

# APPLYING FOR RETIREMENT

under the

## Self-Managed Plan (SMP)



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State Universities Retirement System of Illinois  
Information and Applications

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## General Instructions

Follow the steps in this guide to receive SURS benefits.  
Read all the information carefully.

### Retirement Checklist

- Contact providers for Annuity Illustrations
- Review provider allocations (<http://www.netbenefits.com/surs>)

If you have not already sent the following documents to SURS, include them with this application:

- Copy of your birth certificate
- If married, copy of your marriage /civil union certificate (if annuitizing)
- Copy of birth certificate for any primary beneficiaries listed in Part 3 (if annuitizing)
- Copy of your Medicare card or Letter of Ineligibility (if applicable)
- Copy of your spouse's Medicare card or Letter of Ineligibility (if applicable)
- Insurance Program Participation Election Form\*
- W-4P, withholding form for monthly annuity
- Contact the Social Security Administration

\*If you are electing health insurance at retirement, you will need to register and choose coverage using the MyBenefits website at [www.MyBenefits.Illinois.gov](http://www.MyBenefits.Illinois.gov), even if you are currently enrolled. Failure to do so could result in the termination of insurance benefits. Members will be billed directly by MyBenefits for any premiums due.

For more information, visit [www.surs.org](http://www.surs.org). You may contact a SURS Member Service Representative toll free at 800-275-7877, or dial direct 217-378-8800.

This packet is intended to serve only as a brief summary of the provisions of the law governing the State Universities Retirement System. It should not be considered a substitute for the provisions of the law which are set forth in Chapter 40, Act 5, Articles 1, 15, and 20 of the *Illinois Compiled Statutes*.

# General Information

Important – Read All Directions

Before completing your application, please review each of the following sections. If you find something that might affect your SURS benefit that you have not discussed with a SURS representative, you should contact SURS right away.

If you will be receiving Social Security benefits, note that certain restrictions may apply to your Social Security income if you receive both Social Security benefits and a benefit from SURS. You should contact the Social Security Administration for information on these provisions.

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## Service Credit

You must have eight years of service credit to retire at age 55 or five years to retire at age 62. You may retire at any age with 30 or more years of service credit. If you have had previous employment/service, you may be eligible to purchase additional credit to increase your benefit. **You must be an "active" member to purchase.** More information regarding service credit can be found in the SMP Member Guide at [www.surs.org/self-managed-plan](http://www.surs.org/self-managed-plan).

## Sick Leave

You will receive additional service credit for unused and unpaid sick leave earned in accordance with an employer's generally applicable sick leave policy if your retirement annuity begins within 60 days after you terminate your employment covered by SURS or one of the other systems subject to the Illinois Retirement Systems Reciprocal Act.

Your employer may pay you for a portion of your unused sick leave when you terminate employment. If so, you will receive additional service credit only for any unpaid portion.

## Choosing a Distribution Option

### Important Information

**Contact TIAA or Principal to obtain a Retirement Income Illustration prior to making your annuity choice.**

You must choose an annuity option in order to enroll in the State of Illinois Group Health Plan or the College Insurance Program at retirement, assuming all other eligibility requirements are met.

You must choose a Joint & Survivor Annuity for your spouse/civil union partner or eligible survivor to remain eligible for insurance at your death.

### Normal Forms of Distribution

- If you are single, the normal form of distribution is a Single Life Annuity that provides monthly payments for life. **This form of payment does not provide any survivor benefits.**
- If you are married, the normal form of distribution is a 50 percent Joint & Survivor Annuity. This provides monthly payments for life. After you die, your surviving spouse/civil union partner may be eligible to receive continued monthly payments for life.

### Optional Forms of Distribution

You may choose one of the following optional forms of payment:

- *Single Life Annuity* – You receive monthly payments for life. This is an optional form for married participants. **Payment will end at your death.**
- *Single Life Annuity with a Guaranteed Period* – You receive monthly payments for life. If you die before the end of your chosen guaranteed period of 10, 15, or 20 years, monthly payments will continue to your designated beneficiary until the end of the guaranteed period.
- *50 or 100 percent Joint & Survivor Annuity* – You receive monthly payments for life, with continued monthly payments to your designated beneficiary for life in an amount equal to either 50 or 100 percent of your monthly benefit. **Payment will end with your death and your beneficiary's death.**

- *50 or 100 percent Joint & Survivor Annuity with a Guaranteed Period*

As with the Normal Joint & Survivor Annuity, you receive monthly payments for life. After you die, monthly payments will continue to your designated beneficiary for life in an amount equal to either 50 or 100 percent of your monthly benefit. If both you and your primary beneficiary die before the end of your chosen guaranteed period of 10, 15, or 20 years, monthly payments will continue to your contingent beneficiary in an amount equal to 50 or 100 percent of your monthly benefit until the end of the guaranteed period.

- *Lump-Sum or Direct Rollover of a Lump Sum*

You can receive your account balance in a lump sum. However, if any portion of your account is invested in a deferred annuity contract that does not permit lump-sum distributions, or imposes a penalty for them, you may elect to receive the alternate distribution method selected by SURS and your annuity provider.

With the election of the lump-sum benefit, you forfeit eligibility for any insurance coverage under either the State of Illinois Group Health Plan (if you have qualified service with a state agency), or the College Insurance Program (if you have qualified service with a community college).

The Internal Revenue Code requires that federal income tax be withheld from the taxable portion of your distribution. A mandatory 20 percent tax withholding is required for recipients who are subject to U.S. taxes. Distributions to non-resident aliens residing in foreign countries are subject to 30 percent tax withholding, unless a reduced withholding rate is claimed under a tax treaty on IRS Form W-8BEN.

### Electing an Optional Form of Payment

To choose an optional form of payment, you must file a written election with SURS during the 180-day election period before your distribution date. You may revoke any previous election for an optional form of payment and reinstate the normal form of payment at any time during this 180-day period.

If you are married and wish to choose an optional form of payment, your spouse/civil union partner must consent to this in writing. Your spouse's/civil union partner's consent must acknowledge the effect

of your election and must be witnessed by a Notary Public. Spousal consent is not required if:

- You and your spouse/civil union partner are legally separated or you have been abandoned (within the meaning of local law) and you have a court order to that effect;
- You provide satisfactory proof that the spouse's/civil union partner's consent cannot be obtained because there is no spouse/civil union partner, or because your spouse/civil union partner cannot be located, or because of some other approved circumstance.

Your spouse's/civil union partner's consent to one of the optional forms of payment described above is irrevocable.

### Transferring to Another Provider

You may consolidate or transfer your account prior to electing your form of distribution. Fidelity Investments is not an insurance company and cannot pay a Lifetime Annuity; therefore, to accommodate their participants, they have partnered with an insurance company, Principal Financial.

- If you have an account with Fidelity Investments and wish to receive a monthly annuity, the account must be transferred to either Principal Financial or TIAA.
- If you have an account with TIAA, they can pay the annuity or you may also transfer your account to Principal Financial via Fidelity Investments.

To transfer from one provider to another, you must complete the appropriate provider transfer form.

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## Contacting the Fund Providers

Fidelity Investments

Tel. 1-800-343-0860

[www.netbenefits.com/surs](http://www.netbenefits.com/surs)

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TIAA

Tel. 1-888-219-8310

[www.tiaa.org/illinois](http://www.tiaa.org/illinois)

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Principal

(provider of monthly annuities for Fidelity Investments)

Tel. 1-877-210-5565 ext. 202

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## Filing for Retirement

If you are electing the normal form of distribution, SURS would like to receive your application 90 days prior to your effective retirement date. If you are electing an optional form of distribution, you may not make this election before the 180-day period prior to the effective date of your annuity.

If you have established at least one year of service credit with any of the other 12 reciprocal systems, it is necessary for you to contact the individual system(s) to request an application for their portion of the benefit. You will receive a benefit payment from each system and provider(s).

If you are eligible for either the State of Illinois Group Insurance Plan or the College Insurance Plan, your insurance will start on your annuity begin date. You will be billed on a monthly basis for any premiums you may owe. To enroll in either plan, please complete the applicable insurance forms included in this packet.

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## Social Security

With few exceptions, SURS members do not contribute to Social Security. Therefore, you should be aware that by receiving a distribution from the SMP, any possible Social Security benefits you may be due could be reduced under the Windfall Elimination Provision and the Government Pension Offset under federal Social Security laws and regulations.

The Windfall Elimination Provision directly impacts potential Social Security benefits, and the Government Pension Offset affects widow or widowers benefits.

For more information on either the Windfall Elimination Provision or the Government Pension Offset, contact the Social Security Administration at 1-800-772-1213.

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## Employment After Retirement

If you return to work with an employer covered by SURS, there is no limitation on earnings.

If you are receiving an annuity from one of the other 12 reciprocal systems, please contact that system for their earnings limitation.

## RECIPROCAL SYSTEMS

Chicago Teachers' Pension Fund  
203 N. La Salle Street, Suite 2600  
Chicago, IL 60601-1267  
Tel. (312) 641-4464 Fax (312) 641-7185  
[www.ctpf.org](http://www.ctpf.org)

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County Employees' Annuity & Benefit Fund of Cook County  
33 North Dearborn Street, Suite 1100  
Chicago, IL 60602-3116  
Tel. (312) 603-1200 Fax (312) 603-9760

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Forest Preserve District Employees' Annuity & Benefit Fund  
of Cook County  
33 North Dearborn Street, Suite 1100  
Chicago, IL 60602-3116  
Tel. (312) 603-1200 Fax (312) 603-9760

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General Assembly Retirement System  
2101 South Veterans Parkway – P.O. Box 19255  
Springfield, IL 62794-9255  
Tel. (217) 782-8500 Fax (217) 557-5154  
[www.state.il.us/srs](http://www.state.il.us/srs)

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Illinois Municipal Retirement Fund  
2211 York Road, Suite 500  
Oak Brook, IL 60523-2337  
Tel. 800-275-4673 Fax (630) 368-5399  
[www.imrf.org](http://www.imrf.org)

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Judges' Retirement System  
2101 South Veterans Parkway – P.O. Box 19255  
Springfield, IL 62794-9255  
Tel. (217) 782-8500 Fax (217) 557-5154  
[www.state.il.us/srs](http://www.state.il.us/srs)

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Laborers' Annuity & Benefit Fund of Chicago  
321 North Clark Street, Suite 1300  
Chicago, IL 60654-4739  
Tel. (312) 236-2065 Fax (312) 236-0574  
[www.labfchicago.org](http://www.labfchicago.org)

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Metropolitan Water Reclamation District Retirement Fund  
111 East Erie, Suite 330  
Chicago, IL 60611-2898  
Tel. (312) 751-3222 Fax (312) 751-5699  
[www.mwrd.org](http://www.mwrd.org)

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Municipal Employees' Annuity & Benefit Fund of Chicago  
321 North Clark Street, Suite 700  
Chicago, IL 60654-4767  
Tel. (312) 236-4700 Fax (312) 527-0192  
[www.meabf.org](http://www.meabf.org)

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Park Employees' Annuity & Benefit Fund of Chicago  
55 East Monroe Street, Suite 2720  
Chicago, IL 60603-5713  
Tel. (312) 553-9265 Fax (312) 553-9114  
[www.chicagoparkpension.org](http://www.chicagoparkpension.org)

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State Employees' Retirement System of Illinois  
2101 South Veterans Parkway – P.O. Box 19255  
Springfield, IL 62794-9255  
Tel. (217) 785-7444 Fax (217) 524-2293  
[www.state.il.us/srs/sers.home\\_sers.htm](http://www.state.il.us/srs/sers.home_sers.htm)

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Teachers' Retirement System  
2815 West Washington Street – P.O. Box 19253  
Springfield, IL 62794-9253  
Tel. 877-927-5877 Fax (217) 753-0394  
[www.trsil.org](http://www.trsil.org)

# Retirement Application Instructions

## PART 1 – Personal Information

### Termination Date\*

This is the later of (1) the last day you work, or (2) the last day you earn pay. Please contact your personnel or human resource department.

### Distribution\* or Annuity Begin Date\*\*

You must **terminate** all SURS–covered employment before you can be eligible for an annuity. Your annuity payments will begin when SURS has received, processed, and sent your provider(s) your application and employer-provided termination summary information.

\*These cannot be the same date.

\*\*Must be the first of the month, following the Termination Date

### U.S. Tax Status

U.S. citizens by birth or naturalization are subject to U.S. federal income taxes at the regular rates. Aliens who have been granted lawful permanent residency (also known as a "Green Card"), and aliens who have established U.S. tax residency by meeting the "substantial presence test" are subject to U.S. federal income tax at the regular rates. Aliens who are not citizens or lawful permanent residents, and who have not met the substantial presence test are "non-resident aliens" who are subject to a default 30 percent tax withholding rate. Non-resident aliens must file an IRS Form W-8BEN to certify their tax status as a non-U.S. person. If applicable, a lower tax withholding rate may be claimed under a tax treaty for the country in which you reside by completing Lines 9 and 10 on IRS Form W8-BEN. You may contact the SURS office for this form or obtain it from the SURS website at [www.surs.org/forms](http://www.surs.org/forms).

If you are residing outside of the U.S., please also consult your provider(s) for additional tax information. Please refer to IRS Publication 519 for the definition of the "substantial presence test" and other tax matters concerning aliens.

## PART 2 – Retirement Systems Reciprocal Act

If you have service and earnings credit of one year or more in an Illinois public retirement system other than SURS, you may wish to retire under the Retirement Systems Reciprocal Act. Note that you must also file an application with that other system. Regardless of your election for either the recurring monthly annuity or lump-sum retirement benefit, the reciprocal system will consider SURS service and earnings credit in the calculation of their recurring monthly annuity. However, your SURS benefit will only be based on your vested SMP account balance.

## PART 3 – Choosing your Distribution Option

Please review ALL options on page 4 under General Information.

You must provide proof of birth date for your spouse/civil union partner or primary beneficiary. If you are married, you must provide a copy of your marriage certificate. You may revoke your election at any time prior to your annuity begin date, provided SURS receives written notification. If you name someone other than your spouse/civil union partner as contingent beneficiary, or if you are married and elect the lump-sum retirement benefit, spousal consent is required. The spouse's consent must be notarized.

## PART 4 – Direct Rollover of a Lump-Sum Distribution

If you wish to authorize a direct rollover of your eligible distribution, please provide financial institution information, including name, address, and account number. The previously taxed portion of your distribution, if any, is eligible for rollover to an eligible retirement plan that agrees to accept and account for previously taxed amounts.

If you are electing to rollover your distribution to a Roth IRA, you must choose whether or not to withhold federal income tax at this time, and if so, at what percentage. If you have further questions, please consult your tax advisor.

## PART 5 – Authorization of Recurring Payments

## PART 6 – Signature

Read the statements, then sign and date the application.

## PART 7 – SURS use only.

- First, read all information carefully.
- Then complete all appropriate parts.
- You will be directed to skip some steps if they do not apply to you.
- If you need assistance, please contact our office.
- Sign and date all forms **in ink**.
- Some forms may require your signature to be notarized.