



The Solon

August 2003

General Assembly Retirement System

New Legislation

During the spring legislative session two bills affecting the General Assembly Retirement System were passed and signed by the Governor.

The most significant bill allows the State to sell \$10 billion in general obligation bonds. This income will help meet the funding requirements of the five state-funded retirement systems for part of fiscal year '03 and all of fiscal year '04.

The remaining money will be distributed to each retirement fund to reduce their unfunded liabilities. The earnings from this money will decrease the state's required pension contributions in the coming years.

The other bill that passed became effective on August 8, 2003 (Public Act 93-494 • SB 1476) which impacts new members of the General Assembly Retirement System who are sworn into office after the effective date.

If these members continue to serve in the legislature after reaching age 55 with 20 years of accumulated service, they will no longer receive accrued increases for continued service. But they will still receive the 3% cost of living increase each year after retirement.

We will report on any legislation affecting GARS members in a future issue of the Solon.

Your Benefit Statement

Beginning this year, your statement will only show the last four numbers of your Social Security number to help protect you from identity theft, which has become one of the most frequent and costly crimes in the U.S.

Once an identity thief has your Social Security number and date of birth, they can obtain credit cards, open bank accounts, and sign up for cell phones in your name. The damage could cost you enormous amounts of money and take years to restore your credit.

Benefit Statements for retirees and survivors are NOT included with this Solon. These statements will be mailed in March, 2004. Only active members receive a statement with this mailing.

Again this year, your GARS annual benefit statement shows reciprocal service with a retirement benefit estimate available to you at normal retirement (age 60) under the Reciprocal Act. To determine your total benefit, add the projected GARS benefit to the amount from the reciprocal system(s).

If your statement shows reciprocal service but no amount, you probably don't have enough service to use the Reciprocal Act, OR you may have concurrent service with GARS and another system, OR you may not need the service to qualify for the maximum benefit.

You can calculate your maximum benefit by multiplying your current salary by 85%. This will allow you to compare your benefit with the maximum benefit. Although we make every effort to provide you with an accurate benefit estimate, it is only an approximation.

Keep your benefit statement in a safe place along with your Social Security card to avoid the chance of identity theft. If you have questions, contact our office at 217-782-8500.

The Education for Tomorrow's Choices preretirement workshop will be held in Chicago on October 23. This free, one-day workshop features a certified financial planner to discuss money management and investment strategies. Other speakers will cover Deferred Compensation, Social Security, insurance and GARS benefits. If you are interested in attending, call us at 217-782-8500.

Understanding Your Statement

If you are actively employed as a legislator, your annual benefit statement for the year ending June 30, 2003 is enclosed with this copy of The Solon. Your statement reflects your salary on July 1, 2003. If you have questions about your statement, call us at 217-782-8500.

At right is a SAMPLE statement highlighting the areas where members usually have the most questions.

If you do not agree with the service shown on your statement, contact GARS at 217-782-8500.

If you are purchasing service credit, it will NOT be shown on your statement until it is paid in full.

This is the projected GARS benefit you are eligible to receive, assuming continuous service to normal retirement age. If you have reciprocal service listed below, add the two amounts together to estimate your combined benefit.

This is your accrued benefit estimate, assuming termination of service on June 30, 2002. Do not add reciprocal service to this amount.

Reciprocal service is shown with months of service and the estimated benefit amount, if applicable.

General Assembly Retirement System of Illinois

2101 South Veterans Parkway, P. O. Box 19255, Springfield, IL 62794-9255

Your Annual Benefit Statement has been prepared as of June 30, 2003 using the following information:

Social Security # XXX-XX-1111 Date of Birth
05/28/1944

00064A
JOHN DOE
1000 ANY PLACE
ANY TOWN, IL 33333

Member Information

You have **90** months of contributing membership service. This does **not** include service forfeited by taking a refund, or any service credit in a reciprocal retirement system listed below. You have **18.00** months of leadership service. Leadership service can enhance your retirement benefit (see "final salary" on the reverse side).

Your total contributions are **\$45,001.36**. Your fiscal year 2003 contributions (July 1-June 30) are **\$8,100.98**. Your monthly prescribed salary as of July 1, 2003 is **\$5,499.49**. Your final salary is used to compute your retirement benefits.

Retirement Benefits

Retirement benefits are based on service, final salary and age. Normal retirement is age 55 with eight years (96 months) of service. If you continue working to normal retirement age, your estimated monthly retirement benefit will be **\$2,778.00** on **07/01/2005**.

Your monthly benefit earned and accrued as of **June 30, 2003** is **\$1,958.00**, payable on **07/01/2005**.

Disability

You are not currently eligible for disability.

Reciprocal Service

Using the reciprocal act with GARS, you may receive the following monthly benefit(s) at normal retirement age:
ILLINOIS MUNICIPAL RETIREMENT FUND 95.00 \$728.00

Death Benefits

Death benefits are payable to your spouse, children or named beneficiaries, as applicable. Lump sum death benefits are payable to your named beneficiaries if there are no eligible survivor(s) at your date of death. If you wish to change your GARS beneficiaries, a change of beneficiary form is printed in the enclosed *Solon*. GARS BENEFITS ARE SEPARATE FROM YOUR GROUP LIFE INSURANCE COVERAGE. Group life beneficiaries are not included in this statement.

If you die while actively employed, your eligible spouse will receive a monthly income of **\$1,305.44*** payable at age 50 or earlier if eligible children survive.

Additional amounts are payable for eligible children.

If you die with no qualified survivors, your named beneficiary or estate will receive your total contributions of **\$45,001.36**.

Your current beneficiaries are:

1 - BENEFICIARY 1

2 - BENEFICIARY 2

2 - BENEFICIARY 3

* This amount is reduced by any Workers Compensation benefits received.

At a Glance

as of June 30, 2003

Member Information

Total Months of Service 90
Leadership Service 18.00
Total Contributions \$45,001.36

Retirement

Estimated Retirement Benefit \$2,778.00
Payable on 07/01/2005

Death

Surviving Spouse Benefit \$1,305.44

The survivor benefit payable to a spouse is 66 2/3% of the earned benefit, or 10% of your final salary, whichever is greater.

Your named GARS beneficiaries are separate from your Group Life Insurance beneficiaries.

The people listed on your Benefit Statement are designated to receive your GARS benefits only.

You may change your beneficiaries at any time by completing a Nomination of Beneficiaries form on the back page.

1-on-1 Counseling Schedule

The dates and locations for this year's 1-on-1 counseling sessions are listed below. Although no appointment is necessary, please call 217-782-8500 so we know who will attend.

September 17

Lake County Courthouse
Waukegan 12:30 - 3 p.m.

September 18

DuPage County Courthouse
Wheaton 8:30 - 11:30 a.m.

October 8

Edgar County Courthouse
Paris 10 - 11:30 a.m.

October 8

Jefferson County Courthouse
Mt. Vernon 2 - 3:30 p.m.

October 9

Williamson County Courthouse
Marion 8:30 - 11 a.m.

November 5

Knox County Courthouse
Galesburg 11 a.m. - 1 p.m.

November 6

Peoria County Courthouse
Peoria 8:30 - 11:30 a.m.

November 6

McLean County Courthouse
Bloomington 1 - 3 p.m.

HIPAA

The Health Insurance Portability and Accountability Act (HIPAA) was created to guarantee the privacy and security of health information for all citizens.

Because of this privacy issue, GARS is unable to assist you with claim problems, since we can no longer deal directly with the health carriers unless an Authorization for Release & Request for Medical Records/Information form is completed by you for each inquiry.

Therefore, your claim inquiries must be either faxed or mailed directly to:

Central Management Services
Group Insurance Division
600 Stratton Building
Springfield, IL 62706
Fax 217-557-3973

Retired members enrolled in Medicare can also direct their claim inquiries to the Illinois Department of Insurance, Senior Health Insurance Program (SHIP) at 800-548-9034. This program is designed to assist people enrolled in Medicare with claim problems.

GARS enrollment issues should still be directed to us. If you have questions regarding these changes, contact our office at 217-782-8500.

Under Construction

We are in the process of building a new agency website, which should be up later this year, to conform with CMS guidelines.

Our new website will allow you easier access to information with a new layout and several additional features:

- Driving directions to our office.
- A 'Contact Us' page with phone numbers and email addresses.
- A link to the other state agencies.

SRS on the Web

Internet: <http://www.state.il.us/srs>

E-Mail: ser@mail.state.il.us

General Assembly Retirement System of Illinois

2101 South Veterans Parkway, P. O. Box 19255, Springfield, Illinois 62794-9255 • 217-782-8500

MEMBER'S NOMINATION OF BENEFICIARY(IES) FOR DEATH BENEFITS

This form is used to nominate the person or persons to receive any death benefit payable by the GARS Retirement System of Illinois. ***This is a legal document which, after preparation, may not be altered in any way by any person.*** A member wanting to change beneficiaries at a later date must complete a new Nomination of Beneficiary form. The form on file with GARS which has the most recent date-located next to the member's signature-will take precedence.

INSTRUCTIONS: Complete this form using ink or typewriter. You may nominate as many as you wish, or your estate. If additional space is required, use additional

sheets. Benefits will be paid on a **survivor basis in the numerical order** you indicate. Two or more persons with the same order number will receive equal shares. **When this beneficiary nomination is accepted by the General Assembly Retirement System, an acknowledgement will be mailed to the current address on file with GARS. If your address is not current, please contact your payroll department to complete a new W-4 form.**

NOTE! Persons nominated as beneficiaries without order numbers will be considered after persons nominated with order numbers. Two or more persons nominated without order numbers will receive equal shares.

EXAMPLE

Order Number	Name	Address	Relationship
1	John A. Doe	123 West Main, Chicago, IL 60601	Father
2	Jane B. Doe	123 West Main, Chicago, IL 60601	Mother
3	David C. Doe	123 West Main, Chicago, IL 60601	Brother
3	Nancy D. Doe	44 South 2nd, Springfield, IL 62708	Sister
3	Mary E. Doe	123 West Main, Chicago, IL 60601	Sister
4	Frank F. Smith	9876 E. 99th St., Peoria, IL 61605	None

In the event the member dies while in state service, the benefit will be paid as follows:

- All the money will be paid to John Doe.
- If John A. Doe is not living when the member dies, all the money will be paid to Jane Doe.
- If John and Jane Doe are not living when the member dies, the money will be divided equally among David, Nancy, and Mary Doe. (If only two of these three persons are living when the member dies, each will receive one-half of the money. If only one of these three persons is living when the member dies, he/she will receive all of the money.)
- If John, Jane, David, Nancy, and Mary Doe are not living when the member dies, all the money will be paid to Frank Smith.
- If none of the nominated beneficiaries are living when the member dies, all of the money will be paid to the member's estate.

NOMINATED BENEFICIARIES

Order Number	Name	Address	Relationship
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

This form must be witnessed by two people who are not named as beneficiaries.

Member's Signature _____ Date _____

Member's Social Security Number _____ Witness _____

Member's Address _____ Address _____

_____ Witness _____

Address _____