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Level Income Fact Sheet

The following example illustrates how the Level Income option works for a Tier 1 member.

A member is eligible for a monthly pension of \$3,500 from SERS at age 55. The member is also eligible for a monthly Social Security benefit of \$1,500 at age 62.

Member retires at age 55

The member's \$1,500 monthly Social Security benefit is reduced to \$798.00. By adding the SERS benefit of \$3,500 to the \$798.00 Social Security benefit, the monthly benefit amount calculates to \$4,298.00. This benefit will increase by 3% each year to \$5,286.00 per month at age 62 years, 1 month.

When the member turns 62 years, 1 month

The member's monthly SERS benefit reduces by the full Social Security benefit of \$1,500 to equal \$3,786.00. However, the member's combined monthly benefit from SERS and Social Security would still total \$5,286.00.

You can elect the Level Income option until age 62 through age 67.

If you pay into both SERS and Social Security, choosing the Level Income option allows you to receive benefits at a steady amount throughout retirement. You may select the Level Income option at retirement as long as you are not yet eligible to receive Social Security benefits.

Under Level Income, SERS pays your regular retirement benefit plus an additional amount based on your estimated Social Security benefit until you reach the age you elected on your retirement application. At that time, we reduce your pension by the amount on your Social Security estimate that you indicated on your retirement application. We pay the reduced amount for your lifetime, regardless of when you apply and begin receiving your Social Security benefit or the actual amount of the benefit.

When you begin receiving your Social Security benefit, that amount should make up the difference in the reduction of your SERS benefit, therefore continuing your steady income. If you choose Level Income, it is your responsibility to apply for Social Security benefits in a timely manner.

If you would like an estimate of your SERS benefit using the Level Income option, request a retirement estimate from Social Security by using the online Retirement Estimator from their website. Once you receive your estimate, contact SERS and we will assist you with your Level Income estimate. When asked for last year's earnings you will need to enter \$0.

Social Security Estimate

Social Security's online Retirement Estimator can provide a retirement estimate based on your actual Social Security earnings record. *To get a Social Security estimate using the Retirement Estimator, go to socialsecurity.gov/estimator.*

You can use the Retirement Estimator if you have enough Social Security credits and you are NOT:

- Currently receiving benefits on your own record;
- Age 62 or older receiving benefits on another record;
- Eligible for a pension based upon work not covered by Social Security.

The Level Income option is NOT collecting Social Security Benefits earlier and is a strictly optional election. Level Income is irrevocable once it is chosen. It is important to understand what you're electing, as it will impact your benefit amount. Level Income will temporarily increase your pension benefit amount until you are of Social Security age. Once you reach your elected Social Security retirement age, your pension will be PERMANENTLY reduced to level your income from the previous increase.

Examples of Level Income (assuming Social Security Benefits equal \$1,000)

From age 55		At age 62 and One Month		Age 55 Without Level Income	
SRS Normal Distribution	\$2,000.00	Reduced SERS Pension	\$2,118.96	Total SERS Pension	\$2,000.00
Level Income	\$536.00	Social Security	\$1,000.00	Age 62 Without Level Income	
Total SERS Pension	\$2,536.00	Total	\$3,118.96	SERS Pension w/COLAs	\$2,459.75
Age 62				Social Security	\$1,000.00
SERS Pension w/COLAs	\$3,118.96			Total Pension	\$3,459.75