500 STATE EMPLOYEES' RETIREMENT SYSTEM (SERS)

505 The Retirement System

Except for contractual employees, all state employees are covered by the State Employees' Retirement System (SERS) after a six-month qualifying period. At your option, SERS contributions missed during the first six months of employment may be made directly to SERS. Employees entering state service after January 1, 1969, must contribute both to SERS and to Social Security. SERS contributions made before January 1, 1982, were paid out of income that was taxed when you received it. After January 1, 1982, all involuntary contributions have been tax exempt. Voluntary contributions are not tax exempt.

After completion of the qualifying period, SERS gives all new employees a handbook outlining briefly the provisions of the retirement program. Employees must apply to receive SERS benefits. Specific information about the retirement program and benefit application forms may be obtained from the Division of Personnel and Administrative Services.

Information on your Social Security benefits can be obtained by calling 1-800-772-1213. Service representatives are available to take your call from 7:00 a.m. to 7:00 p.m. each business day.

== 505.1 Amount of SERS Deduction

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State law requires SERS members to contribute a percentage of their salary to SERS. The contribution rate is 4% for an employee covered by Social Security and 8% for an employee not covered by Social Security.

Laid off employees, employees on leave for union office pursuant to Article XXIII, Section 10, of the AFSCME Contract, or employees who take time off for union activities pursuant to Article VI, Section 3, of the AFSCME Contract, shall be allowed to purchase pension credit for the period of such layoff, union leave or time off for union business pursuant to the guidelines set forth in the side letter on pension credits.

505.2 Retirement Benefit Package

You are eligible to receive retirement benefits:

- at age 60, with 8 years of credited service
- at any age, when your age (years and whole months) plus years of service credit (years and whole months) equal 85 years (1,020 months) (Rule of 85)
- between ages 55-60 with 25-30 years of credited service (reduced ½ of 1% for each month under age 60)

You may request an application for retirement benefits through the Retirement Coordinator in the Division of Personnel and Administrative Services no sooner than 60 days before the anticipated day of retirement. All contacts with the Retirement Coordinator are kept confidential.

505.3 Non-Occupational Disability Benefits

If you experience a disability, you may qualify for non-occupational disability benefits if:

- You have at least 18 months of service credit. This may include service with the Teachers' Retirement System and the State Universities Retirement System;
- You have exhausted all accumulated sick leave;
- You have been granted a non-occupational disability leave of absence;
- Your disability resulted from causes other than those related to your job; and
- You apply for and submit the required forms to SERS for the benefits.

Disability benefits begin to accrue on one of the following:

- The 31st day of absence from your last day of work (including periods in which sick, vacation or personal business days were used), or
- The day following the day you last received compensation (including periods in which sick, vacation, or personal business days were used), or
- The date the application is received if your application is delayed more than 90 days after removal from the payroll.

The benefit payment equals 50% of your monthly compensation rate at the date you are removed from the payroll or the computation of your average final compensation (highest 48 consecutive months in the last 120 months of employment), whichever is greater. If you contribute to Social Security, you must apply for a Social Security disability benefit to qualify for a non-occupational disability benefit with SERS. (An employee on leave for reason of maternity is exempt from applying for Social Security disability.) The amount of the SERS benefit is reduced by any Social Security disability benefits for which you are eligible.

If you receive a SERS non-occupational disability benefit, you also receive service credit and contributions as if in active employment. You continue to be covered under State-paid health, life and dental insurance. You are billed for optional insurance premium coverage by the Department of Central Management Services (CMS).

Disability payments continue until:

- Your disability ends,
- You resume gainful employment,
- You have received payments for a period equal to one-half the service credit established as of the date of disability, or
- You reach age 65. (If the disability begins after age 60, benefits are payable for five years.)

If your disability payments have been exhausted but you remain disabled, you may qualify for a pension if:

- You are age 60 or over with at least 96 months (eight years) of service credit,
- You are age 55 with at least 180 months (15 years) of service credit, or
- You are age 50 with at least 240 months (20 years) of service credit.

== 505.4 **Occupational Disability Benefits**

If you become disabled from an injury on the job or from a job-related cause, you may be entitled to occupational disability benefits if:

- You are a member of SERS, and
- You have been granted an occupational disability leave of absence, and

- You have filed a claim with the Illinois Workers' Compensation Commission or the Risk Management Division of the Department of Central Management Services to determine if your disability is service-connected, and
- You have filed an application and required forms with the SERS Claims Division either:

  - within 12 months after removal from the payroll,
  - within 12 months after becoming eligible for benefits under Workers' Compensation, or
  - within 12 months after the Workers' Compensation Commission approves the Workers' Compensation benefit.

You do not have to use ABT before taking an occupational disability leave of absence. If you choose to use ABT, the remarks section of the absence request form, HFS 2053, must state that the use of ABT was voluntary.

The benefit amount is 75% of your monthly compensation rate at the date you are removed from the payroll or the computation of your average final compensation (highest 48 consecutive months in the last 120 months of employment), whichever is greater, adjusted by any Workers' Compensation or Occupational Diseases Act payments other than medical payments. If you receive occupational disability benefits, you are also credited with service benefits and contributions as if in active employment. You also receive the State-paid health, dental and life insurance coverage. Employees who have optional insurance coverage are billed by the Department of Central Management Services (CMS) for the premium payments.

Occupational disability payments continue until:

A. Your disability ends,
B. You resume gainful employment, or
C. You reach age 65. (If the disability begins after age 60, benefits are payable for five years.)

If the benefit ends because of age, you may be eligible for a retirement pension regardless of service credit established.

505.5 Death Benefits

Your survivors or beneficiaries may be entitled to certain benefits and insurance coverage through SERS.

When death occurs, the Retirement Coordinator within the Division of Personnel and Administrative Services or SERS Claims Division must be notified as quickly as possible. Written instructions are then provided to the survivors or beneficiaries as to how to claim the benefits.

505.6 Refund Contributions

An employee who is a member of SERS who resigns, is discharged, dismissed or laid off may choose to withdraw the contributions. You must be off the state payroll for 14 days to be eligible for the refund. By taking the refund, you:

- Lose rights to all SERS benefits,
- Receive no interest on the contributions, and
- If younger than age 55, you will pay a 10% excise tax if the contributions are not rolled over into an IRA.

You should request a refund application from SERS after you have been off state payroll for 14 days. It takes approximately four to six weeks to process the refund.

505.7 Establishing Additional Service Credit

You can make voluntary contributions for periods of employment or military active-duty service in which you did not originally make contributions. If you previously took a refund of your retirement contribution, you can also repay the refund to reestablish the service credit. Upon retirement you can request to pay retirement contributions on your lump sum payment of available benefit time to establish credits for those paid days. If you are interested, please contact the Division of Personnel and Administrative Services' retirement coordinator.

505.8 Pre-retirement Workshops

SERS periodically holds pre-retirement workshops throughout the state to help you plan for your retirement.