

New Member Retirement Choice

New members must choose 1 of the 3 retirement options offered within *6 months from the date SURS receives their certification of employment* from their employer. Their choice is permanent and cannot be changed. Members may not make an enrollment choice after they terminate.

An information packet will be sent to all new members, along with an Election form, to help them make their choice. If you are a new member, please review the information carefully when you receive it to determine which of the 3 options (Traditional, Portable, or Self-Managed) is best for you. *If you fail to choose within your first 6 months, you will be permanently enrolled in the Traditional Benefit Package.*

Traditional Plan

This is the historical SURS Defined Benefit retirement plan. Until 1998 it was the only SURS plan available. It provides lifetime retirement benefits and provides for a survivor benefit at no additional cost. However, the separation refund feature is not generous.

IMPORTANT FEATURES OF THIS OPTION:

- Survivor benefits are automatically provided to the eligible survivors. If there is no eligible survivor at retirement, you can take your survivor contributions (approximately 1/8th of account balance) as either:
 - A lump-sum refund or rollover; or
 - An increased monthly annuity.
- There is an 80% maximum of final average earnings on your retirement annuity. All excess contributions are refunded to you at retirement.
- A lump sum refund consists of your contributions plus 4 1/2% interest. Regardless of years of service credit, no employer contributions are refunded with the lump sum in this option.
- You may be eligible for the health and life insurance benefits at retirement *if* you annuitize your total benefit for life.

Self-Managed Plan (SMP)

This is a Defined Contribution plan that establishes an account in your name into which your contributions and the employer (State of Illinois) contributions are placed. You decide how your account balance will be invested, selecting from a variety of mutual funds, stable value funds, and variable annuities.

IMPORTANT FEATURES OF THIS OPTION:

- There are no minimum or maximum benefits on your retirement.
- No employer accumulations earned prior to your election will transfer with you to this plan.
- The first employer match of contributions begins with the first full payroll period starting after SURS receives your election. Make your choice as soon as possible to begin the employer match.
- With less than 5 years of service, a lump-sum refund consists of the value of your account; total employee contributions plus all investment returns on those contributions. With 5 or more years of service, you receive total employee and employer contributions that are in the account, and the investment returns on both.
- You may be eligible for the health and life insurance benefits at retirement *if* you annuitize your total benefit for life.

Portable Plan

This is also a Defined Benefit retirement plan that has much in common with the Traditional Benefit Package. However, it provides a more generous separation refund if you leave the system. But the provisions for survivor benefits require a reduction to the retirement and death benefits.

IMPORTANT FEATURES OF THIS OPTION:

- The Portable Benefit Package does not include a funded survivor benefit. Of your 8% contribution, 1% provides for portability (whereas in Traditional it provides for a monthly survivor benefit).
- If you elect a monthly annuity at retirement instead of a refund, the formulas for calculating the amount are the same for Portable as for Traditional. With Portable, however, the cost of a survivor annuity, if applicable, reduces your annuity.
- With less than 5 years of service, a lump-sum refund consists of your total contributions and total interest. With 5 or more years of service, you receive total member contributions and interest plus an equal match from employer (dollar-for-dollar).
- You may be eligible for the health and life insurance benefits at retirement *if* you annuitize your total benefit for life.

The State Universities Retirement System is located at 1901 Fox Drive, Champaign, IL 61820. Office hours are 8 A.M. to 4:30 P.M. Monday through Friday.

Please include your Social Security number with all correspondence.

The mailing address is:

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