



Keep your Member Services contact information up to date to receive the latest news, announcements or deadlines by email, letter or call.

## Introduction to Tier III hybrid plan

On July 6, the Illinois General Assembly approved Public Act 100-0023, creating an optional hybrid plan for future SERS members who are not covered by Social Security, and it also allows current Tier 2 members who are not covered by Social Security to choose the hybrid plan. This law does not change any of the benefits of Tier 1 SERS members and retirees.

### Tier III hybrid details

#### The optional hybrid retirement plan has two parts:

- a defined benefit pension payable for life; and
- a defined contribution plan similar to the Deferred Compensation plan (ex: 457(b)).

#### Defined benefit component:

- Employee contributions are equal to the lower of 6.2% of salary or the total normal cost of benefits under the defined benefit portion of the plan.
- Final Average Compensation (FAC) equals the average monthly compensation during the final 10 years of service.
- Pensionable compensation shall not exceed the Social Security Wage Base.
- Age and service credits for retirement are the normal Social Security retirement age applicable to that member, but no earlier than age 67, with 10 years of service credit.

#### Retirement annuities are calculated using the following formula:

- Starting base monthly annuity =  $1.25\% \times \text{each year of service credit} \times \text{FAC}$ .
- Automatic annual increases are applied beginning one year after retirement, calculated at  $\frac{1}{2}$  of the percentage increase in the Consumer Price Index-W with non-compounding interest.
- Survivor benefits shall equal 66.7% of the member's retirement annuity on the date of death.

#### Defined contribution component:

- Employee contributions are equal to a minimum of 4 percent of salary.
- Employer contributions are equal to a rate that may be set for individual employees, but no higher than 6 percent of salary and no lower than 2 percent of salary.
- The participant vests in employer contributions when they are paid into his or her account.
- The plan must provide a variety of investment options and a variety of options for payouts to retirees and their survivors.



SERS does not know when the hybrid plan will be implemented because the plan must be approved by the Internal Revenue Service before members can enroll. The SERS Board of Trustees will determine when the plan will be made available, and we will provide notice when a date has been chosen.

## Your benefit statement

Enclosed with this SERS-O-GRAM is your current benefit statement. This statement contains detailed information about your SERS benefits as of June 30, 2017.

If you would like to change or update your beneficiaries, visit [srs.illinois.gov](http://srs.illinois.gov) and click the Forms link to find the Nomination of Beneficiary Form.

If you have questions about beneficiaries, call us at 217-785-6973.



## NCPERS open enrollment: Oct. 1 – Nov. 30, 2017

The State Retirement Systems (SRS) offers a voluntary life insurance plan to its members through the National Conference of Public Employee Retirement Systems (NCPERS).

SRS is offering an open enrollment period for the voluntary group life insurance coverage to our actively working members.

**The enrollment period will be held Oct. 1, 2017 – Nov. 30, 2017.**

There is no guarantee that another open enrollment period will be offered in the future, and you can only enroll while actively working. There will be no mailing to announce the open enrollment period, so please mark your calendars.

You can access an enrollment/beneficiary form on Oct. 1, 2017 by going to [www.ncpersvoluntarylife.com/srs](http://www.ncpersvoluntarylife.com/srs).

Check out our Member Services website  
[memberservices.srs.illinois.gov](http://memberservices.srs.illinois.gov)



# 2018 SERS Preretirement workshops

Registration for all SERS workshops begins Sept. 1, 2017.

To register for a workshop, visit [srs.illinois.gov](http://srs.illinois.gov) and click on the "Workshop Registration" logo. Once you're connected, click on the "Must Haves" link and follow the instructions. After you submit your registration, you'll receive an email confirming your registration has been submitted to your Retirement Coordinator for approval. Once approved, you'll receive additional emails with specific information about the workshop.

All workshops provide information on financial planning, deferred compensation, entitlements and estate planning.

For questions about our online registration, call 217-785-6979 or email [stephanie.staber@srs.illinois.gov](mailto:stephanie.staber@srs.illinois.gov).

## INVESTING IN YOUR FUTURE

*For employees under age 45*

This introductory IYF workshop is designed to encourage members to start planning early for retirement. The emphasis is on money management and investing early for the future, assessing current risks, and using the services provided by SERS.

Jan. 23	Springfield	Sept. 25	Schaumburg
Mar. 6	Chicago	Oct. 2	Chicago
Jun. 5	Joliet	Oct. 23	E. Peoria
Jul. 17	Springfield	Nov. 13	Carbondale
Sept. 25	Collinsville		

## COUNTDOWN TO RETIREMENT

*For employees within 3 years of retirement*

The CDR is a one-day program designed to help participants assess their immediate retirement plans and take the necessary steps to make the transition between employment and retirement as smooth as possible.

This workshop also reviews SERS and Social Security entitlements, the need for continuous financial planning and keeping an updated estate.

Jan. 18	Chicago	Jun. 28	Chicago
Jan. 18	Springfield	Jul. 19	Collinsville
Feb. 1	Springfield	Jul. 19	Orland Park
Feb. 15	Carol Stream	Jul. 26	Springfield
Feb. 15	Springfield	Aug. 9	Springfield
Mar. 1	Chicago	Aug. 16	Chicago
Mar. 1	Springfield	Aug. 23	Collinsville
Mar. 22	Urbana	Aug. 23	Dixon
Mar. 29	Springfield	Sept. 6	Carbondale
Apr. 5	Carbondale	Sept. 6	Rockford
Apr. 5	Chicago	Sept. 13	Springfield
Apr. 26	Schaumburg	Sept. 27	Springfield
Apr. 26	Springfield	Oct. 25	Chicago
May 10	Effingham	Oct. 25	Springfield
May 17	Chicago	Nov. 1	Orland Park
May 17	Springfield	Nov. 8	Springfield
May 24	Joliet	Nov. 15	Chicago
May 24	Quincy	Nov. 15	Mt. Vernon
Jun. 14	Springfield	Nov. 29	Collinsville
Jun. 28	E. Peoria	Dec. 6	Springfield

## EDUCATION FOR TOMORROW'S CHOICES

*For employees within 5-15 years of retirement*

This two-day, medium-range planning ETC workshop asks participants to realistically assess their future needs and lifestyle, and take the necessary steps to achieve these goals. The ETC focuses on financial planning, SERS and Social Security entitlements, legal and estate planning, leisure and living arrangements.

Jan. 3 & 4	Springfield	Jun. 20 & 21	Springfield
Jan. 10 & 11	Chicago	Jul. 11 & 12	Urbana
Jan. 31 & Feb. 1	Carol Stream	Jul. 11 & 12	Chicago
Mar. 14 & 15	Joliet	Aug. 8 & 9	Effingham
Mar. 21 & 22	Springfield	Aug. 15 & 16	Mt. Vernon
Apr. 18 & 19	Collinsville	Aug. 29 & 30	Utica
Apr. 18 & 19	Schaumburg	Oct. 3 & 4	Fairview Heights
May 30 & 31	Dixon	Oct. 17 & 18	Chicago
May 30 & 31	E. Peoria	Oct. 17 & 18	Springfield
Jun. 6 & 7	Carbondale		

## Take your budget to the next level

We use apps for all kinds of things: games, prescriptions, coupons...but have you considered using an app for your budget? Here are a few that allow you to connect your bank account, alert you for bills and even give you a starter budget that you can alter to suit your needs. You can see where your money is going, allowing you to adjust accordingly.

The best part? They're free, which supports the excellent new spending habits you're adopting!

### Mint – available for iOS and Android

What the developers say:

*"Finally, there's one place to manage all your finances with ease. Mint is the free money manager and financial tracker app from the makers of TurboTax® that does it all. We bring together your bank accounts, credit cards, bills and investments so you know where you stand. See what you're spending, where you can save money, and stay on top of bill pay in Mint like never before. You can even keep track of your credit score to help you be smart about it, no credit card required."*

### PocketGuard – available for iOS and Android

What the developers say:

*"PocketGuard is one of the leading, easiest to use personal finance apps in the US and Canada. This handy tool can finally make money management and budgeting trouble-free. Paying bills, managing multiple accounts, staying on top of your spending habits — all of this is now available in one place."*

Whichever you choose, make sure you're making your money work for you in the best way possible – including building an emergency fund, avoiding unnecessary fees and knowing the difference between a want and a need.



## Experienced a life change recently?

Did you get married – or maybe divorced? Have a new baby? It might be time to update your beneficiaries on file.

You can find your current elections in the Beneficiary Information section of your statement; and don't forget other places that might need updating also – like your SERS benefits, group life insurance and deferred compensation plans.

## Joe Maggio retires after 40+ years with SERS



Joe Maggio, Service and Refunds Manager, retired after more than 40 years of service with SERS. Joe began his career as the SERS Group Insurance Supervisor and was later promoted to Manager of the Service and Refund Division. Joe was an asset to our agency with many years of service, knowledge and expertise, and we will miss him.

Please join us in wishing Joe a happy and healthy retirement!

## Do you have student loan debt? You may qualify to have it forgiven.

If you have a Federal Direct Loan, you may be eligible for the Public Service Loan Forgiveness (PSLF) Program. To be eligible you have to have made at least 120 separate monthly payments after Oct. 1, 2007 on the specific loan for which you are requesting forgiveness while employed full-time by a qualified public service employer. The loan has to be in good standing (not in default), and you must have made all the payments while you were working in your public service position.

Loan balance forgiveness will begin October 2017.

### What qualifies as a public service position?

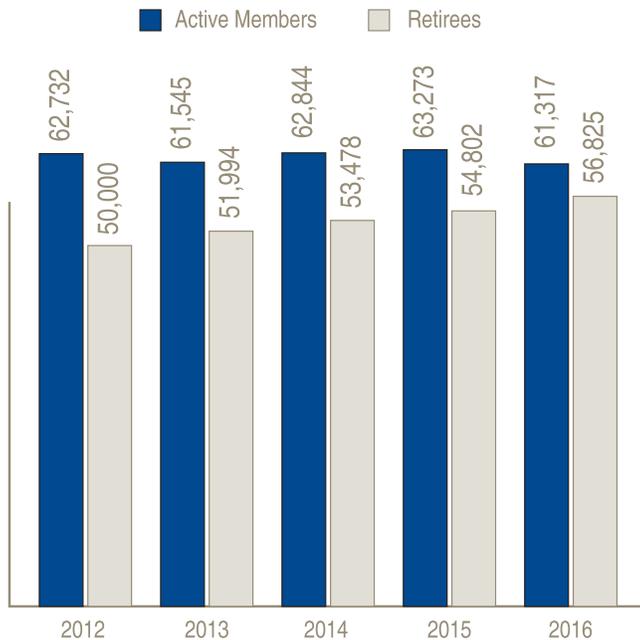
- Government organizations (including federal, state, local or tribal organizations)
- Not-for-profit, tax-exempt organizations under section 501(c)(3) of the Internal Revenue Code
- Private, not-for-profit organization (that is not a labor union or a partisan political organization) that provides one or more of the following services:
  - Emergency management
  - Military service
  - Public safety
  - Law enforcement
  - Public interest law services
  - Early childhood education (including licensed or regulated healthcare, Head Start and state-funded prekindergarten)
  - Public service for individuals with disabilities and the elderly
  - Public health (including nurses, nurse practitioners, nurses in a clinical setting and full-time professionals engaged in health care practitioner occupations and health care support occupations)
  - Public education
  - Public library services
  - School library or other school-based services

### What qualifies as full-time employment?

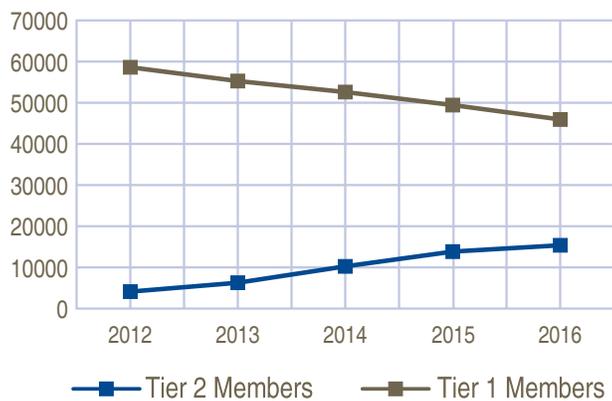
You must meet your employer's definition of full-time employment, but for PSLF purposes, that must be at least an annual average of 30 hours per week. None of the hours of employment may include religious-based activities.

To find more information on PSLF, visit [studentaid.gov/public-service](http://studentaid.gov/public-service) or contact your federal loan servicer.

## Number of Active Members and Retirees by Fiscal Year



## Active Membership Numbers: Tier 1 vs Tier 2



## Fiduciary net position

	FY 2016	FY 2015
<b>Assets</b>		
Cash	\$ 300,328,830	\$ 170,646,589
Receivables	86,542,095	128,747,086
Investments (fair value)	14,741,054,632	14,967,254,053
Securities lending collateral (state treasurer)	64,256,000	64,779,000
Capital assets, net	6,938,949	5,272,553
<b>Total assets</b>	<b>\$ 15,199,120,506</b>	<b>\$ 15,336,699,281</b>
<b>Total liabilities</b>	<b>\$ 160,592,356</b>	<b>\$ 77,832,709</b>
	<u><b>15,038,528,150</b></u>	<u><b>15,258,866,572</b></u>

## Changes in fiduciary net position

	FY 2016	FY 2015
<b>Revenues</b>		
Contributions		
Member	\$ 256,198,172	\$ 266,139,156
Employer	1,882,243,268	1,804,319,356
Total contributions	<u>2,138,441,440</u>	<u>2,070,458,512</u>
Investment income, net/(loss)	(125,442,932)	681,377,052
<b>Total revenues</b>	<b>\$ 2,012,998,508</b>	<b>\$ 2,751,835,564</b>
<b>Expenses</b>		
Benefits	\$ 2,190,501,203	\$ 2,034,858,435
Refunds	26,708,730	23,128,975
Administrative	16,126,997	16,547,823
<b>Total expenses</b>	<b>\$ 2,233,336,930</b>	<b>\$ 2,074,535,233</b>
Net increase/(decrease)	(220,338,422)	677,300,331
Net position – restricted for pension benefits (beginning of year)	15,258,866,572	14,581,566,241
<b>Net position – restricted for pension benefits (end of year)</b>	<b><u>\$ 15,038,528,150</u></b>	<b><u>\$ 15,258,866,572</u></b>



**Unanswered questions?**  
Visit [srs.illinois.gov](http://srs.illinois.gov) for more information.