



## 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.