



## GARS & Medicare

Our office frequently receives questions about when to enroll in Medicare and how their enrollment affects their State group insurance. The answer depends if the member is an active legislator or a GARS retiree.

As an active legislator, your State insurance is your primary coverage with Medicare paying secondary. We don't recommend an active legislator, age 65 or older, to enroll in Part B until they retire.

At age 65, all members qualify for free Medicare Part A, which helps pay for inpatient care in a hospital or skilled nursing facility (following a hospital stay), some home health care and hospice care, regardless if they are retired or actively employed.

If you're not sure if you're eligible, contact the local Social Security office two to three months prior to your 65th birthday.

Also at age 65, everyone is eligible for Medicare Part B, which helps pay for doctors' visits and many other medical services and supplies that are not covered by Medicare Part A.

There is a monthly premium for this coverage. Therefore, we recommend that only retired GARS members enroll in Part B of Medicare. As a GARS retiree, Medicare is your primary insurance, and your State insurance becomes the supplemental coverage.

Retirees age 65 and older who fail to enroll in Part B will incur a reduction in their insurance benefits paid by the State of Illinois!

## Active Member Benefit Statements

Enclosed with this edition of the Solon is your annual Benefit Statement if **you are an active member of the General Assembly**. Your GARS Benefit Statement provides you with a retirement benefit estimate based on your current actual salary.

Your Benefit Statement also shows any reciprocal service you may have, along with a retirement benefit estimate at your normal retirement date using 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 either don't have enough service to utilize the Reciprocal Act, you have concurrent service with GARS and another system, or you don't 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. If you have questions, contact our office at 217-782-8500.

These rules also apply to GARS dependents age 65 and older who are also covered under the State's group insurance program.

All members and dependents age 65 and older must send GARS a copy of their Medicare card to ensure that their insurance information remains up-to-date.

If you have questions about the State group insurance program or Medicare, please contact Robin Edgar, the GARS Insurance Representative at 217-785-6966.

*Benefit Statements for retirees and survivors are NOT included with this Solon. These statements will be mailed in March, 2008. Only active members receive a statement with this mailing.*

## Did You Know?

*The average age for a GARS member at retirement is almost 60 with just less than 14 years of service.*

*The total number of GARS retirees is 272.*

# Keep Your Beneficiaries Current

Your named beneficiaries on file with GARS are located in the Death Benefits section of your Benefit Statement. You may change your beneficiaries at any time by completing and filing a new Nomination of Beneficiaries form (on the back page of this publication) with GARS.

***It's possible that you could have three different sets of beneficiaries: GARS benefits, Group Life Insurance and Deferred Compensation.***

If no beneficiary is on file, any death benefit will be paid to your estate.

## Service Under Reciprocal Systems

As an active General Assembly member, you may have at least one year of credited service under an Illinois Public Retirement System. This service may be used to determine your eligibility for a benefit from GARS. The benefit amount is based on the benefit formula and service credit in each system.

However, total benefits cannot be higher than it would have been if all service were in one system. If benefits are being paid under reciprocity, and you are granted service credit by more than one system for the same period of time, each system will reduce its credit proportionately.

If you were a GARS member after August 1994 and were employed by a reciprocal system, your GARS pension is based on the salary of a current GARS member.

## 1-on-1 Counseling Schedule

The dates and locations for the remaining 1-on-1 counseling sessions in 2008 are listed below. We will ask the Court Administrator at each location to schedule 1-on-1 appointments for GARS members to meet with Jayne Waldeck from the GARS office.

### **October 28**

McDonough County Courthouse  
Macomb 9:00 - 10:30 a.m.

### **October 28**

Adams County Courthouse  
Quincy 1:00 - 2:30 p.m.

### **November 6**

Madison County Courthouse  
Edwardsville 9:00 - 11:30 a.m.

### **November 6**

St. Clair County Courthouse  
Belleville 1:00 - 3:00 p.m.

## Changes to Deferred Compensation



The State of Illinois' Deferred Compensation Program has closed two of its under performing funds, while adding three other funds.

The two closed investments are T. Rowe Price International Stock Fund and Wells Fargo Large Company Growth Fund. Money that was invested in these funds was transferred to a specific new fund.

The three new investment options are:

- **Janus International Growth Fund** seeks long-term growth of capital. It normally invests at least 80% of its assets in equity securities, typically from countries outside of the United States.

- **Invesco International Growth Trust** seeks long-term growth of capital by investing in a diversified portfolio of reasonably priced, quality international companies.

- **Wellington Diversified Growth Portfolio** seeks long-term returns above those of the Russell 1000 Growth Index.

The Invesco International Growth Trust and the Wellington Diversified Growth Portfolio are "common trust" funds, not mutual funds.

If you have questions, or want a prospectus or trust fact sheet explaining investment objectives and expenses, call T. Rowe Price on business days between 7 a.m. and 10 p.m. eastern time at 1-888-457-5770.

***Mutual funds and common trusts are pooled investments that pursue specific financial goals by investing in various types of securities.***

***However, common trusts cannot be sold to the general investor because they only allow employer-sponsored retirement plans to invest. Fees for common trusts are also generally lower than mutual fund fees.***

# Understanding Your Statement

## 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, 2008 using the following information:

Social Security # XXX-XX-1234 Date of Birth 03/01/1958

Any Member  
1234 Any Street  
Any Town, IL 61234

### Member Information

You have **138** 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 **114.00** months of leadership service. Leadership service can enhance your retirement benefit (see "final salary" on the reverse side).

Your total contributions are **\$89,542.50**. Your fiscal year 2008 contributions (July 1-June 30) are **\$10,217.63**. Your monthly salary as of July 1, 2008 is **\$5,653.00**. 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 **\$5,395.08** on **04/01/2013**.

Your monthly benefit earned and accrued as of **June 30, 2008** is **\$3,674.56**, payable on **03/01/2013**.

### Disability

If you become permanently disabled, your monthly benefit amount is **\*\$3,674.56**. This amount is payable for life, so long as you remain permanently disabled.

### Reciprocal Service

Using the reciprocal act with GARS, you may receive the following monthly benefit(s) at normal retirement age:

ILLINOIS MUNICIPAL RETIREMENT FUND 44.00 \$325.41  
STATE UNIVERSITIES RETIREMENT SYS 6.00

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 **\$2,449.72\*** 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 **\$89,542.50**.

Your current beneficiaries are:

- 1 - Beneficiary A
- 2 - Beneficiary B
- 2 - Beneficiary C

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

If you are actively employed as a legislator, your annual Benefit Statement for the year ending June 30, 2008 is enclosed with this copy of *The Solon*. Your statement reflects your salary on July 1, 2008.

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 the date shown on YOUR statement. Do not add reciprocal service to this amount.

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

## At a Glance

as of June 30, 2008

### Member Information

Total Months of Service ..... 138  
Leadership Service ..... 114.00  
Total Contributions ..... \$89,542.50

### Retirement

Estimated Retirement Benefit .... \$5,395.08  
Payable on ..... 04/01/2013

### Death

Surviving Spouse Benefit ..... \$2,449.72

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

This form is to be used to nominate the person or persons to receive any death benefit payable by the General Assembly Retirement System. A member desiring to change beneficiaries at a later date must complete a new Nomination of Beneficiary form. The form on file with GARS that has the most recent date, located above the member's signature, will take precedence.

**INSTRUCTIONS:** Complete this form using ink or typewriter. You may nominate one person, as many as you wish, or your estate. 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 acknowledgment will be mailed to the current address on file with GARS.

**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, any excess contributions will be paid as follows:*

- All the money will be paid to John Doe.
- If John 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: \_\_\_\_\_