



# PLAN CHOICE GUIDE

Tier II



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Choosing a retirement plan may seem a bit overwhelming at first. You will want to have a solid understanding of your options before you decide. That is important because you cannot change your decision later.

**The good news:** you have access to many resources from SURS to help you.

## Helpful resources

You are encouraged to take advantage of all resources available to you as part of your decision-making process.

The interactive Plan Choice Decision Tool on [surs.org](https://surs.org) is designed to assist you with comparing the SURS retirement plans. There are questions to lead you through the plan features and help you zero in on which plan may suit your personal situation. Your answers will trigger tips and stories about people like you and why they chose their plan.



The videos, webinars and member guides on the website provide more information about each plan.

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To access the Plan Choice Decision Tool and other resources, go to [surs.org](https://surs.org) and click on the Member Website Login button in the top right-hand corner of the homepage.

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You may also give us a call at 800-275-7877. We are available 8:00 a.m. to 4:30 p.m. (Central time) on Monday, Tuesday, Wednesday and Friday, and 9:00 a.m. to 4:30 p.m. on Thursday, excluding major holidays.



# CHOOSE THE PLAN RIGHT FOR YOUR GOALS

The State Universities Retirement System (SURS) provides retirement, disability, survivor and death benefits to eligible members.

As a new SURS member, you are required to participate in a qualified 401(a) retirement plan. You have three different options: the Traditional Pension Plan (a defined benefit plan), the Portable Pension Plan (a defined benefit plan) or the Retirement Savings Plan (a defined contribution plan). You get to choose the plan that you feel best aligns with your retirement goals.

You have six months to select your plan. Keep in mind that this is a one-time election that can never be changed. The clock starts on the date SURS receives notice of your employment from your employer. If you do not make a selection, you will be automatically enrolled in the Traditional Pension Plan. To make your choice, log in at [surs.org](https://surs.org). The enrollment process is simple. Ready to start? Let's go.

This guide has been prepared for Tier II members. You are a Tier II member if you first became a participant on or after January 1, 2011.

Contact SURS if you participated in SURS and accepted a refund or participated in another Illinois retirement system before 2011. For the listings of participating employers and reciprocal retirement systems, go to [surs.org/participating-employers](https://surs.org/participating-employers) and [surs.com/reciprocal-systems-listing](https://surs.com/reciprocal-systems-listing). We will review your prior participation covered under the Illinois Retirement System Reciprocal Act to make sure you are in the correct tier of benefits.

## Do not delay!

Depending on the plan you choose, delaying your retirement plan election could reduce your retirement benefit.

## SURS Deferred Compensation Plan Automatic enrollment for new members

In addition to selecting a core SURS 401(a) retirement plan, members hired on or after July 1, 2023, will be eligible for automatic enrollment in the SURS 457(b) Deferred Compensation Plan (DCP) in accordance with Illinois state law. The SURS DCP is a supplemental savings plan designed to complement the SURS core plan you select — the Traditional Pension Plan, Portable Pension Plan or the Retirement Savings Plan. You will receive notification if automatic enrollment into the DCP applies to you. For more information, go to [surs.org/dcp](https://surs.org/dcp).



# WHAT TO THINK ABOUT FIRST

Your personal situation and what you want from a retirement plan will guide your decision.

You will want to consider your age, career plans and all potential sources of future retirement income. Knowing your answers to these questions upfront may help you weigh different plan features as you read on about the three plan choices.

## How long will you be employed?

Do you think you are likely to work for a SURS-covered employer long enough to reach the minimum vesting requirements for retirement eligibility? Or do you expect to be a short-term employee? Length of service and vesting are factors to consider in comparing the plans.

The Traditional and Portable Pension Plans require 10 years of service to meet minimum vesting for a monthly retirement benefit. The Portable Plan has a five-year vesting period for the enhanced lump-sum benefit, and the Retirement Savings Plan has a five-year vesting period for both the monthly retirement benefit and the lump-sum option which includes employer contributions. See the Vesting chart on page 6.

## Will your future earnings rise?

The annual earnings limit may be a factor to consider if you have a higher starting salary or the potential for significant pay increases over many years of service. You and the employer will not make contributions on any earnings that exceed the annual limit of the plan that you choose.

If you think you will be affected by this limit, you might consider the Retirement Savings Plan. The Retirement Savings Plan allows retirement contributions to be made on significantly higher earnings compared to the Traditional and Portable Pension Plans. Review the annual limits and how they affect contributions and the retirement benefit from each plan. See the chart on page 7.

## Will you rely on these benefits to meet your basic income needs when you retire?

Do your future plans depend mainly on receiving a lifetime retirement benefit from SURS? If so, all three plans offer options for lifetime monthly retirement income including retiree health insurance, if eligible. Vesting requirements vary among plans.

If lifetime income is your goal for this plan, and you plan to work at least 10 years to meet the vesting minimum, you might consider the Traditional Pension Plan. However, if you already have your basic retirement income needs met and you are more likely to withdraw your contributions and eligible interest as a lump sum when you end your employment, you might look closely at the Portable Pension Plan and the Retirement Savings Plan because both offer the flexibility of taking an enhanced lump-sum payment.

## How will your retirement benefit be determined?

Do you prefer your retirement benefit to be based on a predetermined formula that takes into account your age, earnings and years of service? Or do you want your retirement benefit to be based on your account balance or the amount of money you have secured at the time you retire? Get to know how each plan determines the retirement benefit you would receive. See the Retirement Benefit chart on page 10.

## Is someone depending on you for benefits?

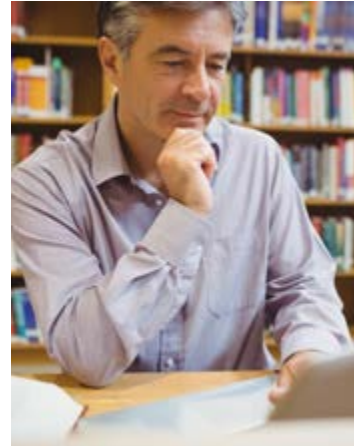
Do you have a spouse or another eligible survivor for whom you would want monthly survivor benefits to be payable in the event of your death? Or are built-in survivor benefits not a priority for you?

The Traditional Pension Plan provides built-in survivor benefits. The Portable Pension Plan and the Retirement Savings Plan offer survivor benefits at a cost. Learn about how the survivor benefits and death benefits differ by plan. See the Survivor Benefits chart on page 13 and the Death Benefits charts on page 14.

When you use the interactive Plan Choice Decision Tool at [surs.org](https://surs.org), you will see stories about people like you and why they chose their plan. Here are just a few examples to help kick off your decision-making process.

Hi, I'm David, Engineering Professor.

David, 45, decided to change gears mid-career, leaving his job at an engineering company and taking a teaching job at a community college for \$60,000. He has some money set aside for retirement, but probably not enough. David chose the Traditional Pension Plan because he wants to make sure he has guaranteed income for life, and the built-in survivor benefits mean that his wife will continue to receive benefits after he is gone.



Hi, I'm William, University Provost.

William, 36, is a university provost making \$120,000 a year. Because his salary is higher than the Maximum Pensionable Earnings limit in the Traditional and Portable Pension Plans, William chose the Retirement Savings Plan so he can contribute 8% of all of his income. If he does not stay at his job very long, he has the option of keeping his contributions invested and the opportunity for future market gains. He also knows that if he does stay at his position for at least five years, he would be eligible for a lifetime monthly benefit option or a refund that includes employer contributions and any investment return.

Hi, I'm Jenny, Marketing and Communications Assistant.

Jenny, 31, is a marketing and communications assistant at a university. She earns \$32,000 annually, and plans to make the jump to the private sector in the near future. Jenny chose the Portable Pension Plan so that she can take a lump sum of all of her contributions, plus interest, whenever she chooses to leave. If she does not need the money right away, she can leave her money with SURS and it will continue to grow with guaranteed interest each year after she ends SURS employment until she decides she needs it. In the event that Jenny stays at the university longer than anticipated, she would qualify for a lifetime monthly benefit with 10 years of service, or a lump-sum refund with a dollar-for-dollar employer match with five years of service.



# TAKE A CLOSER LOOK AT YOUR CHOICES

As a member of SURS, you have a choice when it comes to your retirement. You can select one of two defined benefit plans—the Traditional Pension Plan or the Portable Pension Plan—or the defined contribution plan—the Retirement Savings Plan.

A **defined benefit plan** provides a retirement benefit based on a formula that considers factors such as age, length of service and average salary. A **defined contribution plan** establishes an account in your name into which your contributions and the employer matching contributions made by the state of Illinois are placed. You decide how your account balance will be invested, selecting from a variety of investment options. Future retirement benefits are based on your account balance, or the amount of income you have secured, at the time you retire.

The Traditional Pension Plan is the default plan. As a defined benefit plan, the Traditional Pension Plan provides members with a lifetime monthly benefit based on a predetermined formula that considers average earnings and years of service. It also includes built-in survivor benefits and an automatic annual increase. The Traditional Pension Plan may be the most beneficial plan for members who: 1) want to receive a lifetime monthly benefit from this plan, 2) plan to work at least 10 years in order to meet minimum vesting requirements, and 3) have a salary that is expected to remain below the Maximum Pensionable Earnings limit of the defined benefit plans.

Both the Traditional Pension Plan and Portable Pension Plan provide vested members with lifetime retirement benefits. They are very similar, except for how 1% of your contributions will be used for the feature you want your plan to cover: the automatic survivor benefits built into the Traditional Pension Plan or the enhanced lump-sum feature of the Portable Pension Plan if you leave the system.

The Retirement Savings Plan (RSP) establishes an account in your name into which your contributions and the employer contributions are placed. You have the flexibility to choose where to invest your money within the SURS investment options and when to make adjustments as your needs change. Both hands-off and hands-on options are available.

Your contributions are invested to accumulate assets for your retirement. With the Traditional Pension Plan and Portable Pension Plan, professionals select and manage the investments. With the RSP, you have two options:

- a hands-off investment option, a professionally managed target date portfolio that provides you with the ability to secure guaranteed lifetime income for your retirement, or
- create and manage your own investment portfolio of SURS core investment options.

INVESTMENT MANAGEMENT		
Traditional Pension Plan	Portable Pension Plan	Retirement Savings Plan
Defined Benefit – 401(a)	Defined Benefit – 401(a)	Defined Contribution – 401(a)
All funds in the plan are pooled and invested by professional investment managers chosen and monitored by SURS. You receive a benefit based on a pre-determined formula and the employer (state of Illinois) accepts the potential investment risks.		Funds in the RSP are not pooled. They are held in a separate account under your name. You select your funds from SURS’ best-in-class fund lineup. You are rewarded with any market gains and accept the potential investment risk.

**Do not delay on making your plan choice.** Depending on the plan you choose, delaying your retirement plan election could reduce your retirement benefit. If you do not select a plan within six months of the date SURS receives your employment certification, you will be enrolled permanently in the Traditional Pension Plan.



# VESTING: WHEN DO YOU QUALIFY FOR A RETIREMENT BENEFIT?

Vesting is the minimum length of service needed to qualify for a retirement benefit. You are always 100% vested in the contributions you make, which means the money is yours to keep.

You are eligible for a retirement benefit based on your age and length of service for a SURS-covered employer. The Traditional Pension Plan requires 10 years of service to become vested for a lifetime monthly benefit. The Portable Pension Plan requires 10 years of service to become vested for a lifetime monthly benefit and five years of service to vest for the lump sum with the employer match. The RSP has a five-year vesting period to qualify for either the lifetime monthly benefit or the lump sum with the employer match.

As you look at each plan, consider whether you are likely to be a short-term employee or expect to work for a SURS-covered employer long enough to reach the minimum vesting requirements.

VESTING		
Traditional Pension Plan	Portable Pension Plan	Retirement Savings Plan
<p>At age 67 with 10 or more years of service, no age reduction.</p> <p>At age 62 with 10 or more years of service, with a 0.5% reduction for each month that you are under age 67 at the time of retirement.</p> <p>As a police officer or firefighter, at age 60 with at least 20 years of service.</p>	<p>Five years to be vested and qualify for dollar-for-dollar employer matching contributions if you are taking a lump-sum distribution.</p>	<p>At age 55 with 8 or more years of service.</p> <p>At age 62 with 5 or more years of service.</p> <p>At any age with 30 years of service.</p> <p>As a police officer or firefighter, at age 50 with at least 25 years of service.</p> <p>Five years to be vested in employer contributions and any associated investment returns.</p>

## Smart tip

Many members end up staying longer than they originally anticipated. It is also important to understand that SURS covers all public universities and colleges in the state of Illinois. Consider the possibility that you could someday work for a different public institute of higher learning, or even other public agencies/ departments within the state. Public employment outside of SURS but within the state could qualify as reciprocal service. See [surs.com/reciprocal-systems-listing](https://surs.com/reciprocal-systems-listing).

## About Social Security

You and your SURS employer do not pay into Social Security\*. If you qualify for Social Security benefits from a non-SURS-covered employer, those benefits may be affected by the Windfall Elimination Provision or the Government Pension Offset, resulting in lower Social Security benefits. To learn more, contact the Social Security Administration or visit [ssa.gov](https://ssa.gov).

\*The University of Illinois Foundation and its employees pay into Social Security.

# WHAT YOU CONTRIBUTE TO THE PLAN

Your contributions are deducted automatically from your paycheck, beginning immediately following the date you begin employment. All of your contributions, investment earnings and interest accruals are tax-deferred, so you do not pay income taxes on these amounts until you withdraw the funds.

For the purposes of computing SURS benefits, earnings include gross salary, overtime or summer teaching pay, and other eligible pay for work performed. Here are the annual limits.

### Traditional Pension Plan and Portable Pension Plan

Maximum Pensionable Earnings limit

**Fiscal Year 2024:** \$123,489.18

**Fiscal Year 2025:** \$125,773.73

### Retirement Savings Plan

IRS 401(a)-17 limit

**Fiscal Year 2024:** \$330,000.00

**Fiscal Year 2025:** \$345,000.00

### Traditional Pension Plan and Portable Pension Plan

You contribute 8.0% of your gross earnings (9.5% for police and firefighters in the Traditional and Portable plans) up to the Maximum Pensionable Earnings annual limit set by state law.

If your salary is higher than the Maximum Pensionable Earnings limit, you will not make any contributions on any amounts over the limit, and those earnings will not be included in your benefit calculation. The limit rises each year, either by three percent or half of the Consumer Price Index—Urban (CPI-U), whichever is less. Even if your salary is lower than the limit now, you should consider whether it may exceed the limit later in your career.

### Retirement Savings Plan

You contribute 8.0% of your eligible earnings. Employer matching contributions begin with the first full payroll after your plan election is received. Your contributions and the employer contributions will be made based on your full salary, up to the IRS 401(a)-17 annual earnings limit.

EMPLOYEE CONTRIBUTIONS		
Traditional Pension Plan	Portable Pension Plan	Retirement Savings Plan
<p><b>8.0% of your pensionable earnings</b></p> <p>6.5% to retirement</p> <p>1.0% to automatic survivor benefits</p> <p>0.5% to automatic annual increase</p>	<p><b>8.0% of your pensionable earnings</b></p> <p>6.5% to retirement</p> <p>1.0% to enhanced lump-sum option</p> <p>0.5% to automatic annual increase</p>	<p><b>8.0% of your eligible earnings</b></p>
<p><b>Police and firefighters:</b> 9.5% of pensionable earnings</p>		

### Smart tip

If you are a higher earner, you may be affected by the Maximum Pensionable Earnings limit of the Traditional and Portable Pension Plans. The Retirement Savings Plan allows members to make contributions and receive employer matching contributions up to a much higher earnings limit. However, if you are age 50 or older when you begin contributing to SURS, the Traditional and Portable Pension Plans may provide a higher monthly retirement benefit, even if your contributions are capped. The guaranteed defined benefit formula for calculating your retirement benefit can be more favorable than the Retirement Savings Plan in the shorter term, due to having fewer years with assets invested in the market prior to retirement. Keep in mind that the Traditional and Portable Pension Plans have a longer vesting requirement (10 years) than the Retirement Savings Plan (five years).

# WHAT THE EMPLOYER CONTRIBUTES

The amount contributed by the employer (state of Illinois) toward your retirement depends on which plan you choose.

## Traditional Pension Plan and Portable Pension Plan

There is not a set amount of employer contributions. Instead, when your contributions and interest are depleted, which typically occurs five or six years after you retire, the employer contributes annually to the system to guarantee that your benefit continues for as long as you live.

## Retirement Savings Plan

The employer contributes an amount equal to 7.6% of your annual salary. Currently, all 7.6% of the state's contribution is put towards your retirement. However, up to 1% of future contributions can be set aside to fund the RSP disability benefit if necessary. Employer contributions begin with the first full payroll period after you elect the Retirement Savings Plan.

EMPLOYER CONTRIBUTIONS		
Traditional Pension Plan	Portable Pension Plan	Retirement Savings Plan
The employer contributes the amount necessary to provide lifetime retirement benefits for you and your survivor (if applicable) after your contributions and interest are depleted.		The employer makes matching contributions with each payroll starting with the first full pay period after SURS receives your plan election.  The employer contribution is equal to 7.6% of your annual salary. Currently, all 7.6% of the state's contribution is put towards your retirement. However, up to 1% of future contributions can be set aside to fund the RSP disability benefit if necessary.





# HOW MUCH DO YOU GET WHEN YOU RETIRE?



## Traditional Pension Plan and Portable Pension Plan

These plans provide you with a fixed monthly retirement benefit for life. Your benefit is calculated using a formula based on your years of service, age and average salary, up to a maximum of 80% of your final average earnings. You also receive an automatic annual increase, which is equal to the lesser of 3% of your original base annuity amount, or half of the increase in the Consumer Price Index-Urban (CPI-U) for the preceding year.

Remember, state law limits how much of your salary is included in the calculation of any SURS benefits. If your salary is higher than the Maximum Pensionable Earnings annual limit, you will not make any contributions on any amounts over the limit, and those earnings will not be included in your benefit calculation.

Upon your death, your spouse or other eligible survivor can continue to receive a percentage of the benefits you are entitled to. Survivor benefits are automatically built into the Traditional Pension Plan. The Portable Pension Plan reduces the member's retirement benefit to cover the cost of providing a survivor benefit. Read on for ***How much does your survivor get?*** on page 13.

## Retirement Savings Plan

This plan does not restrict your retirement benefit to a fixed amount set by law, as the other two plans do. There is no minimum or maximum benefit.

Keep in mind, if your salary is higher than the IRS 401(a)-17 annual earnings limit, you will not make any contributions on any amounts over the limit, and those earnings will not be included in your benefit calculation.

### When you retire, your benefit will be based upon:

- your account balance, which includes your contributions, employer matching contributions and investment returns, or
- the amount of income you have secured.

### The decision of how to invest toward your retirement income goal is up to you. You can:

- choose the hands-off default investment option, SURS Lifetime Income Strategy, or
- create and manage your own portfolio of SURS core investment options.

The SURS Lifetime Income Strategy (LIS) is designed to help you meet your basic income needs in retirement. It is a professionally managed target date portfolio that automatically adjusts your investments over time and offers the option to secure guaranteed lifetime income for your retirement years.

If you will have your basic retirement needs met elsewhere and you are comfortable with making investment decisions, you can select among the SURS core funds to build your own portfolio. Because your retirement benefit will be based on your account balance, it will be very important to regularly monitor your investments and make adjustments as needed.



**The decision about the retirement benefit you want is up to you.**

If you invest in the SURS LIS, you have the option to begin securing income based on a target retirement age and secure income level that you set. It is all done automatically and when you get to retirement you begin taking monthly withdrawals based on the amount of income you have secured over time.

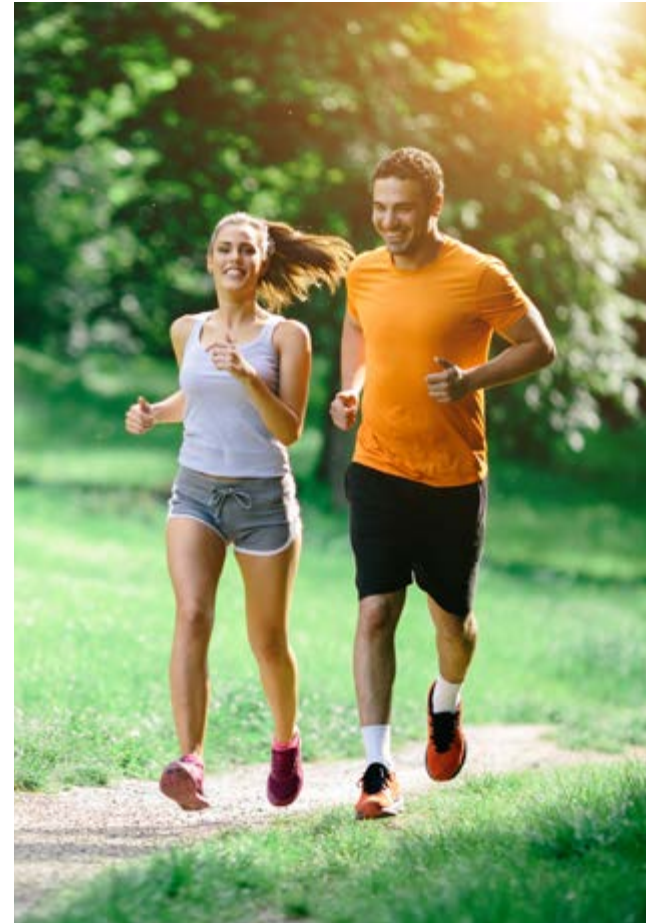
If you have invested in the SURS core funds and wish to receive lifetime monthly benefits, you can:

- move some or all of your account balance into the SURS LIS for guaranteed monthly income you cannot outlive, or
- transfer your account balance to an RSP annuity provider. Your monthly retirement benefit will be based on the annuity options and rates available at that time.

With the RSP, there is no automatic annual increase. However, if you invest in the SURS LIS, it is designed to capture market growth so you benefit from gains in rising markets which allows your withdrawal amounts to increase in retirement. Your income is protected by multiple insurance companies so your monthly benefit will not decrease with market declines or run out if you live longer than expected.

For details about the RSP investment options, read the *SURS Retirement Savings Plan Getting Started Guide*.

The benefit you receive when you retire will depend upon the plan you select.



RETIREMENT BENEFIT		
Traditional Pension Plan	Portable Pension Plan	Retirement Savings Plan
Defined Benefit – 401(a)	Defined Benefit – 401(a)	Defined Contribution – 401(a)
<p>You receive a lifetime monthly retirement benefit based on a formula that considers factors such as your age, length of service and average salary.</p> <p>The formula is: years of service x 2.2% x your final average earnings, less an age reduction, if applicable.</p> <p>Subject to a maximum of 80% of your final average earnings. Excess contributions would be refunded at retirement.</p> <p><b>Police officers and firefighters</b> The formula, based on your contributions of 9.5% of earnings, is: 2.25% x your final average earnings for first 10 years 2.50% x your final average earnings for next 10 years 2.75% x your final average earnings for the years over 20</p>	<p>You may choose the option of a lump-sum distribution instead of the monthly annuity, with spousal consent, if applicable.</p>	<p>Your retirement income will be based on the amount of retirement income secured or the value of your account balance. No minimum or maximum benefit.</p> <p>You may move some or all of your balance into the SURS Lifetime Income Strategy to receive guaranteed lifetime income, purchase a lifetime monthly benefit (annuity) through an RSP service provider or choose a lump-sum distribution.</p>



## WILL YOU GET RETIREE HEALTH INSURANCE?

You will receive retiree health insurance benefits from the state of Illinois at retirement, as long as you meet the service and eligibility requirements and elect to receive lifetime monthly retirement benefits from the plan you choose. Details on the health insurance programs are available at [surs.org/insurance](http://surs.org/insurance).

STATE EMPLOYEE GROUP INSURANCE PROGRAM (SEGIP)	COLLEGE INSURANCE PROGRAM (CIP)
<b>For employees of universities or affiliated agencies</b>	<b>For employees of community colleges</b>
Health, vision, dental, life and prescription insurance	Health, vision, dental and prescription insurance
<p>You qualify when you have 10 years of service and receive a lifetime monthly benefit from the Traditional Pension Plan or Portable Pension Plan.</p> <p>You qualify when you have five years of service and receive a lifetime monthly benefit from the Retirement Savings Plan.</p> <p>The state pays 5% of the premium for each year of service credit you have. With 20 years of service credit, you receive insurance coverage premium-free.</p> <p>Premiums for dependents would still apply.</p>	<p>You qualify if you have been a full-time employee eligible for group health benefits while employed at an Illinois community college district and receive a monthly benefit from SURS.</p> <p>CIP has set premiums, regardless of years of service credit, that are subject to change each year.</p>

Members who are 65 and eligible for Medicare participate in the Total Retiree Advantage Illinois (TRAIL) Medicare Advantage Program. Medicare premiums apply.

# IF YOU LEAVE SURS BEFORE YOU RETIRE

You may intend to stay with a SURS-covered employer until retirement. However, a time may come when your personal situation prevents you from doing so.

All members have the option of leaving contributions and interest on file at SURS after employment ends until April 1st of the year following the year you attain your Required Minimum Distribution (RMD) age\*. You might consider this option if future employment with another SURS employer or a reciprocal employer is a possibility. Depending on the years of service and the plan selected, the potential for benefit growth while your account is inactive will vary.

If you leave the system entirely, you can request a lump-sum separation refund. You are eligible for a refund if you have ended your employment with all SURS-covered employers or if you have been on layoff for over 120 days. Keep in mind that by accepting a refund, you give up your right to future benefits.

REFUND		
Traditional Pension Plan	Portable Pension Plan	Retirement Savings Plan
A lump sum of your employee contributions, plus up to 4.5% interest, regardless of your years of service. No employer contributions.	<i>Less than five years of service:</i> A lump sum of your employee contributions, including interest.  <i>Five or more years of service:</i> A lump sum of your employee contributions, interest and dollar-for-dollar employer matching contributions.	<i>Less than five years of service:</i> A lump sum of the value of your employee contributions and your associated investment return.  <i>Five or more years of service:</i> A lump sum of the value of your employee contributions, employer matching contributions and your investment return.
If you choose to take a refund, you will not be eligible to participate in a retiree health insurance plan offered by the state of Illinois.	If you choose to take a refund, you will not be eligible to participate in a retiree health insurance plan offered by the state of Illinois.	If you choose to take a refund, you will not be eligible to participate in a retiree health insurance plan offered by the state of Illinois.

## Smart tip

The Portable Pension Plan provides an enhanced lump-sum option. This option is particularly attractive for members who are uncertain about how long they will be employed and need flexibility. With five or more years of service, you can take a lump sum of your contributions and interest that includes a dollar-for-dollar match by the state of Illinois. If you stay for 10 years, you will be eligible for a lifetime monthly benefit with an optional survivor benefit available at an additional cost.

\*Born on or before 6/30/49, RMD age is 70.5; born between 7/1/49-12/31/50, RMD age is 72; born on or after 1/1/51, RMD age is 73. The RMD age is scheduled to increase to age 75 for RMD distributions after 2033.

# HOW MUCH DOES YOUR SURVIVOR GET?

Depending on your personal situation, you may want to look closely at the survivor benefits offered by each plan.

## What are survivor and death benefits?

A **survivor benefit** is a monthly benefit payable to a qualified survivor.

A **death benefit** is typically a one-time, lump-sum payment payable to your named beneficiary.

## Traditional Pension Plan

Survivor benefits are automatically built in, and there is no additional cost. Your survivor receives 66.7% of your earned retirement annuity and an automatic annual increase. A qualified survivor includes a spouse, a child under age 18, a child who is a full-time college student under age 22, a disabled child who was disabled prior to age 18, or a dependent parent.

If you retire and do not have a qualified survivor, these benefits are never wasted. The contributions that were set aside to provide survivor benefits will be paid out to you, with interest, either as a lump sum or used to supplement your lifetime retirement benefits through an additional monthly benefit.

## Portable Pension Plan

Survivor benefits are not automatically provided but are available at a cost.

When you retire, you will be asked whether you would like to provide your survivor with a monthly benefit in the event of your death. Joint and survivor benefit options include 50%, 75% or 100% of your reduced monthly benefit at the time of your death. If you elect a joint and survivor benefit option, your monthly retirement benefit will be reduced to cover the cost of these benefits. The cost depends on the age of the member and survivor at retirement.

## Retirement Savings Plan

You can set up lifetime benefits for yourself or for you and your survivor using your choice of options. These include a lifetime income amount provided by income secured in the SURS Lifetime Income Strategy or by purchasing a joint and survivor annuity through an RSP service provider.

A SURS Member Service Representative can help you understand how much you and your survivor could get under each option. This information will be covered in detail during pre-retirement counseling sessions.

### SURVIVOR BENEFITS

Traditional Pension Plan	Portable Pension Plan	Retirement Savings Plan
<p>Survivor benefits are included at no additional cost.</p> <p>Benefits are payable to eligible survivors designated by law.</p> <p>If there is not an eligible survivor at retirement, contributions set aside to provide survivor benefits may be taken as a lump-sum distribution, as an additional monthly benefit or kept on file in the event there is a survivor in the future.</p>	<p>You can choose to provide a survivor benefit. Your monthly retirement benefit will be reduced to cover the cost of providing the survivor benefit.</p> <p>If married/in a civil union at retirement, a joint and survivor benefit is the normal form of lifetime benefit. With spousal consent, you may designate a contingent annuitant to receive a joint and survivor lifetime benefit or elect a single-life benefit or lump-sum distribution.</p> <p>If unmarried at retirement, you have the option to designate anyone as a contingent annuitant to receive a joint and survivor lifetime benefit.</p>	<p>You can choose to provide a survivor benefit. Your monthly retirement benefit will be reduced to cover the cost of providing the survivor benefit.</p> <p>If married/in a civil union at retirement, a joint and survivor benefit is the normal form of lifetime benefit. With spousal consent, you may designate a contingent annuitant to receive a joint and survivor lifetime benefit or elect a single-life benefit with or without guaranteed periods, or a lump-sum distribution.</p> <p>If unmarried at retirement, your normal form of retirement benefit is a single-life benefit. Other options include joint and survivor lifetime benefits, lifetime benefits with guaranteed periods, and other variations, at the cost of a reduced lifetime retirement benefit.</p>



# WEIGHING DEATH BENEFITS

Your SURS retirement plan is an important financial asset. If you pass away, a one-time, lump-sum death benefit may be payable to the individual of your choice, whether that is your spouse or another named beneficiary.

If you are in the Portable Pension Plan or the Retirement Savings Plan and you are married, you are required to name your spouse or civil union partner as your sole primary beneficiary. You may name someone else only with your spouse or civil union partner's consent and notarized signature on the beneficiary form.

BEFORE RETIREMENT		
Traditional Pension Plan	Portable Pension Plan	Retirement Savings Plan
<p>If you die without a qualified survivor or if survivor benefits are not payable and you were an active employee at the time of your death, the death benefit is comprised of your total contributions with accrued interest plus an additional death benefit of up to \$5,000. If you died while an inactive employee, the death benefit is comprised of your total contributions with accrued interest.</p> <p>You must have at least 1.5 years of service credit for survivor benefits to be payable if you are an active employee. If you are an inactive employee, you must have at least 10 years of service credit for survivor benefits to be payable.</p> <p>If survivor benefits are payable, the death benefit amount is approximately seven-eighths (87.5%) of your total contributions with accrued interest since one-eighth of your contributions funds the survivor benefits.</p>	<p>If you die with less than 1.5 years of service credit, the death benefit is comprised of your total contributions with accrued interest.</p> <p>If you die with at least 1.5 years of service credit, the death benefit is a lump sum comprised of your contributions with accrued interest, plus an equal amount of employer contributions. If you have an eligible spouse who will be receiving a pre-retirement survivor benefit, this amount is then reduced by the actuarial value of any pre-retirement survivor benefit that is payable.</p>	<p>If you die while actively working with less than 1.5 years of service, or after termination with less than five years of service, the death benefit amount is your account investment value, excluding the employer contributions and the associated investment returns.</p> <p>If you die while actively working with at least 1.5 years of service credit, or after termination with at least five years of service, the death benefit payable to your named beneficiary is equal to your account investment value, including employer contributions.</p>
AFTER RETIREMENT		
Traditional Pension Plan	Portable Pension Plan	Retirement Savings Plan
<p>If survivor benefits are payable, there is no death benefit. Without a survivor benefit payable, the death benefit is the remainder of employee contributions with accrued interest (or \$1,000, if greater).</p>		<p>If you choose the plan's default investment option, the SURS Lifetime Income Strategy, and select a joint and survivor option, then die after withdrawals start, your surviving spouse can continue to take the withdrawals over their lifetime. If the joint and survivor option has not been elected, the participant's guaranteed withdrawal benefit terminates, and the spouse can elect to receive the market value of the investments in a lump sum.</p> <p>Or if you purchase a joint and survivor lifetime benefit contract (annuity) through an RSP service provider, a benefit will be paid to your spouse on a monthly basis for life. The death benefit depends on the contract.</p>



## Select your plan

Go to [surs.org](https://surs.org), then click on the *Member Login* button to log in. Use the Plan Choice Decision Tool and follow the prompts to complete the enrollment process.

## YOUR NEXT STEPS

If you are not ready to enroll yet, please take advantage of the resources available to help you learn more before you make your decision.



### Go to [surs.org](https://surs.org)

On the SURS homepage, click *New to SURS* and explore additional plan choice resources. SURS hosts a monthly Plan Choice webinar—you can register online.

Click on the *Member Login* button to log in and use the interactive Plan Choice Decision Tool to compare the plans. There are questions to guide you through which plan features matter most to you. Your answers will trigger helpful tips and stories about people like you and why they chose their plan.

Download and review the member guides for each plan to dig into more details.

### If you need assistance

Please do not hesitate to contact us at 800-275-7877. We are available 8:00 a.m. to 4:30 p.m. (Central time) on Monday, Tuesday, Wednesday and Friday, and 9:00 a.m. to 4:30 p.m. on Thursday, excluding major holidays. We are happy to explain the plans and answer your questions.



## Mark your calendar

**Do not delay on making your plan choice.** Depending on the plan you choose, delaying your retirement plan election could reduce your retirement benefit. If you do not select a plan within six months of the date SURS receives your employment certification, you will be permanently enrolled in the Traditional Pension Plan.

## SURS Plan Choice Highlights Summary — Tier II

	Traditional Pension Plan	Portable Pension Plan	Retirement Savings Plan
<p><b>What type of retirement plan is it?</b></p> <p><i>Vesting is the minimum length of service needed to qualify for a retirement benefit. You are always 100% vested in what you contribute.</i></p>	A defined benefit plan with built-in survivor benefits.	A defined benefit plan with a flexible lump-sum option available after 5 years of service.	A defined contribution plan with lower vesting requirements, a higher eligible earnings limit, and the option to choose your own investments.
<p><b>What do you get when you retire?</b></p>	<p>A guaranteed fixed benefit based on years of service, age and average salary</p> <p>An automatic annual increase</p>	<p>A guaranteed fixed benefit based on years of service, age and average salary</p> <p>An automatic annual increase</p>	<p>A benefit based on your account balance or the amount of retirement income secured.</p> <p>Market gains may increase the benefit</p>
<p><b>How much do you contribute?</b></p>	<p>8% of your pensionable earnings</p> <p><i>Up to the Maximum Pensionable Earnings limit set by law</i></p> <p><i>Police Officers &amp; Firefighters contribute 9.5% in the Traditional and Portable plans.</i></p>	<p>8% of your pensionable earnings</p> <p><i>Up to the Maximum Pensionable Earnings limit set by law</i></p> <p><i>Police Officers &amp; Firefighters contribute 9.5% in the Traditional and Portable plans.</i></p>	<p>8% of your eligible earnings</p> <p><i>Up to the IRS 401(a)-17 limit</i></p>
<p><b>What does the employer contribute?</b></p> <p><i>In most cases, the state of Illinois makes the employer contributions.</i></p>	The amount necessary to provide lifetime retirement benefits for you and your survivor after your contributions and interest are depleted.	The amount necessary to provide lifetime retirement benefits for you and your survivor after your contributions and interest are depleted.	<p>Matching contributions equal to 7.6% of your annual salary.</p> <p>Currently, all 7.6% of the state's contribution is put towards your retirement. However, up to 1% of future contributions can be set aside to fund the RSP disability benefit if necessary.</p>
<p><b>What is the lump-sum option?</b></p> <p><i>If you take the lump-sum refund option, you will not be eligible to participate in a retiree health insurance plan offered by the state of Illinois.</i></p>	A lump sum of your employee contributions, plus up to 4.5% interest, regardless of your years of service. No employer contributions.	<p><i>Less than five years of service:</i> A lump sum of your employee contributions, including interest.</p> <p><i>Five or more years of service:</i> A lump sum of your employee contributions, guaranteed interest and dollar-for-dollar employer matching contributions.</p>	<p><i>Less than five years of service:</i> A lump sum of the value of your employee contributions and your associated investment return.</p> <p><i>Five or more years of service:</i> A lump sum of the value of your employee contributions, employer matching contributions and any associated investment return.</p>
<p><b>When do you qualify for a retirement benefit?</b></p>	<p>At age 67 with 10 or more years of service, no age reduction.</p> <p>At age 62 with 10 or more years of service, with a 0.5% reduction for each month that you are under age 67 at the time of retirement.</p> <p>As a police officer or firefighter, at age 60 with at least 20 years of service.</p>	<p>At age 67 with 10 or more years of service, no age reduction.</p> <p>At age 62 with 10 or more years of service, with a 0.5% reduction for each month that you are under age 67 at the time of retirement.</p> <p>As a police officer or firefighter, at age 60 with at least 20 years of service.</p>	<p>At age 55 with 8 or more years of service.</p> <p>At age 62 with 5 or more years of service.</p> <p>At any age with 30 years of service.</p> <p>As a police officer or firefighter, at age 50 with at least 25 years of service.</p>
<p><b>Can your survivor receive benefits?</b></p>	Survivor benefits are included at no additional cost. If you retire and have no qualified survivor, contributions set aside for survivor benefits will be paid out to you with interest as a lump sum or a monthly benefit.	You can choose to provide a survivor benefit. Your monthly retirement benefit will be reduced to cover the cost of providing the survivor benefit.	You can choose to provide a survivor benefit. Your monthly retirement benefit will be reduced to cover the cost of providing the survivor benefit.



*Your Road to a Healthy Retirement*

### **Plan Choice Guide**

 [surs.org](https://surs.org)

 800-275-7877