

SERS members who contribute to Social Security have the option of choosing the Level Income Option at retirement. This option allows a member to receive retirement benefits at a level amount throughout their retirement years by combining their SERS and Social Security benefits.

### Social Security Estimate

Social Security's online Retirement Estimator can provide a retirement estimate based on your actual Social Security earnings record. 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.

To get an estimate using the Retirement Estimator, go to [www.socialsecurity.gov/estimator](http://www.socialsecurity.gov/estimator).

## SERS LEVEL INCOME OPTION





If you pay into both SERS and Social Security, the **Level Income Option** allows you to receive benefits at a level amount throughout retirement by utilizing this optional method of payment from SERS. The Level Income Option may be selected at retirement before you become eligible to receive Social Security benefits.

Under Level Income, SERS pays an amount (based on your estimated Social Security benefit) plus your regular retirement benefit until you qualify for Social Security benefits.

At that time, your pension is reduced according to your original level income election, 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. 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 benefits using the Level Income Option, obtain a retirement estimate from Social Security by using the online Retirement

Estimator. After you receive your estimate, contact SERS and we will assist you with your Level Income benefit estimate.

### If You Decide to Take the Level Income Option:

1. Contact the SERS Pension Section or your Retirement Coordinator and request a Retirement Packet 30-90 days before your retirement date.
2. Complete the Level Income section of the retirement application and return it with your Social Security estimate and any other requested material to SERS.
3. A retiring member who has a QILDRO on file with SERS, may not choose the Level Income Option without obtaining a signed and notarized consent form from the QILDRO alternate payee.
4. Social Security benefits are paid one month behind, while SERS pays in the same month. There is a one month lag between reduced benefits from SERS and Social Security benefits beginning.
5. The Level Income Option is an irrevocable election! It is an optional payment method, therefore you do not have to take it!

## UNDER THE LEVEL INCOME OPTION

The following EXAMPLE illustrates how the Level Income Option works.

A member retires at age 60 with a monthly pension of \$1,800 from SERS. The member is also eligible for a monthly Social Security benefit of \$1,000 at age 66.

### At Age 60

The member's \$1,000 monthly Social Security benefit is discounted to \$565.50. Therefore, the SERS benefit would be \$2,365.50, and increases 3%\* each year to \$2,824.54 per month by age 66.

### At Age 66

The member's monthly SERS benefit would be \$1,824.54 after reducing \$1,000 for the monthly Social Security benefit. But the member's combined monthly benefit from SERS and Social Security would still total \$2,824.54.