Instructions and Worksheet for Form 1404

Member's Name: SSN

Please check the box if this is a corrected version.

Page 2:

Part I:

1) Fill in all of the information requested in Part I
2) Select the appropriate deduction code which will be used on the employee's final payroll for the employee. For description of the various deduction codes, see SERS Payroll Bulletin dated February 2005, at web address: http://www.state.il.us/srs/RC/RCgeneral_sers.htm

Part II or Part III:

Have the employee select the tax treatment (either pre-tax or post-tax) which he/she prefers when making the retirement contributions.

Page 3:

I: Complete the unused sick days, information requested based upon the time period earned.
II: Complete the vacation and personal days information requested.
III: Complete this part only if the employee is not going to receive service credit for all of the payment included in Part II.
IV: Complete the "Pay Period" on which the retirement contributions will be deducted.
V: Complete the information requested. Once the Form 1404 has been completed and is ready to submit to SERS, please print a copy from your computer and either mail or fax the Form 1404 to SERS. Be sure to have an authorized signature on the last page.

The Form 1404 performs multiple calculations that are based on an employee's DAILY rate of pay. Below is a process that will help in determining that rate of pay and automatically place the daily rate of pay within Form 1404.

Check the appropriate box for how the employee is paid

Daily

Monthly

Hourly

Reset Form

Calculate

RETIREMENT CONTRIBUTIONS ON LUMP SUM PAY FOR SICK LEAVE, VACATION, AND/OR PERSONAL DAYS

Any member of the State Employees' Retirement System who is paid a lump sum for sick leave, vacation, and/or personal days when resigning ***for the purpose of retiring,*** may make contributions to establish service credit for the number of days for which payment is made. Service credit will be granted for unused sick days for pension calculation purposes. Voluntary retirement contributions made for accumulated vacation, sickness or personal business must be made within 90 days of withdrawal at the compensation and retirement rates in effect at the time of retirement.

Part I: To be completed by Agency (please print or type this form)

From: Agency:_____

Address:_____
(Street) (City) (State) (Zip)

Member's Name:_____

S.S. #:_____ Termination Date: _____

Deduction Codes ○ 0 ○ 1 ○ R ○ S ○ 2 ○ M Payroll Code _____

ELECTION - Employee completes either Part II or Part III, NOT BOTH

Part II: To be completed by Employee if PRE-TAX is elected (except line 1 which is to be completed by Agency).

○ **PRE-TAX: (Contributions are not taxed until after employee retires.)**
I elect and authorize the deduction of employee retirement contributions from my lump sum pay for sick days, vacation and or personal days on a pre-tax (i.e. tax deferred) basis. If this option is selected, the employee must complete the "Irrevocable Payroll Authorization of Permissive Service Credits or Redeposit of Contributions" below.

IRREVOCABLE PAYROLL AUTHORIZATION OF PERMISSIVE SERVICE CREDITS OR REDEPOSIT OF CONTRIBUTIONS

A State Employees' Retirement System (SERS) member, pursuant to statute, is permitted to redeposit member contributions previously withdrawn and/or elect to purchase permissive service credit. Any amounts due may generally be paid by the member directly to the retirement system, or the member may request, and the employer may permit, deductions through payroll. These payments through payroll deduction are in addition to any required contributions to SERS.

I understand that the State of Illinois ("my employer") has adopted a statute under the "pickup" tax deferral provisions of Internal Revenue Code Section 414 (h) (2) for payroll deduction and that tax deferral of my purchase of permissive service requires this irrevocable payroll deduction authorization.

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

Line 1 is to be completed by Agency and MUST agree with amount on Page 2, Section IV.

1. A deduction is to be made from my lump sum sick and vacation payment in the amount of $ 0.00
2. 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.
3. 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.

I authorize the above irrevocable payroll deductions under conditions as specified.

Employee Signature: _____ Date: _____

Part III: To be completed by Employee if POST-TAX is elected.

○ ***POST-TAX: (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. ***If post-tax is elected, DO NOT complete Part II above.***

Employee Signature: _____ Date: _____

Reset Form

USE THIS FORM FOR LUMP SUM PAYMENTS FOR SICK, VACATION AND/OR PERSONAL DAYS ONLY
THIS PAGE TO BE COMPLETED BY AGENCY

Months: 0.00 **W/S** 0.00

Member Name: _____ **Member SS#:** _____

I. Calculation of unused sick days remaining for pension purposes. (Please be sure to use days, NOT hours.)

Total unused sick days earned prior to January 1, 1984 ..... _____ (A)
Total unused sick days earned after December 31, 1997 ..... _____ (B)
Total unused sick days earned after December 31, 1983
and before January 1, 1998 ..... _____
Less: One-half of unused sick days earned after December 31, 1983
and before January 1, 1998 ..... (0.00) 0.00 (C)
Number of unused sick days remaining for pension calculation..... (A)+(B)+(C) = 0.00

Please enter the member's ***daily*** rate of pay _____

II. Calculation of total sick, vacation and personal days to be paid to employee: (Please be sure to use days, NOT hours)

Payment is being made for:				
	0	Sick Days		$ 0.00
		Vacation Days		$ 0.00
		Personal Days		$ 0.00
	0.00	Total Days	(1)	$ 0.00

NOTE: Enter total dollar amount (1) in Pay field on Payroll Voucher

III. Calculation of sick, vacation and personal days to be used by employee to establish additional service credit less than the total amount above: ***(Use this section only if the employee is NOT going to purchase all service credit available in Step II above.)*** **(Please be sure to use days, NOT hours.)**

Service is being established for:				
		Sick Days		$ 0.00
		Vacation Days		$ 0.00
		Personal Days		$ 0.00
	0.00	Total Days	(2)	$ 0.00

Note: If the employee has elected to tax defer his/her contributions, enter the contributions due in the miscellaneous deductions field, using a miscellaneous deduction code of **BSLS.**
If the employee has elected NOT to tax defer his/her contributions, enter the contributions due in the miscellaneous deductions field, using a miscellaneous deduction code of **4SLS.**

IV. Contributions Due Calculation of Contributions Due

Deduction Rate
- ○ 4%
- ○ 8%
- ○ 8-1/2 %
- ○ 12-1/2%

Lump Sum Pay (1) or (2) as appropriate $ 0.00

X Deduction Rate (%) _____

= Contributions Due $ 0.00

Deduction will be on:

Payroll Code _____

Pay Period _____

Misc. Payroll Deduction Code _____

V. Agency Certification

Agency Name: _____
Preparer's Name (please print) : _____
Telephone Number _____ FAX _____
Authorized Signature _____
Telephone Number _____ FAX _____

Reset Form

Please return completed form to:

STATE EMPLOYEES' RETIREMENT OF ILLINOIS
2101 South Veterans Parkway, P.O. Box 19255
Springfield, IL 62794-9255, **Phone:** 217/785-7210 **Fax:** 217/785-7019