

# RETIREMENT

Eligibility	p.I
Employer Responsibility	p.I
Employee Responsibility	p.I0
SURS Responsibility	p.I0

Rev. 03-10-05

## **Eligibility**

To be eligible to retire, an employee must be:

- A. At least 55 years of age with 8 or more years of service.
- B. At least 62 years of age with 5 or more years of service.
- C. Any age with 30 years of service credit, provided your covered employment terminated on or after August 2, 2002.

Service credit years may include time employed with one of the State of Illinois reciprocal retirement systems to meet the above requirements. A member cannot qualify for a retirement annuity or other benefits based on service credit purchased as Other Public Employment.

Under the Traditional and Portable plans, Police Officers and Firefighters may claim their full, unreduced retirement annuity:

- A. At age 50 with at least 25 years of service as a police officer or firefighter covered by SURS; or
- B. At age 55 with at least 20 years of service as a police officer or firefighter covered by SURS.

## **Employer Responsibility**

The responsibility of SURS-covered employers at the time of retirement is the same under all retirement options.

Employers should distribute a Retirement Annuity Fact Sheet to assist members who have questions regarding retirement eligibility, counseling, and application process.

The employer must complete and submit a Retirement Event that has been created on the SURS Employer Website (Figs. 1, 2, 3, and 4) with termination information. Please note that the Retirement event shown in the manual illustrates all possible information on a retiring employee. The Retirement event is a computer-generated request asking for only the fields of information that are relevant to the particular retiring employee. For example, if an employee is not academic, there will be no section in the event for academic contract verification.

**IMPORTANT: Employers should promptly submit the termination for employees retiring under the Self-Managed Plan. These employees do not receive Preliminary Estimated Payments and they have no insurance benefits until their annuity begins. Employees may be forced to purchase COBRA to have insurance coverage between the time that employment is terminated and annuity payments begin. Academic Contract Verification and Compensation information will be required if employee is a reciprocal retirement.**



## RETIREMENT ANNUITY FACT SHEET

This Fact Sheet provides retirement information to SURS members who elected either the **Traditional or Portable Benefit Packages**. If you are in the **Self-Managed Plan** and considering retirement, contact SURS to discuss your options.

**General Information:** Contact SURS for specific information regarding your eligibility for a retirement annuity and the date it can begin. If you have not had an estimate of your retirement benefits in the last year and you are within 4 years of retiring, you may obtain one by calling SURS at **1-800-275-7877 or 378-8800 in the Champaign-Urbana area**. You may also calculate your own estimate online at [www.surs.org](http://www.surs.org), by logging onto Member Access and using the SURS Benefit Estimator.

If you have terminated, or will terminate your employment from all SURS-covered agencies, and you do not qualify for a retirement annuity or you do not wish to leave your funds on deposit with SURS, you may apply for a separation refund. However, by accepting a separation refund, your claim to future benefits is forfeited. For your convenience, the refund process is also initiated by calling SURS at **1-800-275-7877 or 378-8800 in the Champaign-Urbana area**.

If you have at least one year of service credit with another Illinois public retirement system (even if you have less than five years of service credit with SURS), it may be to your advantage to leave your funds on deposit with SURS and retire under the Illinois Reciprocal Act. Contact SURS for more information.

If you do not take a refund or apply for a retirement annuity and remain inactive, you will be required to accept a mandatory distribution of your funds upon reaching age 70 ½.

**Filing for Retirement:** Contact SURS at **1-800-275-7877 or 378-8800 in the Champaign-Urbana area** to request your *Application for Retirement Annuity*. You may also access an application online at [www.surs.org](http://www.surs.org). Your application should be on file with SURS 60 to 90 days prior to the effective date of retirement. Any payments for service credit must be made prior to the effective date. If you are electing to retire under the Illinois Reciprocal Act, you should also contact the other system(s) for an application.

Along with your application, you should submit copies of your birth certificate, as well as your spouse's or contingent annuitant's birth certificate and marriage certificate, as needed.

**Processing Information:** During the processing of your claim, you will receive estimated payments of approximately 90% of your estimated annuity. You should note that certain restrictions apply, and the actual percentage received may vary.

Retirement processing takes approximately 90 days. The processing time may be longer, depending upon the complexity of your claim, particularly if you are electing to retire under the *Illinois Reciprocal Act*. During this processing time, SURS will request the necessary information from your employer, from you, and from any applicable reciprocal systems.

When your claim is finalized, any additional annuity due will be paid to you in a lump sum. If an overpayment occurs, you will be responsible for returning any excess payments to SURS. Any lump sum payments, such as a survivor refund or service or contribution waiver, will be paid at the time your claim is finalized. You will receive notification of available options for these payments during the processing of your retirement claim.

**Return to Work:** Return to work limitations will apply for pay received for services performed at a **SURS-covered employer only**. You may return to work on or after the 61<sup>st</sup> day from your retirement date, subject to an earnings limitation. You will be informed of your limit when the retirement claim has been completed. Please note that this earnings limitation **would not apply** to employment outside of the SURS system.

**Reversionary Annuity:** If you are a Traditional Benefit Plan member, you may also elect to receive a reduced monthly annuity to provide additional benefits for your survivor. The cost for this benefit is based on your age and the survivor's age at retirement. Your election for the Reversionary Annuity **must** be on file with SURS at least 30 days prior to retirement. This option is not available under the Portable Benefit Package.

**Portable Member Options:** If you are not married, your annuity is a Single-Life annuity payable for your lifetime, **unless** you select a Lump Sum Retirement or designate a contingent annuitant. A contingent annuitant is any person whom you designate to receive a survivorship annuity, regardless of relationship. The survivorship annuity will be 50%, 75%, or 100% of your reduced annuity, depending upon your election.

If you are married, your spouse is your contingent annuitant and your annuity will be paid as a Joint & Survivor annuity, unless they provide consent for you to elect otherwise. If your spouse provides written consent, you may elect to receive a Single-Life annuity, a Lump Sum Retirement, or name another person to receive a survivorship annuity.

**Taxability:** Your annuity will either be fully or partially taxable for federal income tax. Your annuity is not taxed by the State of Illinois. If you reside in another state, check with the Revenue Department of that state regarding tax provisions. SURS can only withhold income tax for the State of Illinois.

**After Retirement:** Once retired, you must contact SURS to update your mailing address, email address, tax withholding, and bank information.

A 3% prorated increase is paid on the January 1<sup>st</sup> following the effective date of your annuity. This prorated increase is based on 3% of your base annuity for the number of months from your effective retirement date through December of that year. A 3% compounded annual increase is paid each January thereafter.

Revised 10/3/03

Fig. 1

ULEC SURS STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS

Process New Event Event Inquiry Member Inquiry  
 Contact Us Maintain User Profiles Employer Preferences Change Password  
 Home Employer Manual Sign Out

Event Id: 50002547

Richman, Juan  
 123-44-5678

Print Update Help

Termination--Termination Information

Reason for Termination Death  Retirement  Termination

Member Type Academic  Staff  Other  Police/Firefighter

Date of Termination 07142002 (MM/DD/YYYY)

Police/Fire Employment Dates - (MM/DD/YYYY)

Number of Hours Worked per Day 8

Percent of Employment 100.00 (Enter amount as a whole number)

Last Payroll Date 07142002 (MM/DD/YYYY)

Vacation Days 20

Cash Value of Vacation Days 2000

Unpaid Sick Leave Days 63

Paid Sick Leave Days 0.00

First Partial Academic Earnings 0.00 (If applicable)

Did you accept transfer of sick leave credit from previous SURS employer?  
 Yes  No

If Yes, Sick Leave Days Transferred 0.00 Employer

Will Workers' Compensation be payable?  
 Yes  No

Validate Section

Notes Print Update

Main Office 1-800-ASK-SURS Fax 1-217-378-9800

- 1) Check the appropriate Reason for Termination.
- 2) Date of Termination is the exact date that the employee was terminated.
- 3) Police/Fire Employment Dates are the beginning and ending dates for which an employee was employed as a police officer or a fire fighter (if applicable).
- 4) Number Of Hours Worked Per Day should reflect the exact number of hours the employee actually worked each day.
- 5) Percent Of Employment is the exact percent of time the employee worked while active.
- 6) Last Payroll Date is entered as the last day of the last payroll period for which the employee was paid.

- 7) Vacation Days is the number of unpaid vacation days remaining on the termination date.
- 8) Cash Value Of Vacation Days is the combined value of all vacation days reported in step 7.
- 9) Unpaid Sick Leave Days is the total number of non-compensable sick leave days remaining on the termination date.
- 10) Paid Sick Leave Days is the total number of compensable sick leave days remaining on the termination date.
- 11) First Partial Academic Earnings is compensation paid prior to the beginning of the new academic year.
- 12) Indicate if you accepted the transfer of sick leave days from a previous SURS employer.
- 13) If sick leave days were transferred, the number of sick leave days that were transferred, and the name of the employer from which they were transferred should be entered.
- 14) Indicate if any Worker's Compensation will be payable to the employee.

Fig. 2

ULEC SURS  
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS

Process New Event    Event Inquiry    Member Inquiry  
Contact Us    Maintain User Profiles    Employer Preferences    Change Password  
Home    Employer Manual    Sign Out

Event Id: 500002647

Richman, Juan  
123-44-5678

Status  
Termination Pending

Termination No Data  
Compensation Ok

Event Notes  
Submit event  
Delete event  
Correction

Print    Update    Help

Termination--Compensation

More entry lines have been added to the compensation section to account for employees that have had their compensation changed throughout an academic year. If SURS supplied the academic years required you can enter any additional compensation changes within that academic year in any of the remaining blank lines.

Academic Year (YY/YY or YY/00)	Effective Date (MM/DD/YYYY)	Monthly Rate	# of Months Worked	# of Months Paid	Percentage of Time
96/97	9/01/1996	2000.00	12.00	12.00	100.00
97/98	9/01/1997	4000.00	12.00	12.00	100.00
98/99	9/01/1998	6000.00	12.00	12.00	100.00
99/00	9/01/1999	8000.00	9.00	12.00	100.00
99/00	3/01/2000	8500.00	9.00	12.00	100.00
00/01	9/01/2000	10000.00	12.00	12.00	100.00

Validate Section

Notes    Print    Update

Main Office    Fax  
1-800-ASK-SURS    1-217-378-9800

- 1) Academic Year should be reported using two digit years that reflect the beginning and ending of the academic year (Example: 96/97).

- 2) Effective Date is the date that the monthly salary rate became effective. There can be multiple effective dates during any one academic year. Enter information for each new effective date in an academic year on a separate line (4<sup>th</sup> and 5<sup>th</sup> lines in the diagram above). Always identify the academic year in each line, even if it does not change.
- 3) Monthly Rate should be the full-time monthly base contract (when contract exists) amount of compensation.
- 4) Number of Months Worked is the exact number of months the employee actually worked.
- 5) Number of Months Paid is the number of months in which the employee was paid.
- 6) Percentage of Time is the exact percent of time the employee worked while active.

Any period of time prior to September 1, 1991, when an employee was not employed full-time must be listed in the Part-Time Verification section of the Retirement Event on the SURS Employer Website.

Fig. 3

U-LEC SURS  
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS

Process New Event | Event Inquiry | Member Inquiry  
Contact Us | Maintain User Profiles | Employer Preferences | Change Password  
Home | Employer Manual | Sign Out

Event Id: 500002882 Print Update Help

Richman, Juan  
123-44-5678

Status  
Retirement Pending

Termination Pending  
Compensation Pending  
Part Time Pending  
Academic Contracts Pending

Event Notes  
Submit event  
Delete event

Retirement--Part Time Verification

*The retirement date for this member is not determined yet.*

Effective Date MM/DD/YYYY	Ending Date MM/DD/YYYY	% of Time
2/15/1978	10/20/1981	50.00
3/01/1982	8/31/1981	75.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00
		0.00

Validate Section   
Next

Notes Print Update

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- 1) Effective Date is the month, day, and year that the part-time employment period began.
- 2) Ending Date is the month, day, and year that the part-time employment period ended.
- 3) Percent of Time is the exact Percent of Time worked during the part-time employment period.

For academic employees, a completed Verification Of Academic Contract section must be completed and submitted on the SURS Employer Website (Fig. 4). SURS can not calculate the retirement annuity correctly if this information is missing or incorrect.

The Statutes that govern our system require that only dollars earned during the period of the 48 months preceding termination may be used in the 48 month calculation. SURS requests academic contract information any time that we cannot conclude from an employee's SURS file if they are paid their contracted salary as they earn it.

SURS will always list the two academic years for which the contract information is needed on the Verification Of Academic Contract section of the Retirement event. An academic contract year is defined as the end of the academic year for which the contract is effective.

Example: Should the contract date be September 1, 1998, through December 31, 1998, the contract would be effective in academic year 1999. SURS academic years run from September 1 through the following August 31.

Fig. 4

ULEC SURS  
STATE UNIVERSITIES RETIREMENT SYSTEM OF ILLINOIS  
SURS

Event Id: 500002882

Richman, Juan  
123-44-5678

Process New Event | Event Inquiry | Member Inquiry  
Contact Us | Maintain User Profiles | Employer Preferences | Change Password  
Home | Employer Manual | Sign Out

Print | Update | Help

**Retirement--Verification of Academic Contracts**

The retirement date for this member is not determined yet.

If you select **Other** as the "Contract Type" please attach a note to this event before you submit it, describing the type of work this member has done. You can create the event note by clicking on the "Event Notes" button located in the navigation bar along the left side of the screen. A new window will be displayed where you can enter your comments. Once completed, click on the submit button within the new window to save your comments.

Adjunct/12-Month Employee

Academic Year from  To  MM/DD/YYYY

Academic Year	Contract Type	Contract Begin Date	Contract End Date	Length of Contract	Amount of Contract
1998	Base Contract	9/01/1997	5/31/1998	9.00	120000.00
1998	Summer School	6/01/1998	7/31/1998	2.00	5000.00
1999	Base Contract	9/01/1998	5/31/1999	9.00	130000.00
1999	Overload	3/01/1999	3/21/1999	1.00	5000.00
1999	Summer School	6/01/1999	7/31/1999	2.00	6000.00
1999	Other	1/01/1999	2/28/1999	2.00	3000.00

Validate Section

Notes | Print | Update


Main Office: 1-800-ASK-SURS | Fax: 1-217-378-9800

- 1) Academic Year is the year in which the academic year ends.
- 2) Contract Type is the type of contract being reported.
  - a. Base Contract
  - b. Summer School
  - c. Overload
  - d. Other (Always include a note defining Other)
  - e. Excess Life (For employers who have to report a separate amount due to excess life insurance)
- 3) Contract Begin Date is the exact month, day, and year that the contract went into effect.
- 4) Contract End Date is the exact month, day, and year that the contract expired.
- 5) Length of Contract is the total length of the contract in months and must match the perimeters defined by the Contract Begin Date and the Contract End Date. (For contract lasting less than one month always enter one month.)
- 6) Amount of Contract is the total compensation paid in the contract period.

## Certification of Unused Sick Leave (Included in Retirement Application Packet)

If an employee has intermittent employment with various SURS agencies where there is unused and unpaid sick leave remaining at termination that has **not** been reported to SURS, the former employee would send a Certification of Unused And Unpaid Sick Leave to the employer (Fig. 5). The employer should complete the form, sign it, and have it notarized, and send it to SURS.

Fig. 5

	<p>STATE UNIVERSITIES RETIREMENT SYSTEM          1901 Fox Drive          Champaign, IL 61820          Telephone 1 (800) 275-7877 or 378-8800 (C-U Area)          FAX (217) 378-9800</p>				
<p><b>CERTIFICATION OF UNUSED &amp; UNPAID SICK LEAVE</b></p>					
<p>===== <b>STOP</b> =====</p> <p><b>This form should be completed ONLY if you have had intermittent employment with various SURS agencies which you had unused and unpaid sick leave remaining at termination that has NOT been reported to SURS. (You may wish to contact a SURS Member Service Representative to verify your records.)</b></p> <p><b>If you have just terminated active SURS employment, you do not need to complete this form. Upon termination, your current employer will submit the necessary sick leave information.</b></p>					
<p><b>Member Instructions:</b> Complete Part 1, tear out, and mail to your employer for verification.  <b>Employer Instructions:</b> Complete Part 2, have your signature notarized in Part 3, and return this form to SURS.</p>					
<p><b>PART 1 - To Be Completed by EMPLOYEE</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Name (Last, First, Middle Initial)</td> <td style="width: 30%;">Social Security No.</td> </tr> <tr> <td colspan="2">Name of Employer</td> </tr> </table>		Name (Last, First, Middle Initial)	Social Security No.	Name of Employer	
Name (Last, First, Middle Initial)	Social Security No.				
Name of Employer					
<p><b>PART 2 - To Be Completed by EMPLOYER</b></p> <p>I hereby certify that the number of unused and unpaid sick leave days reported below are correct, and that a public record is on file to verify the days reported. I also certify that none of these days were granted for previous employment.</p> <p>This employee was employed FROM _____ TO _____</p> <p>On the date employment terminated, this employee had _____ days of unused and unpaid sick leave.</p> <p style="text-align: center;">_____ Calendar Days    _____ Work Days    _____ Hours In The Day</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 45%;">Authorized Signature</td> <td style="width: 30%;">Title</td> <td style="width: 25%;">Date</td> </tr> </table>		Authorized Signature	Title	Date	
Authorized Signature	Title	Date			
<p><b>PART 3 - To Be Completed by NOTARY PUBLIC</b></p> <p>Subscribed and sworn to before me, a Notary Public in and for the County of _____, State of _____.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Signature</td> <td style="width: 15%;">Date</td> <td style="width: 20%;">My Commission Expires</td> <td style="width: 35%;">NOTARIAL SEAL</td> </tr> </table>		Signature	Date	My Commission Expires	NOTARIAL SEAL
Signature	Date	My Commission Expires	NOTARIAL SEAL		
<p>RTMC/F007/060193</p>					

The employer must complete Part 2 (Fig. 6). The person authorized to sign this form must have his or her signature notarized.

**Fig. 6**

**PART 2 - To Be Completed by EMPLOYER**

I hereby certify that the number of unused and unpaid sick leave days reported below are correct, and that a public record is on file to verify the days reported. I also certify that none of these days were granted for previous employment.

This employee was employed FROM Jan. 20, 1969 TO June 1, 1978.

On the date employment terminated, this employee had 60 days of unused and unpaid sick leave.

         Calendar Days 60 Work Days 8 Hours In The Day

Authorized Signature <i>Charles Employer</i>	Title <i>Supt. of Benefits</i>	Date <i>10/1/00</i>
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**PART 3 - To Be Completed by NOTARY PUBLIC**

Subscribed and sworn to before me, a Notary Public in and for the County of \_\_\_\_\_, State of \_\_\_\_\_.

Signature	Date	My Commission Expires	NOTARIAL SEAL
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RTMC/F007A/060193

1. Indicate the beginning and ending dates of employment.
2. Indicate the total number of days of unused and unpaid sick leave that was available when the employee terminated employment.
3. Break down by calendar days and work days, and indicate the number of hours worked in a day.
4. Have the authorized person's signature notarized.
5. Send the completed form to SURS. (Employee Responsibility)

## **Employee Responsibility**

The employee should contact SURS for a Retirement Application. The employee should submit the Retirement Application to SURS at least 90 days prior to the effective retirement date. There are several types of retirement applications: Traditional Plan, Portable Plan, and Portable Lump Sum Retirement Turnaround Document. The Self-Managed Plan Retirement Application is currently being developed. At this time if the employee is in the Self-Managed Plan, he/she must contact the Plan Provider(s) to apply for retirement.

## **SURS Responsibility**

SURS will provide the employee with a Retirement Application upon request. If the employee desires counseling, SURS will arrange for a counselor to meet with the employee prior to applying for any plan type of retirement benefits. All eligibility requirements, (see page 1) must be met and the estimate effective date must be no more than 4 years from the current date unless the member is in negotiations with their Employer and needs to declare a date for Retirement. Members are only eligible for written estimate as well as appointment once every 12 months.

SURS will open a Retirement Claim upon receiving the employee's application. This case will be queued to a Member Services Representative who will work to obtain the information required to process a Retirement Claim and verify that it is accurate.

In the period between the date that SURS receives the Retirement Application and the date the first finalized annuity check is paid, a Preliminary Estimated Payment (PEP) amount will be calculated and paid.

The PEP will be paid on the first working day of the month in which the employee retires if: member retires on the first of the month, the application was received 90 days prior to retirement date, and all necessary information is received. The PEP will be paid on the first working day of the following month if the member chose a date other than the first of the month. The PEP will be delayed if the application was not received 90 days prior to the retirement date or not all necessary information has been received.

The employee can request that annuity payments be sent to the home address or to a bank account via electronic fund transfer. SURS strongly recommends that electronic fund transfer is used. SURS will pay the PEP checks until the retirement claim is finalized.

SURS will set up insurance deductions for State Insurance, the Community College Insurance Program, and College Insurance premiums, along with any voluntary

miscellaneous deductions the employee may have requested (See the Insurance section of this manual).

If the employee is retiring under the Traditional Plan and has indicated on the Retirement Application that there is no eligible survivor, SURS will calculate the amount of the refundable Survivors Benefit. The employee will be given the choice of:

- Taking it as a lump sum refund or rolling it over to another qualified plan;
- Taking it as additional monthly income for life; or
- Waiving the above 2 options and preserving the rights of possible future survivors to qualify for Survivors Benefits.

SURS will send a letter to the employee explaining the 3 options and stating the amount of the Survivor Benefit. The employee must choose an option and sign and return the Waiver Letter. The employee must also complete, sign, and return a Distribution Election form if he or she chooses a lump sum refund.

When SURS receives all the information requested from the employer on the Summary Report, the employee will be notified if there are excess contributions/service credit. If there are excess contributions/service credit, the employee will have the option of taking the funds in a lump sum or as an additional lifetime annuity.

Also, when SURS receives all the information requested on the Employer Summary Report, SURS will communicate with any reciprocal systems involved if the employee is retiring under the Reciprocal Act. Claims processed with reciprocity can increase normal processing time.

Once SURS receives all required information from the employee, the employer, and the reciprocal system if applicable, SURS will calculate the final retirement benefit. When the final calculation process has been approved, the retirement claim is submitted to the Pay Benefits Department for payment.

At this time, an adjustment will be made that will reflect any underpayment or overpayment that may have been made during the period of time that the member was receiving the PEP. Any refunds of Survivor Benefits or Excess Contributions/Service Credit are also paid at this time. Finally, a Retirement Awards Letter will be sent to both the employee and the employer.

