



State Employees' Retirement System

2101 South Veterans Parkway, P. O. Box 19255, Springfield, IL 62794-9255 • Phone 217-785-7444 • Fax 217-785-7019
State of Illinois Building - 160 N. LaSalle St., Suite N725, Chicago IL 60601 • Phone 312-814-5853 • Fax 312-814-5805

SERS LEGISLATION

Three bills that affect SERS members passed the General Assembly during the spring 2001 legislative session and were signed by Governor Ryan.

ALTERNATIVE FORMULA EMPLOYEES

The most significant piece of legislation is HB 0250 (Public Act 92-0014) effective June 28, 2001, which changes the alternative retirement formula to a flat rate of 2.5% for coordinated employees, and 3.0% for non-coordinated employees.

The maximum pension benefit increases from 75% to 80% of final average compensation. The new formula also applies to alternative formula employees who retired on or after January 1, 2001.

This bill adds Department of Human Services security employees and educators who have daily contact with security unit residents, or spend at least 50% of their time working with security unit residents to the alternative formula.

Alternative formula members who retire by October 1 will also receive their first 3% yearly pension increase on January 1, 2002 if they are age 55 or older.

HIGHWAY MAINTAINERS

HB0267 (Public Act 92-0257) effective August 6, 2001, puts highway maintenance workers with IDOT or the Illinois State Toll Highway Authority under the alternative retirement formula if their primary responsibility is to perform necessary highway repairs. To receive the

alternative formula, these members must be actively employed on or after August 6.

Highway maintenance workers who retire on September 1 or October 1, 2001 will also receive their first 3% yearly pension increase on January 1, 2002 if they are age 55 or older.

ALTERNATIVE FORMULA CONTRIBUTIONS

Current Alternative Formula Employees

The employer pickup rate is now 5 1/2% of your salary. Starting January 1, 2002, all alternative formula employees will contribute an additional 1% of their salary to pay for enhanced retirement benefits.

SERS LEGISLATION
(continued on page 2)

All of the information in this newsletter will also appear in the SERS-O-GRAM, which should be mailed to our members in August.

SERS ELECTION RESULTS



During the May SERS Board of Trustees election, Caryl Wadley-Foy was reelected as the member trustee for a second five-year term beginning July 15. A total of 13,937 ballots were returned to the State Board of Elections, where 13,631 were declared valid and certified on June 4.

Wadley-Foy has worked for the Department of Human Services for 25 years as an Office Coordinator at the Shapiro Center in Kankakee. She is also the Secretary-Treasurer of the American Federation of State County and Municipal Employees (AFSCME) Local 29, and the Secretary of AFSCME Illinois Council 31; a delegate of the Kankakee Federation of Labor, AFL-CIO (former Secretary-Treasurer); and Co-chair of the Kankakee County Labor Management Association.

She is a Trustee for the Village of Bradley; Board of Directors for KFL Community Services, Inc.; Board of Directors of the Kankakee County Convention & Visitors Bureau.

SERS LEGISLATION *(continued from page 1)*

The additional employee contribution will increase by another 1% on January 1, 2003, and another 1% on January 1, 2004.

DHS Security Employees & Educators, Highway Maintainers

The current employer pickup is 4%. With the new legislation, this pickup amount will increase to 5 1/2%. On January 1, 2002, the employee will pay 1% of the retirement contributions, while the employer pickup continues at 5 1/2%.

The additional employee contribution will increase by another 1% on January 1, 2003, and another 1% on January 1, 2004.

CERTIFICATION OF ALTERNATIVE SERVICE

With the passage of HB0250 and HB0267, DHS employees working at institutions with a forensic or security unit, and Illinois Department of Transportation and Toll Highway maintenance workers will participate under the alternative formula. SERS will ask these agencies to certify past service earned in alternative formula positions.

For DHS service prior to July 1, 2001, an agency certification process will be conducted to verify the amount of time these employees actually worked in a security unit before July 1, 2001. For IDOT and Toll Highway employees, an agency certification process will be conducted to verify service prior to September 1, 2001 to verify the amount of time actually worked in a state highway maintenance position.

Once the certification has been completed and returned to SERS, the employee's account will be adjusted to reflect the new formula and a letter will be sent notifying the member of the change.



MILITARY SERVICE CREDIT

SERS employees have always been able to purchase up to two years of military service credit by paying the required employee and employer contributions plus interest.

HB0513 (Public Act 92-0054) effective July 12, 2001, changes the method of calculating interest from the date the employee last became an SERS member or November 19, 1991, whichever is later.

This change applies to military credit purchased on or after July 12, and does not entitle a member to receive a refund of interest if this service purchase is already paid in full. Adjustments will be made for members currently buying military service on an installment basis.

This service purchase, like all SERS optional service purchases, can be made on a pre-tax or post-tax basis. Before any military credit can be granted or cost determined, SERS must receive a copy of form DD-214 or the appropriate separation /discharge papers verifying active duty.

SRS WEB SITE

Visit our web site at www.state.il.us/srs to access information on our three retirement systems: State Employees', Judges' & General Assembly. There are also links to the State of Illinois and Social Security Administration home pages.



From the State Employees' Retirement System's home page you can view our latest publications and annual reports, download SERS forms, and link to federal and state tax forms.

The SERS home page also contains a Bulletin Board with articles pertaining to SERS members, and the Field Services area lists all of the preretirement workshop dates as well as other sources of information.

In the future, our home page will allow you to access your account information and apply for benefits online.

ANNUAL BENEFIT STATEMENT

This year's benefit statement has something new for just about everyone. For the first time, the "Rule of 85" is being used, when applicable, to calculate regular formula retirement eligibility dates for both projected and accrued benefits.

The recently enacted provisions of HB250 have been used to calculate benefits for alternative formula employees already under the alternative formula. This includes the 2.5% and 3.0% flat percentages and the 80% maximum benefit.

However, the new percentages have not been used to calculate benefits for Department of Human Services security employees and educators, or highway maintenance workers.

These employees must have their alternative formula service certified with SERS before these benefits can be calculated. The new percentages will be used to determine benefits in next year's statement.

As in past years, your statement shows any service with a reciprocal system, and any service you may purchase or repay. Employees should share the statement information with their family, since it's a vital part of their retirement planning.

ATTENTION RCS!

The updated Retirement Coordinator handbooks with all of the current legislative changes will be mailed to you in late August.

WE NEED YOUR HELP

When we mail the Benefit Statement to our members in August, all statements with an incorrect mailing address will be returned to us, rather than forwarding them to the member. This allows us to find inaccurate mailing addresses in our data base.

In October, we will send the unopened, returned statements to our RCs. We ask that you distribute these statements with inaccurate addresses to your employees and encourage them to fill out a new W-4 tax form with your agency's Payroll Clerk to update their address.

We get our mailing address information from the Office of the Comptroller by using the member's most current W-4 tax form. This same mailing address is also used on the member's pay stub or Direct Deposit slip.

By maintaining an up-to-date mailing list, the Comptroller's office and SERS are able to send members information to their current address.



John Weidman (at right) receives his SERS Retirement Coordinator of the Year award for 2000 from SERS Field Representative Lee Brown, as District Engineer Stanley Grabski looks on. John is the personnel services officer for the Department of Transportation, District 7, in Effingham. He has worked at IDOT for 29 years and has been a Retirement Coordinator for 15 years. He has always encouraged District 7 employees to attend our SERS workshops. John also works one-to-one with employees who are preparing for retirement.

2002 PRERETIREMENT WORKSHOPS

To register for a workshop, contact your Retirement Coordinator, whose name and telephone number is printed on your Benefit Statement. Reservations CANNOT be made until Sept. 4, 2001.

INVESTING IN YOUR FUTURE For employees under age 45

Jan. 29	Chicago
Feb. 26	Rolling Meadows
Mar. 19	Springfield
Apr. 9	Chicago
Apr. 23	Tinley Park
May 7	Rockford
May 21	Urbana
Jun. 18	Springfield
Jul. 16	Carbondale
Aug. 6	Peoria
Aug. 20	Springfield
Aug. 27	Chicago
Sep. 10	Joliet
Sep. 24	Chicago
Oct. 1	Springfield
Oct. 22	Collinsville

EDUCATION FOR TOMORROW'S CHOICES

*For employees 5-15 years
from retirement*

Jan. 9 & 10	Chicago & Springfield
Jan. 16 & 17	Springfield
Jan. 23 & 24	Springfield
Jan. 30 & 31	Springfield & Glen Ellyn

Feb. 6 & 7	Springfield
Feb. 13 & 14	Springfield
Feb. 20 & 21	Carbondale
Feb. 27 & 28	Chicago
Mar. 6 & 7	Collinsville
Mar. 13 & 14	Springfield & Rolling Meadows
Mar. 27 & 28	Peoria
Apr. 3 & 4	Chicago & Springfield
Apr. 10 & 11	Urbana
Apr. 17 & 18	Joliet
May 1 & 2	Chicago
May 8 & 9	Springfield
May 15 & 16	DeKalb
May 29 & 30	Mt. Vernon
Jun. 5 & 6	Rockford
Jun. 12 & 13	Springfield
Jul. 10 & 11	Springfield
Jul. 24 & 25	Peoria
Jul. 31 & Aug. 1	Carbondale
Aug. 14 & 15	Collinsville
Aug. 21 & 22	Chicago
Sep. 11 & 12	Springfield
Sep. 18 & 19	Rolling Meadows
Oct. 9 & 10	Tinley Park
Oct. 16 & 17	Springfield
Oct. 30 & 31	Chicago
Nov. 13 & 14	Springfield
Nov. 20 & 21	Chicago & Peoria

COUNTDOWN TO RETIREMENT For employees 3 years from retirement.

Jan. 17	Chicago
Feb. 7	Chicago
Feb. 21	Springfield
Mar. 7	Carbondale & Joliet
Mar. 21	Springfield & Chicago
Mar. 28	Collinsville
Apr. 11	Chicago
Apr. 18	Springfield
Apr. 25	Tinley Park
May 9	Rockford
May 16	Carbondale
May 30	Chicago & Springfield
Jun. 20	Springfield
Jul. 18	Springfield
Jul. 25	Urbana
Aug. 8	Springfield
Aug. 22	Springfield
Aug. 29	Collinsville & Chicago
Sep. 5	Joliet
Sep. 19	Springfield
Sep. 26	Carbondale & Dixon
Oct. 3	Peoria
Oct. 17	Chicago
Oct. 24	Springfield
Nov. 14	Chicago & Mt. Vernon
Nov. 21	Springfield

Get paid to learn all about your SERS benefits. Take a day to come listen, learn, and evaluate where you are and where you want to be. You owe it to your future well-being!