

Survivor Questions & Answers

Are my surviving children and dependent parents subject to the Social Security offset?

The Social Security offset applies to **any** survivor benefits being paid to your qualified survivors. If you participate in the Social Security election, your qualified survivors will receive the full SERS survivor benefit as well as the full Social Security survivor benefit.

Should I participate in the offset provision?

If your survivor has done very little work in a position covered by Social Security, this option gives you a chance to provide a better monthly income for your survivor because the Social Security offset will no longer apply to the SERS survivor benefits.

At the time of my death, how long will my eligible survivor receive monthly benefits?

A survivor remains eligible to receive benefits until death. A child remains eligible until age 18 (22 if attending school full-time), or the child marries. Disabled adults may continue to receive benefits as long as their disability continues and they aren't gainfully employed or married.

If my spouse is my qualified survivor and is employed when I die, could (s)he receive survivor benefits and continue working?

Yes, your spouse may work and qualify for survivor benefits.

Eligible Survivors Benefits

For All Survivor Benefits: If 50% of your earned pension provides a greater monthly benefit than the amounts stated below, the higher amount is payable to your spouse.

Your Spouse: If you are survived by your spouse age 50 or over, and you were married at least one year prior to your death, your spouse will receive \$1,000, plus a monthly annuity until their death.

Your Spouse and Children: If your spouse supports your children under age 18 (22 if full-time student), or a disabled child over 18, your spouse can receive benefits before age 50. They will receive \$1,000, plus a monthly annuity. This benefit is payable until your last child reaches age 18 (22 if full-time student), marries, dies, or is no longer disabled.

Your Children: If you are not survived by a spouse, but have children under age 18 (22 if full-time student), or over 18 and disabled, they can receive \$1,000, plus a monthly annuity. This benefit is payable until the last child reaches age 18 (22 if full-time student), marries, dies, or is no longer disabled.

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

SERS SURVIVOR BENEFITS



TIER 1

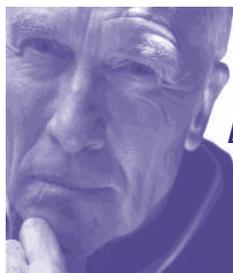
*for members hired
before January 1, 2011*



If an SERS member contributed to SERS and Social Security, a benefit offset could be applied to the SERS widow or survivor benefit when the survivor becomes eligible for Social Security benefits. Throughout this brochure, spouse & civil union partner can be used interchangeably.

Social Security Election at Retirement

Effective July 1, 2009, retiring SERS members will have the *OPTION* to remove the Social Security offset when completing their retirement application. SERS will reduce the member's retirement annuity by 3.825% monthly in retirement.



Death Before Retirement

If you die while actively employed and have at least 18 months of service credit, your qualified survivors will be eligible for survivor benefits.

In addition to survivor benefits, your pension contributions and interest, will also be paid to your named beneficiary(ies).

If you die with no qualified survivors while actively employed, your named beneficiary(ies) will receive your contributions, plus interest, and one month's salary for each year of service, up to a maximum of six months' salary.

Death After Retirement

If you die after retiring, survivor benefits

are subject to the same maximums as those payable during active employment, or 80% of the pension you were receiving when you died, whichever is less.

If 50% of your pension provides a greater monthly benefit than the amounts stated above, it is payable to your survivors. If you have no survivors, your beneficiary(ies) will receive any remaining contributions and interest, or \$500, whichever is greater. The Social Security offset applies to coordinated members.

Any member who retires after July 1, 2009 will have the OPTION at the time of retirement to remove this offset provision and SERS will reduce the member's retirement annuity by 3.825% monthly.

Survivor Payments

SERS will process your first annuity payment after we receive your application and other required information. The normal processing time is 30 days. The Comptroller's Office will mail the first annuity payment directly to your home.

Future annuity payments are mailed on the 19th of each month, unless the 19th is on a weekend or holiday, when they are mailed on the last working day before the 19th. If your payment is mailed directly to your home, allow ten working days for delivery.

If you receive a monthly survivor annuity of an active or inactive member, you will receive a 3% increase on January 1 following one full year of payments. Survivors of a retired member will receive their first 3% increase on January 1 after the member's death. Future increases of 3% will be made each January 1 thereafter.

Taxation of Survivor Benefits

All SERS benefits are exempt from state income tax under Illinois law. If your federal tax withholding information is not on file with SERS, taxes are withheld using the rate for a married person with three exemptions.

Survivor Employment

The only employment restriction for individuals receiving a survivor, widow, or occupational death benefit from SERS is for disabled, unmarried children over age 18. This benefit is payable if the disabled child is not gainfully employed and earning more than \$2490 per quarter.

Lump Sum Death Benefits After Retirement



If a retired SERS member dies with no payable survivor annuity, the nominated beneficiary(ies) receive any contributions and interest remaining in the retiree's account, or \$500, whichever is greater.