last, first, middle)

SSN (last 4) or Member ID

Address (Street)

Phone number(s)

(H)

(City, State, Zip)

(C)

Personal Email address

Signature

I, the above-designated payee, am receiving a monthly benefit from SERS. I hereby authorize SERS to forward such payments by electronic fund transfer to the financial institution indicated below, and I hereby authorize the financial institution to credit the amounts of those payments to the account listed below. This authority is to remain in full effect until my death or the end of my eligibility period, or until SERS has received written notice from me of its termination (provided the notice is submitted in a time and manner that allows SERS to act on the termination request).

I hereby acknowledge that my monthly benefits terminate at the end of the month of my death or my eligibility period. Accordingly, I agree that if any benefit payments to which I am not entitled shall have been received by my financial institution, I or we (if my account is a joint account) hereby authorize and direct my financial institution to refund the same to SERS and charge such refund payments to the account listed below, or to the extent money has been withdrawn from the account listed below by any other of the undersigned, to charge such refund payments to any other account which we, individually or jointly, may have in such financial institution. I further direct my financial institution to provide SERS with the names and addresses of all individuals that are joint account holders as of the date that the request is submitted by SERS. I or we (if my account is a joint account) further agree to hold harmless my financial institution for any action taken pursuant to or in compliance with this depository agreement.

By signing below, I certify this information is correct. I am aware that, under the Illinois Pension Code (40 ILCS 5/1-135), any person who knowingly makes any false statement or falsifies or permits to be falsified a record in an attempt to defraud SERS is guilty of a Class 3 felony. I understand that, if the SERS Board of Trustees has a reasonable suspicion that an attempt has been made to defraud SERS, it is required to report the matter to the appropriate state's attorney for investigation.

Member signature _____

Date _____

(Also includes Power of Attorney – must attach document, or legal guardian – must attach court order)

Joint account holder signature (if any) _____

Date _____

Financial Institution Acceptance (This portion must be completed by the financial institution)

The undersigned, on behalf of the financial institution below, hereby accepts the depository agreement as set forth above and verifies the signatures of all persons having an interest in the account.

Financial institution name

Account holders name(s)

Address (Street)

Branch designation (if applicable)

(City, State, Zip)

Phone number

☐ Checking account ☐ Savings account

ACH Routing number

Account number

Signature and title of authorized financial institution official

Date

Direct Deposit Instructions

The terms of this depository agreement may not be amended by any party.

SERS, through the Office of the Comptroller, has the ability to electronically deposit a payee's monthly benefit to an authorized participating Automated Clearing House (ACH) Network financial institution. The financial institution may be any bank, savings bank, savings and loan association (or similar institution) or federal or state-chartered credit union in which the payee has a checking or savings account participating in the ACH Network. **In order for SERS to deposit the payee's monthly benefit into a financial institution, the payee, all joint account holders, and the financial institution must complete this form.**

Member/payee information

The payee's name, social security number, address, home and/or cell phone number should be typed or printed in the appropriate boxes. Additionally, for your protection, if you are changing your direct deposit account to a new financial institution, you are required to identify the routing number and account number of your previous account that received your SERS electronic deposit. SERS will be unable to process this change without this information.

Signature (Account holder agreement)

After reading the conditions of the depository agreement, the payee, Power of Attorney, or legal guardian must sign and date the form. If a Power of Attorney signs the form on behalf of the payee, the Power of Attorney document must be attached to the form. If a legal guardian signs the form on behalf of the payee and if the guardian is not the natural parent of the payee, letters of office or other similar court document(s) must be attached. If there are one or more joint account holders, all joint account holders must sign and date the form.

Financial institution agreement

The selected financial institution should complete all the information requested in this section. The monthly benefit may only be deposited in an account in which the payee is listed as an account holder. The routing number should reflect the number for electronic transfers which may be different from the routing number for the branch bank at which the account is held. By an authorized individual signing this form, the financial institution agrees to accept the electronic transfer from SERS on behalf of the payee and verifies all signatures of all persons having an interest in the payee's account.

Upon completion of the form by account holders and the financial institution, return the form to SERS by mail or fax for processing.

- Once your bank information is updated in the SERS system, you will receive notification your next check will be processed electronically.
- You can securely view your monthly earnings statement through the SRS Member Services website. To view your account information, you may register through our website at srs.illinois.gov and navigate to the link "view PDF version on how to secure an ID." You will find instructions for the one-time registration process that must be completed to access your account information online.

Termination of depository agreement

This depository agreement shall remain in effect until terminated by:

- the death of the payee or the end of payee's eligibility period;
- cancellation by the payee, Power of Attorney or legal guardian by written notice to SERS (*within a reasonable amount of time to act upon the termination request*); or
- the closing of the account by the payee or financial institution.

The amount of any payments received after termination should be returned to SERS by the financial institution or an account holder, along with a statement including the name of the payee, payee's Social Security number and the date of the erroneous deposit.



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Death Benefit Beneficiary Designation

Refer to instructions on opposite page. Type or print in ink.

Member information

Name (Last, first, middle)

SSN (last 4) or Member ID

Address (Street, City, State, Zip)

Phone number

Any death benefits payable by State Employees' Retirement System shall be paid in EQUAL SHARES to the following beneficiaries who survive me.

PRIMARY

Beneficiary name (last, first, middle initial)	Street Address	SSN (last 4 digits) (optional)
Relationship / Phone number	City, State, Zip code	Date of Birth (MM/DD/YYYY)

In the event all primary beneficiaries die before me, the death benefit shall be paid in EQUAL SHARES to the following secondary beneficiary(ies) who survive me.

SECONDARY

Beneficiary name (last, first, middle initial)	Street Address	SSN (last 4 digits) (optional)
Relationship / Phone number	City, State, Zip code	Date of Birth (MM/DD/YYYY)

By signing below I certify this information is correct and that I am aware that knowingly making a false statement or falsifying a record in an attempt to defraud SERS is a class 3 felony. I understand that if the SERS Board of Trustees has a reasonable suspicion that an attempt has been made to defraud SERS, it is required to report the matter to the appropriate State's Attorney for investigation.

Member signature _____

Date _____

Beneficiary Designation Instructions

This form is used to designate beneficiaries to receive any lump-sum death benefits payable from the State Employees' Retirement System (SERS) in the event of your death. If you do not designate beneficiaries, death benefits will be paid to your estate. The Death Benefit Beneficiary Designation Form does **not** pertain to survivor benefits or life insurance proceeds.

This form should be typed or printed clearly in ink. Cross through and initial any corrections or changes. Do not use correction fluid. If you need additional space for primary or contingent beneficiaries, attach a signed and dated sheet listing additional beneficiaries, including all details, as indicated in Beneficiary Designation section.

Payment progression: Your death benefits will be paid first to your primary beneficiaries. If some of your primary beneficiaries die before you, your death benefit will be divided among those primary beneficiaries who are still living. Secondary beneficiaries will receive benefits only if no primary beneficiary survives you.

If you specify percentages to be paid to beneficiaries in either the primary or secondary designation areas, the percentages in each category must total 100%. If you choose to designate specific percentages, please write the percentage next to each name.

Please provide all of the requested information for each designated beneficiary, including the date of birth and last four digits of the Social Security number as this information will help SERS locate your beneficiaries. If you want to name your estate as beneficiary, write the word "Estate" on the Death Benefit Beneficiary Designation Form. It will be the responsibility of your executor to distribute the proceeds as outlined in your will.

DO NOT return this form to your agency. The beneficiary designation must be returned to SERS and becomes effective when received and deemed valid by SERS. Invalid forms will be returned with further instructions. Any form received by SERS after the member's date of death will be invalid.

You may change beneficiaries at any time by completing a new Death Benefit Beneficiary Designation Form. The form on file at SERS that has the most recent date located next to the member's signature will take precedence.

Once you have completed your designation and signed and dated the form, it must be mailed, emailed, or sent by facsimile to SERS.

A person with Power of Attorney may sign a Death Benefit Beneficiary Designation Form on behalf of a member. They must also submit a copy of the Power of Attorney papers and the papers must specifically state that the person with Power of Attorney has the right to name and/or change the beneficiaries for the member.

An acknowledgement will be sent to active and inactive employees upon receipt of a valid designation. Retirees will be notified of a valid designation on their annual benefit statement.

**Withholding Certificate
for Periodic Pension or Annuity Payments**

OMB No. 1545-0074

2024

Give Form W-4P to the payer of your pension or annuity payments.

**Step 1:
Enter
Personal
Information**

(a) First name and middle initial	Last name	(b) Social security number
Address		
City or town, state, and ZIP code		
(c) <input type="checkbox"/> Single or Married filing separately <input type="checkbox"/> Married filing jointly or Qualifying surviving spouse <input type="checkbox"/> Head of household (Check only if you're unmarried and pay more than half the costs of keeping up a home for yourself and a qualifying individual.)		

Complete Steps 2–4 ONLY if they apply to you; otherwise, skip to Step 5. See pages 2 and 3 for more information on each step, when to use the estimator at www.irs.gov/W4App, and how to elect to have no federal income tax withheld (if permitted).

**Step 2:
Income
From a Job
and/or
Multiple
Pensions/
Annuities
(Including a
Spouse's
Job/
Pension/
Annuity)**

Complete this step if you (1) have income from a job or more than one pension/annuity, or (2) are married filing jointly and your spouse receives income from a job or a pension/annuity. **See page 2 for examples on how to complete Step 2.**

Do **only one** of the following.

(a) Use the estimator at www.irs.gov/W4App for most accurate withholding for this step (and Steps 3–4). If you or your spouse have self-employment income, use this option; **or**

(b) Complete the items below.

(i) If you (and/or your spouse) have one or more jobs, then enter the total taxable annual pay from all jobs, plus any income entered on Form W-4, Step 4(a), for the jobs less the deductions entered on Form W-4, Step 4(b), for the jobs. Otherwise, enter “-0-” . . . \$

(ii) If you (and/or your spouse) have any other pensions/annuities that pay less annually than this one, then enter the total annual taxable payments from all lower-paying pensions/annuities. Otherwise, enter “-0-” . . . \$

(iii) Add the amounts from items (i) and (ii) and enter the **total** here . . . \$

TIP: To be accurate, submit a new Form W-4P for all other pensions/annuities if you haven't updated your withholding since 2021 or this is a new pension/annuity that pays less than the other(s). Submit a new Form W-4 for your job(s) if you have not updated your withholding since 2019.

Complete Steps 3–4(b) on this form only if (b)(i) is blank **and** this pension/annuity pays the most annually. Otherwise, do not complete Steps 3–4(b) on this form.

Step 3: Claim Dependent and Other Credits	If your total income will be \$200,000 or less (\$400,000 or less if married filing jointly): Multiply the number of qualifying children under age 17 by \$2,000 \$ Multiply the number of other dependents by \$500 . . . \$ Add other credits, such as foreign tax credit and education tax credits \$ Add the amounts for qualifying children, other dependents, and other credits and enter the total here . . .	3	\$
Step 4 (optional): Other Adjustments	(a) Other income (not from jobs or pension/annuity payments). If you want tax withheld on other income you expect this year that won't have withholding, enter the amount of other income here. This may include interest, taxable social security, and dividends .	4(a)	\$
	(b) Deductions. If you expect to claim deductions other than the basic standard deduction and want to reduce your withholding, use the Deductions Worksheet on page 3 and enter the result here . . .	4(b)	\$
	(c) Extra withholding. Enter any additional tax you want withheld from each payment .	4(c)	\$

**Step 5:
Sign
Here**

Your signature (This form is not valid unless you sign it.)

Date

General Instructions

Section references are to the Internal Revenue Code.

Future developments. For the latest information about any future developments related to Form W-4P, such as legislation enacted after it was published, go to www.irs.gov/FormW4P.

Purpose of form. Complete Form W-4P to have payers withhold the correct amount of federal income tax from your periodic pension, annuity (including commercial annuities), profit-sharing and stock bonus plan, or IRA payments. Federal income tax withholding applies to the taxable part of these payments. Periodic payments are made in installments at regular intervals (for example, annually, quarterly, or monthly) over a period of more than 1 year. Don't use Form W-4P for a nonperiodic payment (note that distributions from an IRA that are payable on demand are treated as nonperiodic payments) or an eligible rollover distribution (including a lump-sum pension payment). Instead, use Form W-4R, Withholding Certificate for Nonperiodic Payments and Eligible Rollover Distributions, for these payments/distributions. For more information on withholding, see Pub. 505, Tax Withholding and Estimated Tax.

Choosing not to have income tax withheld. You can choose not to have federal income tax withheld from your payments by writing "No Withholding" on Form W-4P in the space below Step 4(c). Then, complete Steps 1a, 1b, and 5. Generally, if you are a U.S. citizen or a resident alien, you are not permitted to elect not to have federal income tax withheld on payments to be delivered outside the United States and its territories.

Caution: If you have too little tax withheld, you will generally owe tax when you file your tax return and may owe a penalty unless you make timely payments of estimated tax. If too much tax is withheld, you will generally be due a refund when you file your tax return. If your tax situation changes, or you chose not to have federal income tax withheld and you now want withholding, you should submit a new Form W-4P.

When to use the estimator. Consider using the estimator at www.irs.gov/W4App if you:

1. Have social security, dividend, capital gain, or business income, or are subject to the Additional Medicare Tax or Net Investment Income Tax; or
2. Receive these payments or pension and annuity payments for only part of the year.

Self-employment. Generally, you will owe both income and self-employment taxes on any self-employment income you (or you and your spouse) receive. If you do not have a job and want to pay these taxes through withholding from your payments, use the estimator at www.irs.gov/W4App to figure the amount to have withheld.

Payments to nonresident aliens and foreign estates. Do not use Form W-4P. See Pub. 515, Withholding of Tax on Nonresident Aliens and Foreign Entities, and Pub. 519, U.S. Tax Guide for Aliens, for more information.

Tax relief for victims of terrorist attacks. If your disability payments for injuries incurred as a direct result of a terrorist attack are not taxable, write "No Withholding" in the space below Step 4(c). See Pub. 3920, Tax Relief for Victims of Terrorist Attacks, for more details.

Specific Instructions

Step 1(c). Check your anticipated filing status. This will determine the standard deduction and tax rates used to compute your withholding.

Step 2. Use this step if you have at least one of the following: income from a job, income from more than one pension/annuity, and/or a spouse (if married filing jointly) that receives income from a job/pension/annuity. The following examples will assist you in completing Step 2(b).

Example 1. Bob, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Bob also has a job that pays \$25,000 a year. Bob has no other pensions or annuities. Bob will enter \$25,000 in Step 2(b)(i) and in Step 2(b)(iii).

If Bob also has \$1,000 of interest income, which he entered on Form W-4, Step 4(a), then he will instead enter \$26,000 in Step 2(b)(i) and in Step 2(b)(iii). He will make no entries in Step 4(a) on this Form W-4P.

Example 2. Carol, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Carol does not have a job, but she also receives another pension for \$25,000 a year (which pays less annually than the \$50,000 pension). Carol will enter \$25,000 in Step 2(b)(ii) and in Step 2(b)(iii).

If Carol also has \$1,000 of interest income, then she will enter \$1,000 in Step 4(a) of this Form W-4P.

Example 3. Don, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Don does not have a job, but he receives another pension for \$75,000 a year (which pays more annually than the \$50,000 pension). Don will not enter any amounts in Step 2.

If Don also has \$1,000 of interest income, he won't enter that amount on this Form W-4P because he entered the \$1,000 on the Form W-4P for the higher paying \$75,000 pension.

Example 4. Ann, a single filer, is completing Form W-4P for a pension that pays \$50,000 a year. Ann also has a job that pays \$25,000 a year and another pension that pays \$20,000 a year. Ann will enter \$25,000 in Step 2(b)(i), \$20,000 in Step 2(b)(ii), and \$45,000 in Step 2(b)(iii).

If Ann also has \$1,000 of interest income, which she entered on Form W-4, Step 4(a), she will instead enter \$26,000 in Step 2(b)(i), leave Step 2(b)(ii) unchanged, and enter \$46,000 in Step 2(b)(iii). She will make no entries in Step 4(a) of this Form W-4P.

If you are married filing jointly, the entries described above do not change if your spouse is the one who has the job or the other pension/annuity instead of you.



Multiple sources of pensions/annuities or jobs. If you (or if married filing jointly, you and/or your spouse) have a job(s), do NOT complete Steps 3 through 4(b) on Form W-4P. Instead, complete Steps 3 through 4(b) on the Form W-4 for the job. If you (or if married filing jointly, you and your spouse) do not have a job, complete Steps 3 through 4(b) on Form W-4P for **only** the pension/annuity that pays the most annually. Leave those steps blank for the other pensions/annuities.

Step 3. This step provides instructions for determining the amount of the child tax credit and the credit for other dependents that you may be able to claim when you file your tax return. To qualify for the child tax credit, the child must be under age 17 as of December 31, must be your dependent who generally lives with you for more than half the year, and must have the required social security number. You may be able to claim a credit for other dependents for whom a child tax credit can't be claimed, such as an older child or a qualifying relative. For additional eligibility requirements for these credits, see Pub. 501, Dependents, Standard Deduction, and Filing Information. You can also include **other tax credits** for which you are eligible in this step, such as the foreign tax credit and the education tax credits. Including these credits will increase your payments and reduce the amount of any refund you may receive when you file your tax return.

Step 4 (optional).

Step 4(a). Enter in this step the total of your other estimated income for the year, if any. You shouldn't include amounts from any job(s) or pension/annuity payments. If you complete Step 4(a), you likely won't have to make estimated tax payments for that income. If you prefer to pay estimated tax rather than

Specific Instructions *(continued)*

having tax on other income withheld from your pension, see Form 1040-ES, Estimated Tax for Individuals.

Step 4(b). Enter in this step the amount from the Deductions Worksheet, line 6, if you expect to claim deductions other than the basic standard deduction on your 2024 tax return and want to reduce your withholding to account for these deductions.

This includes itemized deductions, the additional standard deduction for those 65 and over, and other deductions such as for student loan interest and IRAs.

Step 4(c). Enter in this step any additional tax you want withheld from **each payment**. Entering an amount here will reduce your payments and will either increase your refund or reduce any amount of tax that you owe.

Note: If you don't give Form W-4P to your payer, you don't provide an SSN, or the IRS notifies the payer that you gave an incorrect SSN, then the payer will withhold tax from your payments as if your filing status is single with no adjustments in Steps 2 through 4. For payments that began before 2024, your current withholding election (or your default rate) remains in effect unless you submit a new Form W-4P.

Step 4(b)—Deductions Worksheet *(Keep for your records.)*



1

Enter an estimate of your 2024 itemized deductions (from Schedule A (Form 1040)). Such deductions may include qualifying home mortgage interest, charitable contributions, state and local taxes (up to \$10,000), and medical expenses in excess of 7.5% of your income

1

\$

2

Enter:

• \$29,200 if you're married filing jointly or a qualifying surviving spouse

• \$21,900 if you're head of household

• \$14,600 if you're single or married filing separately

2

\$

3

If line 1 is greater than line 2, subtract line 2 from line 1 and enter the result here. If line 2 is greater than line 1, enter "0-"

3

\$

4

If line 3 equals zero, and you (or your spouse) are 65 or older, enter:

• \$1,950 if you're single or head of household.

• \$1,550 if you're married filing separately.

• \$1,550 if you're a qualifying surviving spouse or you're married filing jointly and one of you is under age 65.

• \$3,100 if you're married filing jointly and both of you are age 65 or older.

Otherwise, enter "0-". See Pub. 505 for more information

4

\$

5

Enter an estimate of your student loan interest, deductible IRA contributions, and certain other adjustments (from Part II of Schedule 1 (Form 1040)). See Pub. 505 for more information

5

\$

6

Add lines 3 through 5. Enter the result here and in **Step 4(b)** on Form W-4P

6

\$

Privacy Act and Paperwork Reduction Act Notice. We ask for the information on this form to carry out the Internal Revenue laws of the United States. You are required to provide this information only if you want to (a) request federal income tax withholding from pension or annuity payments based on your filing status and adjustments; (b) request additional federal income tax withholding from your pension or annuity payments; (c) choose not to have federal income tax withheld, when permitted; or (d) change a previous Form W-4P. To do any of the aforementioned, you are required by sections 3405(e) and 6109 and their regulations to provide the information requested on this form. Failure to provide this information may result in inaccurate withholding on your payment(s). Failure to provide a properly completed form will result in your being treated as a single person with no other entries on the form; providing fraudulent information may subject you to penalties.

Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation, and to cities, states, the District of Columbia, and U.S. commonwealths and territories for use in administering their tax laws. We may

also disclose this information to other countries under a tax treaty, to federal and state agencies to enforce federal nontax criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism.

You are not required to provide the information requested on a form that is subject to the Paperwork Reduction Act unless the form displays a valid OMB control number. Books or records relating to a form or its instructions must be retained as long as their contents may become material in the administration of any Internal Revenue law. Generally, tax returns and return information are confidential, as required by section 6103.

The average time and expenses required to complete and file this form will vary depending on individual circumstances. For estimated averages, see the instructions for your income tax return.

If you have suggestions for making this form simpler, we would be happy to hear from you. See the instructions for your income tax return.