Countdown to Retirement
Thank you for taking time away from your busy work schedule to attend the Countdown to Retirement (CDR) workshop. This is the third and final workshop in our series of preretirement workshops. Our workbook should be a useful tool for your questions about retirement. The staff of SERS is also available to answer any of your questions.

The Countdown to Retirement focuses on the shift into retirement. The main emphasis in this workbook is the transition from work to retirement, and financial planning for the rest of your life.

The CDR also addresses SERS entitlements, Social Security, and estate planning. Use this workshop and the corresponding workbook to further establish a firm foundation towards retirement.

If you have retirement questions, contact our SERS Call Center at 217-785-7444.
Welcome to
Countdown to Retirement Workshop

General Contact Resources

Web Address:
srs.illinois.gov

Call Center
217-785-7444

Individual counseling is offered by the Springfield (Appointments Preferred) and Chicago (Appointments Required) offices.
Workshops

**Investing in Your Future** – New employees under 45 yrs. of age & less than 10 yrs. service. Stresses money management, consumer debt, and investing for the future.

**Education for Tomorrow’s Choices** – 2-day classes at the mid-point in your career. 10-15 years of service. Medium range preretirement planning.

**Countdown to Retirement** – 3-5 years from retirement. Explains transitions to retirement.

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**Important**

- Make sure that you sign in.

- Sign in sheet will be passed around before the last speaker of the day.
Valuable Resources

- **SRS website** – srs.Illinois.gov
- **SERS OGRAM** – mailed twice a year
- **HANDBOOK** – no longer being printed, online access.
- **ANNUAL BENEFIT STATEMENT** – effective on 6/30 each year.

Annual **Retiree** Benefit Statement is mailed early in the year.

The “Informer” retiree newsletter is mailed a couple times a year

The “Sers-O-Gram” member newsletter is mailed a couple times a year
<table>
<thead>
<tr>
<th>Estimated Retirement Benefits</th>
<th>(217) 785-3166</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular Retirement - Monthly Benefit</td>
<td>12/01/2020</td>
</tr>
<tr>
<td>Reduced Retirement - Monthly Benefit</td>
<td>04/01/2021</td>
</tr>
</tbody>
</table>

For each month (21 days of work and sick days and 20 days of vacation days), your pension is reduced by 1% of your annual earnings.

If you become disabled and meet SERS qualifications for disability benefits, you may be eligible to receive one of the following estimated benefits below:

- Non-Occupational - Monthly Benefit: $1,458.64
- Occupational - Monthly Benefit: $2,187.96

<table>
<thead>
<tr>
<th>Estimated Disability Benefits</th>
<th>(217) 735-2270</th>
</tr>
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<tbody>
<tr>
<td>Non-Occupational - Monthly Benefit</td>
<td>$1,458.64</td>
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<tr>
<td>Occupational - Monthly Benefit</td>
<td>$2,187.96</td>
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<table>
<thead>
<tr>
<th>Retirement Beneficiary Information</th>
<th>(217) 735-6937</th>
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<tr>
<td>Non-Occupational Death - Survivor Monthly Benefit</td>
<td>$400.00</td>
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<tr>
<td>Non-Occupational Death - Family Member - Survivor Monthly Benefit</td>
<td>$600.00</td>
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<tr>
<td>Occupational Death - Survivor Monthly Benefit</td>
<td>$1,468.64</td>
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<tr>
<td>Lump Sum Death Benefit Without Eligible Survivors</td>
<td>$487,711.84</td>
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<tr>
<td>Lump Sum Death Benefit With Eligible Survivors</td>
<td>$24,818.86</td>
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<tr>
<th>Reciprocal Service</th>
<th>(217) 777-8579</th>
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<tr>
<td>No reciprocal service</td>
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</table>

<table>
<thead>
<tr>
<th>Agency Contacts</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Retirement Coordinator</td>
<td>Becky Smith</td>
</tr>
</tbody>
</table>
SERS Publications

Brochures covering a variety of topics of interest to members.

Handbooks providing members, annuitants, and beneficiaries with benefit information.

Brochures covering a variety of topics of interest to members.

Newsletters providing members, annuitants, and beneficiaries with information and policy changes.
State Employees' Retirement System of Illinois

Select below to view account information

- Employers
- Active Members
- Retirees/Survivors

Pension Reform Ruling

Video of CMS TRAIL, Medicare Advantage Presentation

October SERS-OICAM with the 2015 workshop schedule now available

SERS Links

Home
Calculators
Contact Us
History
Board of Trustees
Member/Retiree Survivor Information
Tier 1 Information
Tier 2 Information
Benefit Pocket
FAQ
Tier 1 FAQ's
Tier 2 FAQ's
Directory of Terms
Workshops/Seminars
Forms
Publications
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Human Resources
Voluntary Life Insurance
C/O ID Information
Financial & Actuarial
Tier 2 Annual Salary Limitation
Experience
Reduction of Benefits
Member Statement
SERS Calculator

SERS Pension Calculators

Federal Tax Withholding Calculator

Tier 1 SERS Pension Calculator

Tier 2 SERS Pension Calculator (coming soon)

Tier 2 Annuity Cola & Increase in the Annual Salary Maximum

Social Security Benefit Estimate Calculator

Service Credit Calculator

Sick Leave and Vacation Conversion Chart
Federal Tax Withholding Calculator

Disclaimer

The calculator is intended as an educational tool only. It allows you to estimate your federal tax withholding for SERS annuity payments and to develop personal retirement strategies.

_This withholding calculator should not be used by active employees to estimate withholding for salary payments._

The calculator allows you to enter a gross pension amount and displays various withholding figures based on marital status and number of exemptions, up to a maximum of four. _Remember, this is a projection based on information you provide._

The amount withheld is subject to applicable laws and tax codes at the actual time of retirement.

You may want to consider a tax consultant if necessary.

I have read the above and I am ready to do a calculation.

Federal Tax Withholding Calculator - 2020

_Remember, this is a projection based on information you provide._

This calculator is a tool to estimate how much federal income tax will be withheld from your gross monthly SERS benefit check. Occupational Disability and Occupational Death Benefits are non-taxable.

If you are married but would like to withhold at the higher single rate, please use the single rate projections table.

Enter your monthly taxable amount: [ ] Calculate

<table>
<thead>
<tr>
<th>Amount Withheld</th>
<th>Amount Withheld</th>
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</thead>
<tbody>
<tr>
<td>Single 0</td>
<td>Married 0</td>
</tr>
<tr>
<td>Allowances</td>
<td>Allowances</td>
</tr>
<tr>
<td>Single 1</td>
<td>Married 1</td>
</tr>
<tr>
<td>Allowance</td>
<td>Allowance</td>
</tr>
<tr>
<td>Single 2</td>
<td>Married 2</td>
</tr>
<tr>
<td>Allowances</td>
<td>Allowances</td>
</tr>
<tr>
<td>Single 3</td>
<td>Married 3</td>
</tr>
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<td>Allowances</td>
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<tr>
<td>Single 4</td>
<td>Married 4</td>
</tr>
<tr>
<td>Allowances</td>
<td>Allowances</td>
</tr>
<tr>
<td>Single 5</td>
<td>Married 5</td>
</tr>
<tr>
<td>Allowances</td>
<td>Allowances</td>
</tr>
</tbody>
</table>

If you would like to change your current withholding, please complete a new W-4P and send it to State Employees' Retirement System.

Exit Calculator
Member Services

Doe, Jane - XXX-XX-9999 - [Member Id: 12-3456789]

Estimated Retirement Benefits

Your estimated benefits have been calculated as of 8/20/2015. The estimate is based on the most recent pay data that we have received and posted to your account (7/31/2015). As additional pay data is received and posted to your account, the benefit calculations will be updated accordingly.

Estimated Retirement Benefits

These benefits assume continuous service at current rate of pay through benefit effective date.

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>Effective Date</th>
<th>Benefit</th>
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<tbody>
<tr>
<td>Regular Retirement - Monthly</td>
<td>12/1/2029</td>
<td>$1,433.14</td>
</tr>
<tr>
<td>Reduced Retirement - Monthly</td>
<td>4/1/2029</td>
<td>$980.46</td>
</tr>
<tr>
<td>Earned Retirement - Monthly</td>
<td>4/1/2034</td>
<td>$734.84</td>
</tr>
</tbody>
</table>

You have currently earned a benefit of $734.84 that is payable on 04/01/2034. This amount is based on what you have earned in retirement benefits up to the present date. If you left state employment on 08/20/2015, this is the amount you can receive in retirement benefits on 04/01/2034.

For each month (21 days) of unused Sick time, your projected monthly gross is anticipated to increase by $4.06. You may also purchase unused Vacation time for an additional increase.

SERS Estimated Alternative Retirement - Monthly Benefit

<table>
<thead>
<tr>
<th>Plan</th>
<th>Service Credit</th>
<th>Formula</th>
<th>% of FAC</th>
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<tbody>
<tr>
<td>SERS Alternative - Tier 1</td>
<td>20.3333</td>
<td>X 2.50%</td>
<td>50.8333%</td>
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<tr>
<td>SERS Regular - Tier 1</td>
<td>10.4167</td>
<td>X 1.67%</td>
<td>17.3959%</td>
</tr>
</tbody>
</table>

Total Percentage of FAC = 68.2292%

Projected FAC X $6,043.93 = $4,123.73

Estimated Benefit $4,123.73

Projected Retirement Date 9/1/2016

Notes:

- The benefit was calculated as of 07/15/2016 instead of 08/03/2016, because of the Member’s latest posted earnings date.
- Eligibility rule met: Tier 1 Alternative: 55 and 20 yrs.
- Additional projected service: 0 years.
- Age at which eligibility met: 55.6667.
- Receiving Alternative formula (40 ILCS 5/14-110).
ESTIMATED DISABILITY BENEFITS

If you become disabled and meet SERS qualifications for disability benefits you may be eligible to receive one of the following estimated benefits below:

**Non-Occupational - Monthly Benefit**
$1,458.64
(These benefits will be reduced by any Social Security Disability benefits received.)

**Occupational - Monthly Benefit**
$2,187.66
(These benefits will be reduced by Workers’ Compensation benefits received.)

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

ESTIMATED DEATH/SURVIVOR BENEFITS

**Non-Occupational Death - Survivor Monthly Benefit**
$400.00
When death results from non-work related cause, this benefit is payable to your eligible spouse at age 50( or sooner if you have eligible children).

**Non-Occupational Death - Family Maximum Monthly Benefit**
$600.00

**Occupational Death - Survivor Monthly Benefit**
$1,458.64
When death results from work-related duties, this benefit is payable to your eligible survivors. This benefit will be reduced by any Workers’ Compensation benefits received.

**Lump Sum Death Benefit without Eligible Survivors**
$44,299.54

**Lump Sum Death Benefit with Eligible Survivors**
$23,146.76

*Occupational benefit is payable if you have children under 18 or under 22 if a full-time student.

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**SRS STATE RETIREMENT SYSTEMS**

**Member Services**

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**Doe, John**

XXX-XX- 0000  [Member Id: ]

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**BASIC**

<table>
<thead>
<tr>
<th>Retirement System</th>
<th>State Employees' Retirement System</th>
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<tbody>
<tr>
<td>Status</td>
<td>Active</td>
</tr>
<tr>
<td>Birth Date</td>
<td>7/30/1955</td>
</tr>
<tr>
<td>Age</td>
<td>63 years 2 months</td>
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<tr>
<td>Membership Date</td>
<td>05/01/2000</td>
</tr>
<tr>
<td>Tier</td>
<td>Tier 1</td>
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</table>

**LAST PAYROLL OR DISABILITY POSTING**

<table>
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<tr>
<th>Type</th>
<th>Salary</th>
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<tbody>
<tr>
<td>Current Plan</td>
<td>[1] SERS Regular - Coordinated, Tier 1, 4%</td>
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<tr>
<td>Pay Code</td>
<td>50-030</td>
</tr>
<tr>
<td>Agency</td>
<td>State Employees' Retirement System</td>
</tr>
</tbody>
</table>
COLA Buyout – What to Remember

1. You must be eligible to retire by 6/1/2024.
2. Required to be rolled over to a qualified IRA or Deferred Compensation account.
3. Cannot choose level income, SS offset removal or the reversionary options.
4. If you have a QILDRO you may have to have permission from the alternate payee.
Address Changes

Before retirement, contact your agency. Fill out (2) W-4 cards at your agency.

After retirement, contact SERS.
Name Beneficiary

- Keep current
- Name and address change
- How you identify – spouse, sons, daughters, etc.
- Minors/Guardians
- If no beneficiary listed, your estate is your beneficiary
- Changing SERS beneficiary form
  - **Does not change:** Securian Financial/Minnesota life insurance, Deferred Compensation
Retirement Process
Reasons for the Best Time to Retire

• The best time to retire
  • End of the Year
    • Tax Purposes
    • COLA
    • Deferred Comp
  • End of the Month
    • Insurance Reasons

• The Effective Date
  • First of the Month following your resignation

Steps to Retire

• You must resign in writing to your agency.

• You must request a pension application packet – (request application 30-90 days prior to your retirement date). Some exceptions may apply.*

• Contact your Retirement Coordinator, contact SERS directly, download and complete on-line forms to forward on to SERS.

• Member’s and spouse if married – Birth Certificate(s) and marriage license must be on file at SERS, COPIES ONLY.

*Copies of the pension application packet may also be found on the SERS website.
Retirement Packet Includes

- Retirement Checklist

- Retirement Application, Insurance form, Direct Deposit form, Beneficiary form, & W4P form.

- Survivor Contribution Refund form on lump sum, if qualify for one.

- Retiree and survivor handbook (accessed online, no longer printed).

Pension

- Effective date of pension is the 1st day of the month following the date of your resignation.

Checks

- Agency will pay in lump sum for vacation and sick time

- Lump sums from SERS only:
  - Widow/Survivors refund if no qualified survivor
  - Refund of contributions
First Payment

• Approximately 8-10 weeks AFTER your last day of employment. The first check is mailed to your home.

• 1st payment is retroactive to the effective date of your retirement.

• Regular payment will be a direct deposit on the 19th of the month.

Deductions

• Federal Taxes (pension is not subject to IL state taxes)

• If less than 20 years, insurance premiums pro-rated at 5% increments.

• Dependent health insurance rates.

• Dental insurance/ with or without dependents.

• Optional life insurance/ Basic is free.

• Other credit union deductions or assoc. fees will need a deduction card from them. Other deductions do not carry over from your agency.
Retirement Application

Member information

Name (Last, First, Middle) ____________ Effective date of your retirement (MM/DD/YYYY)

Address (Street, City, State, Zip) ____________ 01/________

SSN (last 4) or Member ID ____________ Date of Birth

Email address ____________ Birth Certificate received

If you are single with no dependents or have been married less than one year, would you like a refund of survivor contributions? Yes ___ No ___

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 ____________

Last 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

□ Yes ___ No ___

□ Yes ___ No ___

□ Yes ___ No ___

□ Yes ___ No ___

□ Yes ___ No ___

□ Yes ___ No ___

□ Yes ___ No ___

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 2.052% 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 2.052%.

□ I elect not 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 retiree member with a DLIRD on file with SERS may not choose Level Income without written permission from the DLIRD Department at 211-604-4896. A retirement benefit including a 30% KO 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 65 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.

Reciprocal service

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

If yes, please check off the system(s) you want to include when applying for your reciprocal benefit calculation. You must apply with all systems when you apply for a reciprocal retirement.

□ Chicago Teachers’ Retirement Fund

□ County Employees’ Retirement Fund of Cook County

□ Illinois State Employees’ Retirement Fund

□ General Assembly Retirement System

□ Judicial Retirement System

□ Illinois Municipal Retirement Fund

□ Lessees’ Retirement System

□ Laborers’Retirement and Benefit Fund of Chicago

□ Laborers’ Retirement and Benefit Fund of Cook County

□ Metropolitan Water Reclamation District Retirement Fund

□ Municipal Employees’ Retirement Fund of Chicago

□ Parc Employees’ Retirement Fund of Chicago

□ Teachers’ Retirement System

□ State Universities Retirement System

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

By signing below, I certify that this information is complete and correct. I am aware that knowingly making a false statement or building a record in an attempt to obtain SERS is a crime in Illinois. I understand that the Illinois Board of Trustees has a provision which, in an attempt to receive SERS, is required to report to the appropriate State’s Attorney for investigation.

Member signature ______________________ Date _______
Any Questions?

Benefits
### Contributions Coordinated

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<thead>
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<th></th>
<th>Regular</th>
<th>Alternative</th>
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</thead>
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<tr>
<td>Retirement</td>
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<tr>
<td>Q Survivor</td>
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<td>0.5</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>4.0%</strong></td>
<td><strong>8.5%</strong></td>
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### Contributions Non-Coordinated

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<tbody>
<tr>
<td>Retirement</td>
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<td>11.5</td>
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<tr>
<td>Q Survivor</td>
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<td>1.0</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>8.0%</strong></td>
<td><strong>12.5%</strong></td>
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</table>
Tier 1 How Soon?
Regular (Non-Reduced) Formula

• Age 60 with 8 Years Service Credit

• Rule of 85 (Age + Service = 85)

Early Option
Tier 1 Reduced Regular

<table>
<thead>
<tr>
<th>Age Service Credit</th>
<th>55</th>
<th>thru</th>
<th>59</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>25 – 29 years</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

½ of 1% per month under 60

**Example:** Age 55 is a 30% reduction from your pension.
Regular Formula
Tier 1 Coordinated

Years of Service \times 1.67\% \times \text{FAC} = \text{Pension Credit}

\text{Highest consecutive 48/120 Months}

How Soon?
Alternative Formula

No rule of 75
Age 50-54 with 25 years of Service Credit
Age 55-59 with 20 years of Service Credit
Security Employee with Corrections or Dept. of Human Services

Alternative & Regular time:
To get combination of formulas requires 20 years of service credit.

Dept. of Transportation

All years must be at alternative formula
• 25 years of service to retire at age 50
• 20 years of service to retire at age 55 or older
If you Do Not Meet Eligibility for Alternative Formula

• Must meet Regular Formula eligibility.
• Pension will be calculated at lower Regular Formula Rate.
• Refund of excess contributions paid into the system.

Alternative Formula Tier 1 Coordinated

Years of Service \times 2.5\% \times FAC = Pension Credit

If hired before 1/1/1998
1. FAC (highest 48/120 months)
2. Last rate of pay
3. Average of last 48 months

If hired after 1/1/1998
1. Average of last 48 months
2. Last rate of pay
Tier 1 COLA Increase
Regular Formula

You are eligible for your COLA (pension increase) every Jan. 1 following your 1st full year of retirement if:

• You are 60 years of age or;
• You meet the rule of 85 (age + SC= 85) or;
• Reduced pensions eligible the January following the members 60th birthday.
Tier 1 COLA Increase
Alternate Formula

You are eligible for your COLA (pension increase) every Jan. 1 after age 55 with one full year of retirement.

Tier 2 COLA Increase

• Increase 3% or ½ of the Consumer Price Index for the preceding calendar year, whichever is less.

• Regular Formula: One year after age 67; if you retire under age 67, the January after you turn 67.

• Alternate Formula: One full year of retirement after age 60.
Optional Service Purchases

**Qualifying Periods, Tier 1 only**

- 0 months: 1-1-72 to 12-31-83
- 6 months: 1-1-84 to 11-30-10
- 0 months: after 1-1-11 (Tier 2 began)

**Short Periods**
Does not allow for temporary or contractual time

Previously Refunded Service – AFTER 24 months of additional service credit.
Optional Service Purchases

Military Time
Maximum of 48 months of active duty (can be purchased in one-month increments)

Service for Leaves of Absence
Must be after 1982 and less than one year

Public Act 101-0610 Purchases

State Police Purchases (Tier 1 & Tier 2)
• May purchase up to 5 years of service if employed by federal, state or local government located outside of Illinois.
• Must pay employee contributions of the rate of salary received upon entering service as an IL State Police Officer.
• Must pay employers’ rate and interest at the regular rate on the total amounts from first day through the date of full purchase.
• Must apply within 3 years of 1/1/2020.

Alternative Formula Purchases (Tier 2)
• Can convert prior regular formula service to Alternative formula service up to 8 years.
• Must pay difference between employee contributions plus interest from date of service through date of full purchase.
• Must apply within 12 months of 1/1/2020.
Permanent Police Transfer Provisions (40 ILCS 5/14-110)

Eligible Alternative Formula Positions:
1. State Policeman
2. Conservation Police Officer
3. Investigator for the Secretary of State

May elect to transfer up to 5 years (60 months) from:
1. Article 3 (Downstate Police) – Any Service
2. Article 5 (Chicago Police) – Any Service
3. Article 7 (IMRF) – Sheriff’s Law Enforcement Employee (SLEP time only)
4. Article 9 (Cook County) – County Police time only
5. Article 15 (SURS) – Police time only

The member will need to contact their former employer / former retirement system and request the transfer and the payback information (if they had taken a refund). The member should also request the former employer / retirement system to provide to SERS the following information:

1. The amount of employee contributions, employer contributions, and interest (if applicable) that will ultimately be transferred to SERS
2. The period of time that is being transferred (start date – end date of service)
3. A monthly breakdown of your salary during that time frame being transferred
4. The number of months / years being transferred
5. Validation that you were a full-time officer rather than a part-time officer

This information should be reported to SERS.
Is it worth it to buy service credit?

EXAMPLE

6 months Qualifying period costs to purchase: $2,000.00

For every month of service credit, you add to your projected monthly increase $9.50 x 6 = 57.00

$2,000.00 divided by $57.00 = 35.09 months

Less than 3 years to recover the cost of purchase

Service Purchase Options

Pre-Tax

• Payroll deduction (irrevocable)
• Tax-deferred lump sum from sick & vacation payment at time of retirement
• Rollover from
  • Deferred Compensation
  • IRA
  • Eligible pension plan
Optional Service Purchase

Post-Tax
Lump Sum (write SERS a check)
Post-Tax Installment agreements
NO CASH

Sick & Vacation
Sick & Vacation Days

- Meet your eligibility date to retire.
- Can increase your pension once your eligibility date has been reached.
- Counts towards getting your free insurance premium.

<table>
<thead>
<tr>
<th>Days</th>
<th>Months</th>
<th>Days</th>
<th>Months</th>
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<tr>
<td>6-10</td>
<td>.50</td>
<td>136-140</td>
<td>6.50</td>
</tr>
<tr>
<td>11-21</td>
<td>1.00</td>
<td>141-151</td>
<td>7.00</td>
</tr>
<tr>
<td>22-26</td>
<td>1.25</td>
<td>152-156</td>
<td>7.25</td>
</tr>
<tr>
<td>27-32</td>
<td>1.50</td>
<td>157-161</td>
<td>7.50</td>
</tr>
<tr>
<td>33-43</td>
<td>2.00</td>
<td>162-173</td>
<td>8.00</td>
</tr>
<tr>
<td>44-48</td>
<td>2.25</td>
<td>174-178</td>
<td>8.25</td>
</tr>
<tr>
<td>49-53</td>
<td>2.50</td>
<td>179-183</td>
<td>8.50</td>
</tr>
<tr>
<td>54-65</td>
<td>3.00</td>
<td>184-195</td>
<td>9.00</td>
</tr>
<tr>
<td>66-70</td>
<td>3.25</td>
<td>196-200</td>
<td>9.25</td>
</tr>
<tr>
<td>71-75</td>
<td>3.50</td>
<td>201-205</td>
<td>9.50</td>
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<tr>
<td>76-86</td>
<td>4.00</td>
<td>206-216</td>
<td>10.00</td>
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<tr>
<td>87-91</td>
<td>4.25</td>
<td>217-221</td>
<td>10.25</td>
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<tr>
<td>92-96</td>
<td>4.50</td>
<td>222-226</td>
<td>10.50</td>
</tr>
<tr>
<td>97-108</td>
<td>5.00</td>
<td>227-238</td>
<td>11.00</td>
</tr>
<tr>
<td>109-113</td>
<td>5.25</td>
<td>239-243</td>
<td>11.25</td>
</tr>
<tr>
<td>114-118</td>
<td>5.50</td>
<td>244-248</td>
<td>11.50</td>
</tr>
<tr>
<td>119-130</td>
<td>6.00</td>
<td>249-260</td>
<td>12.00</td>
</tr>
</tbody>
</table>
Sick Time

<table>
<thead>
<tr>
<th>Tier 1 Before 1984</th>
<th>Tier 1 1984 – 1997 (168 max)</th>
<th>Tier 1 &amp; 2 After 1997</th>
</tr>
</thead>
<tbody>
<tr>
<td># of unused sick days = <strong>FREE</strong> service credit</td>
<td>½ sick days – paid days plus service credit</td>
<td># of unused sick days = <strong>FREE</strong> service credit</td>
</tr>
</tbody>
</table>

Sick & Vacation Time

<table>
<thead>
<tr>
<th>Sick Days</th>
<th>= 298</th>
</tr>
</thead>
<tbody>
<tr>
<td>130 unpaid</td>
<td>130 unpaid</td>
</tr>
<tr>
<td>‘84 – ’97 payable sick</td>
<td>= 168 (only ½ paid)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Paid</th>
<th>Unpaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>V = 67</td>
<td>S = 130</td>
</tr>
<tr>
<td>S = 84 (1/2 payable sick)</td>
<td>S = 84 (1/2 payable sick)</td>
</tr>
<tr>
<td>151 = 7 Months</td>
<td>214 = 10 Months</td>
</tr>
</tbody>
</table>

Pay for 7 months from lump sum at contributions rate
10 months is free

**TOTAL SERVICE CREDIT = 17 Months**
(within 90 days of retiring)
Sick & Vacation Time

Vacation days = 67  
Sick days (unpaid) = 130

<table>
<thead>
<tr>
<th></th>
<th>Paid</th>
<th>Unpaid</th>
</tr>
</thead>
<tbody>
<tr>
<td>V 67</td>
<td>S 130</td>
<td></td>
</tr>
<tr>
<td>3.25 Months</td>
<td>6 Months</td>
<td></td>
</tr>
</tbody>
</table>

Pay contributions for payable time to receive 3.25 months of credit. Unpaid time for 6 months is Free.

TOTAL SERVICE CREDIT = 9.25 Months (within 90 days of retiring)

Any Questions?
Reciprocal Systems

Reciprocal Time

• 13 Systems
• Make the choice at retirement to use reciprocity
• Repay (need 12 months) if you took refund from that system if you want reciprocity
Reciprocal Time

Must have at least one year (12 months) of service credit with the other reciprocal system.

May be used to meet rule of 85 and the minimum vesting of eight years or ten years.

Reciprocal Time

May not be used to meet the alternative eligibility.

Not all Reciprocal Systems’ time counts towards insurance.
What to Remember

The level income amount is money from SERS, *NOT* Social Security.

If you have a QILDRO, you will need permission from ex-spouse to be eligible.
What to Remember

The decision is made on the retirement application and is an **irrevocable** decision.

This option is only for members **prior** to social security eligibility.

The reduced amount is applicable for the **rest of your life**.

It is your **responsibility to apply** for the Social Security benefit at the time of the reduction.

What is needed

You must obtain a **PEBES** statement from Social Security in order to receive a Level Income estimate, and/or to receive the Level Income option at retirement.

**OR,** if you can access the Social Security website, you can do it yourself.
How the Retirement Estimator Works

The Retirement Estimator gives estimates based on your actual Social Security earnings record. Please keep in mind that these are just estimates.

Click here to estimate your retirement benefits.

We can't provide your actual benefit amount until you apply for benefits. And that amount may differ from the estimates provided because:

- Your earnings may increase or decrease in the future.
- After you start receiving benefits, they will be adjusted for cost of living increases.
- Your estimated benefits are based on current law. The law governing benefit amounts may change because, by 2034, the combined trust fund reserves are projected to become depleted—same as projected last year. Payroll taxes collected will be enough to pay only about 79 cents for each dollar of scheduled benefits.
- Your benefit amount may be affected by military service, railroad employment or pensions earned through work on which you did not pay Social Security tax.

Who Can Use the Retirement Estimator

You can use the Retirement Estimator if:
- You are a member of SERS who is at least 50 years old.
- You are a Social Security beneficiary or survivor who is at least 50 years old.
- You are a holder of a SERS pension.
- You are a military retiree who has at least 30 years of service.

Related Information

- Estimate Your Life Expectancy
- Other Benefit Calculators
- When to Start Receiving Retirement Benefits
- Benefits For Your Spouse
- Other Things To Consider
- Retirement Toolkit
- my Social Security
- Online Applications
  - Apply Online For Retirement Benefits
  - Apply Online For Spouse's Benefits

If you need information about how to move around in the Retirement Estimator, please...
Enter "0" for the wages.
This should give you your Social Security amounts for the ages of 62 and “full retirement age”.

Enter information as it is on file with Social Security.
Check the “I agree to the Terms...” box.
### Example

- Member retires at age 55 with a SERS pension amount of $2,000
- PEBES SS Amount at 62 is $1,000
- PEBES SS Amount at 67 is $1,300
- Level Income Loan Amount at 62 is $536.00
- Level Income Loan Amount at 67 is $427.00
Level Income to age 62 Rate

From Age 55
SRS Normal Distribution $2,000.00
Level Income $536.00
Total SERS Pension $2,536.00

At age 62
SERS Pension w/COLAs $3,118.96

At Age 62 and One Month

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

*COLAs will now be based on the new lower monthly rate.
Without Level Income

From Age 55
Total SERS Pension $2,000.00

At age 62
SERS Pension w/ COLAs $2,459.75
Social Security $1,000.00
Total Pension $3,459.75

Any Questions?
Death Benefits

Death Benefits – Active members With Qualified Survivors

• Survivor Benefits
  • $1,000 Lump Sum
  • Monthly Annuity (50% of pension)
  • Insurance

AND

• Retirement contributions portion to nominated beneficiary plus interest
Death Benefits – Active members
No Qualified Survivors

• All contributions plus interest to nominated beneficiaries or estate.

AND

• One month's salary for each full year service credit up to six years.
  • 6 Months Maximum
  • 1 Month Minimum

Retiree Death Benefits

• Survivor Benefit:
  • $1,000 Lump Sum
  • Monthly Annuity if married for 1 year at time of death and survivor contributions are applicable.
  • Insurance (possibly)

OR

• No Survivor:
  • Refund of contribution or $500, whichever is greater to beneficiary.
Social Security Offsets on Survivor Benefits

- All monthly annuity survivor benefits payable on your behalf to QS-(SCP) will be reduced by $\frac{1}{2}$ of any survivor benefits payable through the Social Security Administration.

- Your SERS survivor benefit will not be reduced by more than 50%.
**Survivor Benefit**

**SERS Offsets Social Security**

At age 60 (under the deceased State worker SS#)

SERS  $2,000  X  50%  =  $1,000 Survivor Benefit

SS     $800  X  50%  =  -$400 Offset

$600 Survivor Benefit

SERS Benefit Pays     $600
SS Pays               $800

**TOTAL**

$1,400 Monthly Survivor Benefit

---

**SERS Offsets Social Security Survivor Benefit**

At age 62 (under the spouse’s own SS#)

Example

SS (Member)  $ 800
SS (Spouse)  - $ 600

$ 200

$200  X  50%  =  $100 Offset
SERS Offsets Social Security Survivor Benefit
At age 62 (under the spouse’s own SS#)

<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>SERS</td>
<td>$1,000 Survivor Benefit</td>
<td>$1,000</td>
</tr>
<tr>
<td>SS</td>
<td>-$100 Offset</td>
<td></td>
</tr>
<tr>
<td>SERS pays</td>
<td>$900 Survivor Benefit</td>
<td>$900</td>
</tr>
<tr>
<td>AND</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SS pays</td>
<td>$800 (higher of the two amounts)</td>
<td>$800</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$1,700</td>
</tr>
</tbody>
</table>

You will need to choose at the time of retirement

1. “I ELECT TO PARTICIPATE IN THE REMOVAL....”

The Social Security Offset will be removed, AND your pension will be reduced by 3.825%

The offset will be applied to your spouse’s survivor benefit, if applicable
You will need to choose at the time of retirement

2. “I DO NOT ELECT TO PARTICIPATE”.

This will prevent the pension from being reduced and the Social Security offset will be applied if it is applicable.

Never paid into Social Security as a state worker: **NO OFFSET**

Spouse received a higher SS benefit than state worker: **NO OFFSET AT 62**
Rule of Thumb

If the survivor is gaining dollars from Social Security as a result of the spouse’s death, the 50% offset applies to the gain.

An eligible survivor annuity is paid to the surviving spouse for the rest of their lives.
You make this one-time election to reduce your pension to provide lifetime income to your designated dependent(s):

- Spouse
- Any dependent(s) at time of retirement
- 10% increments from 10% to 100% of pension
- No COLA increases on the reversionary amount.
Reversionary: What to Remember

Reversionary is IRREVOCABLE.

The reduction is for life, even if the designated person(s) dies, or if there is a divorce.

Example: 100% of Pension

Pension of $4,000

$433 per month reduction of pension. Member’s pension is now $3,567 per mo.

$3,567 per month for survivor to receive the reversionary benefit. In addition to regular survivor benefit (50% $1,783.50; which could be subject to the SS Offset.) Max benefit would be $5,350.50 per mo.
Example: 50% of Pension

Pension of $4,000

- $230 per month reduction of pension. Member’s pension is now $3,770 per mo.

- $1,885 per month for survivor to receive the reversionary benefit. In addition to regular survivor benefit

Ways to Receive Pension

- Regular with COLA increase when eligible with or without Social Security Offset
- Level Income (if you contribute to Social Security)
- Reversionary
- Any combination from above
Any Questions?

Disability
Occupational Disability
Job-Related

Requirements:
• Member of SERS.
• File a claim with and receive benefits from Workers’ Compensation.
• File the required forms with SERS.
• Members DO NOT have to use any benefit time for OCC or a TEMP disability benefit.

Occupational Disability

• 75% of your Final Average Compensation for Tier 1, 75% of FAC for Tier 2.

• Workers’ Compensation pays 66 2/3%, SERS pays 8 1/3%.
If their WC claim was denied they MUST file for Temporary disability benefits.

SERS will pay occupational disability while the member is receiving Temporary Total Disability (TTD) from WC or if a member has received a settlement.

WC claims for State employees are handled by Tristar. Employees of the Toll Highway are handled by CorVel.

Once WC start paying the member, then SERS can start paying benefits.
Remember

• If you were denied by Workers’ Comp., you need to apply for SERS Temporary disability benefit.
• Temporary benefits members have a 30-day waiting period from their date last paid.
• Not required to use sick days.

When a WC claim is denied

• If WC denies a claim and the member is NOT going to appeal the decision, they can apply for a Non-Occupational disability benefit.
• If they want a non-occupational benefit and have had their WC claim denied, they MUST submit a letter to SERS stating they are not appealing their denial.
• The letter MUST say that they are not now, and will not in the future, seek any compensation from the Illinois Workers’ Compensation Commission for their injury or illness.
Non-Occupational Disability

- Disability resulting from causes not related to your occupation.
- 18 months credited service. Only SURS and TRS reciprocal time can be used for eligibility.
- Off payroll more than 30 days.
- Granted a medical leave of absence approved from your agency.
- MUST use all your accumulated sick leave.
- Have submitted the required forms.

Non-Occupational Disability

- How Long Can I Stay on Non-Occupational Disability?
  - Eligible for 1/2 of your active service credit.

Example: worked 10 years, eligible for disability for 5 years
Non-Occupational Disability

• You exhaust one-half of your credit service
• Your disability ends, your Doctor releases you
• You resume employment
• If your disability begins after age 60, benefits are payable up to:
  • 5 years: Tier 1
  • 5 years: Tier 2

Non-Occ terminated after ½ time ceasing

• If a non-occ benefit is terminated because of ½ time ceasing, but the member is still disabled, they become eligible for an unreduced pension if:
  • Member is 60 and has 8 years of credited service
  • Member is 55 and has 15 years of credited service
  • Member is 50 and has 20 years of credited service
  • Member would not receive a COLA until age 60.
Non-Occupational Disability

• How Much Money?
  • **Tier 1** – 50% of your FAC or monthly rate of pay (not including longevity), whichever is higher. Disability looks at total rate of pay.
  
  • **Tier 2** – 50% of your FAC

Occupational & Non-Occupational Disability

While on disability with SERS your service credit continues to be applied to your account.
My agency wants me to resign?

- Members may resign from their agency and remain on SERS benefit if they continue to meet the eligibility and medical disability requirements.
- Members must be established on SERS disability benefit BEFORE they resign from their agency.
- This allows the agency to post and fill the position.

SERS Insurance
Today’s information is based on current policy and is subject to change

Insurance: Subject to Change

- Legislation
- Contract Negotiations
- Policy/Rule Changes
Read all Information in Your Pension Packet

• Important insurance information sheet
• Completion of Retiree Insurance Form (3991) required.

In Order to Qualify for State Insurance

You must be vested with SERS and collecting a monthly annuity from SERS

• Tier 1 – Vested with a minimum of 8 years
• Tier 2 – Vested with a minimum of 10 years
MyBenefits Service Center will assist State members with Insurance:

- [mybenefits.illinois.gov](http://mybenefits.illinois.gov)
- Or call 844-251-1777

Changes to Insurance Can be Made During:

- Retirement
- A qualifying event
- Benefit Choice period
Retirement Dates Coincide with Insurance Eligibility

- Retirement date is always the 1st day of the month following resignations from agency.
- Insurance become effective the 1st day of your retirement.
- Best if on agency payroll at least 1 - 2 days in the 2nd pay period for insurance to be effective to the end of the month.

State Group Insurance

- Premiums for State insurance will be automatically deducted.
- If your check is not sufficient to deduct premiums, CMS will bill you.
Opt-Out Financial Incentive
SERS Retirees Only

• Must be enrolled in state insurance at the time of retirement to qualify for the incentive option.
• Must provide proof of another health insurance plan.
• Must be Non-Medicare.
• Tax withholding will apply, CMS pays for incentive
  • $150 per month less than 20 years
  • $500 per month 20 years or more
• Still eligible for life insurance

Opt-In

• During Benefit Choice
• Loss of other health coverage
**Reciprocal Time**

- Vested with SERS before reciprocal time will count toward insurance
- Reciprocal Systems that can count for insurance purposes:
  - TRS – All time
  - SURS – If member carried state insurance while contributing to SURS
  - GARS – All time
  - JRS – All time
  - IMRF time does not count towards insurance

**Health Insurance for Retirees**

Member health insurance premiums will be based upon the following:

- 20 or more years of service:
  - Premium Free

- Less than 20 years of service:
  - The state will contribute 5% of the cost for health insurance for each full year of service
Please refer to these websites to view current rates and schedule of benefits for each plan.

srs.illinois.gov or mybenefits.illinois.gov

Dependents

• Can continue, add, or terminate dependents at retirement

• Rates are the same for dependents of retirees and employees (located in current BC booklet or online at mybenefits.illinois.com)

• If a dependent is Medicare Prime, health insurance rate will reduce if member is retired.
Survivor Eligibility:
Deceased member must have been vested in SRS
• Tier 1 member: 8 years
• Tier 2 member: 10 years
Survivor must be eligible to receive a monthly annuity:
• Married at least 1 year prior to death
• Age 50 and over, unless there is a dependent child or children

Survivor Insurance
Basic Information

In order to be eligible to make such an election, the person must have been enrolled as a dependent under the program of health benefits for no less than one year prior to becoming an annuitant.
Survivor Health Rates

1. Years of Service of the member:
   a) Less than 20 years of service – The State will contribute 5% toward the cost of the health insurance
   b) If deceased member retired prior to January 1, 1998, premium was free for the survivor, if less than 20 years.

2. If member died while a state employee, SERS will base the rate on member’s vested years of service.

Life Insurance

• Administered by Securian Financial/Minnesota Life
• 888-202-5525
• lifebenefits.com/illinois
State Life Insurance Examples

Working/Retired Age 59

- $50,000 – Basic Life, annual salary – Free
- $200,000 – 4X Optional – up to 8x allowed.
- $250,000 – Combined AD&D – $/month
- $10,000 – Child Life – $/month
- $10,000 – Spouse Life – $/month

State Life Insurance Examples

Retired age 60 and above

- $5,000 – Basic Life – Free
- $20,000 – 4X Optional – $/month
- $25,000 – Combined AD&D – $/month
- $10,000 – Child Life – $/month
- $5,000 – Spouse Life – $/month
Voluntary Group Life Insurance Plan (NCPERS) National Conference on Public Employee Retirement Systems

- For active employees only
- Decreasing Term Life Policy (life, AD&D, spouse, eligible child)

- NCPERS is in addition to Securian Financial/Minnesota Life, the current life administrator
- Level Premium ($16.00 per month)
- Payroll Deducted
NCPERS Online Enrollment for Active Members

- Enrollment for Active Employees (to be announced)
- Underwriter: Prudential Life
- Administrator: Member Benefits

REMEMBER to visit the SERS website for insurance for up-to-date information about insurance coverages and rates for retirees & survivors.

- Frequently Asked Questions
- Forms
- SERS contact telephone number
- Other important information
Important Resources

- State Employees’ Retirement System
  217-785-7444
  srs.Illinois.gov

- CMS Deferred Compensation
  800-442-1300 ext. 3
  217-782-7006

- Social Security Administration
  800-772-1213
  ssa.gov

- MyBenefits Service Center
  844-251-1777
  mybenefits.Illinois.gov

Any Questions?