



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

217-785-7444
Email: sers@srs.illinois.gov

Death of a Retiree Fact Sheet

Tier 1 Members

The monthly annuity is 50% of the retirement amount being paid at the time of death. This amount may be offset by Social Security, however the survivor benefit cannot be reduced to less than 25% of the retirement amount being paid at the time of death. There is no offset for Social Security if you retired prior to 1/1/1998 or if you chose the Social Security offset removal and your pension is being reduced by 3.825%. The survivor benefit is increased by 3% every January.

Tier 2 Members

The monthly annuity is 66 2/3% of the retirement amount being paid at the time of death. This amount may be offset by Social Security, however the survivor benefit cannot be reduced to less than 50% of the benefit otherwise payable.* The survivor benefit is increased every January (following the first anniversary of the benefit) by 3% or one-half of the Consumer Price Index for the preceding calendar year, whichever is less. There is no offset for Social Security if you choose the Social Security offset removal and your pension is reduced by 3.825%.

*Supported by 14-121(g) and stated in the Tier 2 handbook.

If you die after retiring and left your survivor contributions with SERS, your eligible survivors will receive a monthly survivor annuity as well as a one-time lump-sum payment of \$1,000. Likewise, if you take your survivor contribution refund but repay it prior to your death, your eligible survivors will receive a monthly survivor annuity as well as a one-time lump-sum payment of \$1,000.

The survivor annuity and lump-sum payment is divided among the eligible survivors. The monthly annuity is a percentage of your pension that is being paid at the time of your death based on your membership tier.

Who are eligible survivors?

- Your spouse, as long as you have been married 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. You can typically prove your disabled child's dependent status by claiming the child on your tax returns. This child cannot be earning more than \$3,660.00 per quarter.
- 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.

Survivors vs. beneficiaries

Eligible survivors are outlined above. If you have no eligible survivors at the time of your death, your beneficiary will be eligible to receive any remaining contributions and interest, or a lump sum of \$500, whichever is greater. If there is an eligible survivor at the time of your death, your beneficiary will not receive the benefit. Beneficiaries can be anyone you designate.