SERS
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Returning to State Employment Fact Sheet

If you are returning to State employment after retiring or taking a refund of your contributions, you have different options to restore your account to the level it was when you left State employment.

Returning to Work After Retiring

If you return to state employment on a permanent basis after retirement, you should notify SERS immediately.

If you receive a pension from more than one Illinois public retirement system which participates in the Retirement Systems' Reciprocal Act, you must notify all retirement systems. Each reciprocal retirement system has specific rules to determine if retirees are eligible to receive pension benefits during reemployment.

There are two methods of returning to state employment that will not affect the continuation of your SERS pension: contractual and non-permanent.

Tier 2 retirees who return to work with a system that participates in the Retirement Systems' Reciprocal Act will have their pension suspended even if the retiree did not retire reciprocally.

Contractual Employment

If you return to state employment on a contractual basis after retiring, your SERS benefit will not be affected. Early Retirement Incentive participants from 2002-03 are not allowed to return to work on a contractual basis.

Non-Permanent Reemployment

If your employment with the state will last for 75 or less working days during a calendar year (any part of a day is counted as a full day), you will continue to receive your pension payment.

During your employment, you make no contributions to SERS, but you must contribute to Social Security. If you work more than 75 working days, your pension benefit will end on the 76th day, and you will resume contributing to SERS. 75-day employment requires certification to be submitted to SERS.

Permanent Reemployment

If you are reemployed by the state on a permanent basis, you won't be eligible for pension benefits while working. You will make contributions to both SERS and Social Security during your employment and earn additional service credit.

After you again retire from state employment, you must reapply for a pension. Your new pension amount will be the benefit earned before reemployment, plus the pension amount earned during reemployment.

- Over -

If you re-enter state service within three years after retiring, you may qualify to have your new retirement benefit computed as though you never retired. To qualify, you must repay all of the pension benefits you received, plus interest.

The repayment may be made in a lump sum, by installments paid within five years after your reemployment, or before your next retirement date, whichever is first. If you choose not to complete installment payments before retirement or the end of the five-year period, your installment payments will be refunded and your pension will not be recomputed.

Returning to Work After Receiving a Refund

If you return to state employment after receiving a refund, you may repay your refunded contributions with interest and have your previous service credit restored after you complete at least two years of credited service subsequent to the date of the refund.

Credited service from other public retirement systems under the Reciprocal Act can also be used to meet the two year requirement.

Returning to Work After Receiving the Alternative Retirement Cancellation Payment (ARCP) or the Contingent Lump Sum Incentive Payment (CLSIP)

If you return to full-time employment, legislation requires repayment of the ARCP portion of your lump sum payout from SERS within 60 days. ARCP and CLSIP participants can work 75 days of non-permanent employment and avoid repaying the lump sum. However, if these individuals work more than 75 days per calendar year, they will be required to repay their lump sum amount. CLSIP repayment is monitored by Central Management Services.

Returning to Work from Inactive Status

If you return to state employment after being an inactive SERS member, notify your new employing agency that you are a member of SERS. Contributions start immediately.