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## Death of an Active Employee Fact Sheet

### Benefit amount

The survivor annuity and one-time lump-sum payment of \$1,000.00 is divided among the eligible survivors. This amount is not offset by Social Security.

### Tier 1

The survivor benefits are typically 50% of the earned pension benefit at death.

### Tier 2

The survivor benefits are 66 2/3% of your earned pension at death. If there are multiple eligible survivors, the annuity will be split equally among the survivors.

### Taxes

Monthly survivor payments and lump-sum death benefits are subject to federal tax, but are exempt from Illinois state income tax under the current law.

If you die while actively employed and have at least 18 months of service credit, survivor benefits may be payable.

In addition to survivor benefits, your retirement contributions (less survivor contributions) and interest will be paid to the beneficiaries named on the Death Benefit Beneficiary Designation Form (101). If no beneficiaries are named, payment will be made to your estate.

### Who are eligible survivors?

- Your spouse to whom you have been married to at least one year prior to your death. Monthly survivor benefits can only be paid if your spouse is age 50 or over. If under 50, your spouse is eligible as long as they support a child who is also eligible for a survivor benefit.
- Minor children (under age 18)
- Children under age 22 if unmarried and a full-time student
- Dependent disabled children over age 18. For a disabled child to qualify for survivor benefits, the child must be unmarried and have been at least 50% financially dependent upon you at the time of death. Typically this is proven by the child having been claimed on your tax returns. This child cannot be earning more than \$3,660.00 per quarter from their own employment.
- Dependent parent who is at least 50% financially dependent upon you at the time of death. Parents can only be eligible if the member does not have a surviving spouse or eligible children.

If you die with no eligible survivors, your retirement contributions, interest and one month's salary for each year of service, (up to a maximum of six month's salary) will be paid to the beneficiaries you name on the Death Benefit Beneficiary Designation Form. If no beneficiaries are named, payment will be made to your estate.