



Retirement Savings Plan

Why is the Self-Managed Plan (SMP) being redesigned?

The SMP is being redesigned to better meet the needs of participants by improving the plan offerings for both the accumulation and decumulation of their retirement assets. Under the current plan, participants must use 100% of their assets to purchase an annuity at the time they retire to qualify for retiree healthcare or take a lump sum distribution forfeiting retiree healthcare and requiring the participants to leave the plan at retirement. The goals of the redesign are to:

- Offer a new flexible default investment option that will allow members to remain in the plan and maintain access to retiree healthcare (if eligible) at retirement without giving up access to their entire account balance.
- Help members better prepare for retirement while reducing market risk and point-in-time risk by offering the option of securing guaranteed lifetime income over time through the new default investment option.
- Improve the investment lineup by reducing fund overlap while providing access to more functional asset classes.
- Streamline plan administration to improve operations and lower fees.
- Improve communications and enhance the overall member experience.

Why is the name changing?

The SMP will now be called the Retirement Savings Plan (RSP). The new name better reflects the features of the enhanced plan, including the new hands-off default option that does not require self-managing.

Who will be the new plan recordkeeper?

Voya is the new plan recordkeeper, replacing TIAA and Fidelity. However, certain restricted TIAA assets, including those in TIAA Traditional and Group Retirement Annuity (GRA) contracts, are frozen with TIAA and TIAA will continue to be the recordkeeper for those assets.

The Fidelity Managed Income Portfolio Class 2 fund also has a restriction that will not allow assets in that fund to be mapped to Voya until Nov. 2, 2020.

When will the transition take place? Is there a blackout period?

The transition to Voya will begin with a blackout period from 3 p.m. CT Aug. 14 to Aug. 31. From Aug. 14 to Aug. 20, transactional capabilities will be suspended; however, assets will remain in your current investments. Beginning Aug. 21, assets will be out of the market until they are received at Voya. Assets will be reinvested in the SURS Lifetime Income Strategy as soon as administratively possible prior to Sept. 1. All members are encouraged to review and consider the appropriateness of their current investments before the blackout period begins.

Which assets will not automatically move to Voya on Sept. 1?

Existing account balances in the Fidelity Managed Income Portfolio Class 2 will remain as currently invested with Fidelity but will be closed to new contributions. On or around Nov. 2, these assets will be automatically transferred to the SURS Lifetime Income Strategy.

Existing account balances in some TIAA accounts under the individually-controlled Group Retirement Annuity (GRA) contracts will remain as currently invested with TIAA but will be closed to new contributions. These assets will not be automatically transferred. For more information on assets invested in GRA contracts, please see [TIAA fund mapping information](#).

Existing account balances in TIAA Traditional contracts will remain as currently invested with TIAA. An annuity option with TIAA will be available for members holding assets in these accounts.

What will happen to my account balance at the point of transition?

On Sept. 1, the transition period will be complete and funds¹ in the SMP will be redirected to the new default investment option, the SURS Lifetime Income Strategy (LIS).

Your money will be moved to the SURS LIS and will be defaulted to:

- A target retirement age of 65
- A secure income level of 100%

If you don't make any changes, 100% of your account balance will be on the path to generate guaranteed monthly income in retirement. You will not start securing income until the later of the date that is 15 years before your target retirement age (the earliest age being age 45) or the date when you become vested by having five years of service credit.

New contributions received after Sept. 1 will also be invested in the SURS LIS unless you make changes to their allocation.

Can I make changes to the default SURS Lifetime Income Strategy target retirement age of 65 and the default 100% secure income level? Is there a deadline by which changes need to be made?

Yes, you can make changes to your SURS LIS target retirement age (you may choose an age of 50-70) and secure income level (you may choose a secure income level of 0-100%) by logging into your account at surs.org anytime on or after Sept. 1.

There is no deadline by which changes need to be made. You can change your target retirement age or secure income level at any time. However, you are only able to change your target retirement age or secure income level once every 90 days.

If you are currently over age 50 and are already vested for retirement, you will start securing guaranteed retirement income on Oct. 1 unless you choose to move your assets out of the SURS LIS or change your secure income level to 0% prior to that date.

If I remain in the SURS Lifetime Income Strategy and begin securing income on Oct. 1 because I am over 50 and vested, can I move out of the SURS LIS or make changes after Oct. 1?

Yes, even if you begin securing income on Oct. 1 you can still move assets out of the SURS LIS at any time. However, if you move assets out of the Secure Income Portfolio you will reduce your future guaranteed monthly retirement income.

Can I move assets in and out of the SURS Lifetime Income Strategy?

Yes, you can choose to move assets in and out of the SURS LIS. If you transfer funds out of the SURS LIS, you cannot transfer funds back into the SURS LIS for 90 days. Additionally, if you have already begun securing income and you change your target retirement age or secure income level you cannot transfer additional funds into the SURS LIS for 90 days.

If I want to use the SURS Lifetime Income Strategy only as a target date portfolio, how do I turn off the guaranteed income feature?

If you wish to use the SURS LIS as a target-date portfolio only, you can simply set your secure income level to 0%.

The SURS Lifetime Income Strategy sounds good to me and I am comfortable with a target retirement age of 65 and securing 100% of my income so I can receive a monthly benefit for life in retirement. Do I need to do anything?

If you are comfortable with the SURS LIS and the default settings, you don't need to do anything. You will automatically be on the path to enjoy guaranteed lifetime income in retirement beginning at age 65.

What changes are being made to the investment fund lineup?

The Retirement Savings Plan will offer a new, best-in-class investment line-up that includes cost-effective investment options across multiple asset classes allowing members to build a diverse portfolio. Though the line-up has been streamlined to minimize fund overlap and reduce the potential for member confusion, additional options in new asset classes have been added to provide access to new investment types. The new [Investment Fund Lineup](#) is available at surs.org/rsp.

Funds will be white-labeled and branded as SURS funds, for example "SURS Fixed Account."

The SURS Lifetime Income Strategy has been designated as the default investment option.

How can I find out the underlying fund information for a certain fund in the investment lineup?

The underlying fund information for each offering in the lineup is included in the [Investment Options Guide](#). You can find the [Investment Options Guide](#) at surs.org/rsp.

When can I make changes to my investments?

You can make changes to your investments anytime on or after Sept. 1 by logging into your account at surs.org and selecting "View/Manage My RSP Account."

Can I move assets in and out of SURS core funds?

Yes, you can move assets in and out of the core funds by logging into your account at surs.org and selecting "View/Manage Retirement Savings Plan Account." However, if you transfer funds out of SURS U.S. Inflation Protected Bond Fund, SURS U.S. REIT Index Fund or SURS Non-U.S. Growth Equity Fund, you must wait 30 days before transferring funds back in to those three funds.

What are my distribution options at retirement?

If you meet minimum age and vesting requirements (five years of service credit) at retirement, you will have the following distribution options:

1. Convert all or a portion of your account balance to lifetime income with the SURS Lifetime Income Strategy (single-life or joint-life options available).
2. Purchase a lifetime monthly annuity with Principal Financial Group² (single-life; single-life with guaranteed period of 10, 15 or 20 years; and 50% and 100% joint and survivor with guaranteed periods options available).
3. Receive a lump-sum payout(s) (give up eligibility for retiree health insurance with this option).
4. A combination of the above options (give up eligibility for health insurance with options that include a lump-sum payout at retirement).

You do not have to elect your distribution type until you retire. These options are reviewed in detail during preretirement counseling sessions. Please note that in order to maintain eligibility for retiree health insurance, you must be receiving lifetime income.

What type of health insurance is available to me at retirement?

SURS benefit recipients may be eligible to participate in the State of Illinois Employee Group Insurance Program (SEGIP) or the College Insurance Program (CIP).

To be eligible for the SEGIP, you must have at least five years of service credit with a state university or an agency of the state of Illinois. Community colleges are not state agencies. For each year of service credit, the state of Illinois will pay 5% of your insurance premium in retirement. With 20 years, the member insurance is premium-free.

To be eligible for the CIP, you must have been a full-time employee of any SURS-participating community college and eligible for benefits at that employer. City Colleges of Chicago do not participate in the CIP. CIP insurance premiums are set amounts that may adjust annually.

For more information on either insurance program, visit <https://www.surs.org/health-insurance-eligibility>.

What distribution options at retirement maintain my eligibility for retiree health insurance?

In order to maintain eligibility for retiree health insurance, you must do the following at retirement:

1. If you have assets in the SURS Lifetime Income Strategy, convert at least 50% of your SURS LIS account balance to secure income.
2. If you have assets in the core funds (or in any funds remaining at TIAA), annuitize 100% of those assets or move them to the SURS LIS to be used in the SURS LIS calculation.

A combination of Nos. 1 and 2 is also permitted. You may convert at least 50% of your SURS LIS account balance to secure income and purchase an annuity with 100% of your assets that are invested in the SURS core funds.

If I do not need health insurance and do not wish to maintain health insurance eligibility, do I need to convert at least 50% of my SURS Lifetime Income Strategy account balance to income?

If you do not wish to maintain health insurance eligibility, you can choose to convert any portion of your SURS LIS account to monthly income, from 0% to 100%. The 50% secure income requirement would not apply.

If I choose to purchase a lifetime annuity with my account balance rather than utilize the SURS Lifetime Income Strategy, what annuity providers are available?

You may purchase an annuity through Principal Financial Group. The same annuity options available today to SMP members through Principal will remain.

Members who have assets that remain with TIAA due to restrictions will also have annuity options available to them at TIAA for those assets.

If I am not invested in the SURS Lifetime Income Strategy, can I move my money to the SURS LIS at retirement to utilize the lifetime income feature?

Yes, if you are not invested in the SURS LIS at retirement but would like to secure monthly income through the SURS LIS, you may do so by moving your money into the SURS LIS and securing income at that time.

Please keep in mind that by securing monthly income at the time of retirement, you will be accessing the lifetime withdrawal rates provided by the insurers at the time of retirement.

Why is it beneficial to secure income over a period of time before retirement rather than at retirement?

By investing in the SURS LIS in the years leading up to your retirement, you would systematically purchase secure income over a period of time of up to 15 years. By doing so, you will benefit from dollar-cost averaging the income payout rates as they fluctuate over time. Purchasing guaranteed income over time also helps protect your assets so that even if markets decrease, you are building guaranteed income for your retirement years that cannot be reduced.

If I utilize the SURS Lifetime Income Strategy and convert a portion of my account to secure income in retirement, how do I maintain control of my account after retirement?

At retirement, you may choose to convert all or a portion of your account to monthly income through the Lifetime Income Strategy (50% must be converted to maintain insurance eligibility). Any portion of your account that you convert to monthly income will then be considered “secured” and invested in a Secure Income Portfolio. The assets secured in the Secure Income Portfolio remain in the market and have the ability to increase your monthly income in retirement with market gains but will not decrease your income with market losses.

Any assets you do not convert to income will be considered “non-secured” and will remain in a target-date portfolio that is customized based on your age.

After retirement, you have full control over your non-secured assets. You may leave them in the SURS LIS target-date portfolio, take additional withdrawals, or move them to any of SURS core funds.

You also may access secured assets. However, if you have chosen to maintain insurance eligibility, you can only access any secured assets over and above the 50% level. Keep in mind, choosing to move or take additional withdrawals from secured assets will reduce your guaranteed monthly retirement income.

Your account balance is never lost. If you pass away before all of your account balance has been paid out to you, any remaining balance in your Secure Income Portfolio and/or non-secure portfolio will go to your beneficiaries.

How can I learn more?

To learn more about the transition to the enhanced Retirement Savings Plan, please review the [SURS Retirement Savings Plan website](#). On the site, you can register to attend an informational webinar. You can also call the SURS Defined Contribution Contact Center at (800) 613-9543 or the SURS Call Center at (800) 275-7877.

frequently asked questions

¹ Existing account balances in the Fidelity Managed Income Portfolio Class 2 will remain as currently invested with Fidelity but will be closed to new contributions. On or around Nov. 2, these assets will be transferred to SURS LIS. Existing account balances in some TIAA accounts under the individually-controlled Group Retirement Annuity (GRA) contracts will remain as currently invested in TIAA but will be closed to new investments. These assets will not be transferred. Existing account balances in TIAA Traditional contracts will remain as currently invested with TIAA. An annuity option with TIAA will be available for members holding assets in these accounts.

² Members with existing account balances in TIAA Traditional contracts will remain as currently invested with TIAA. An annuity option with TIAA will be available for members holding assets in these accounts.