

COMPARISON IN SURS BENEFIT CHANGES FOR MEMBERS EMPLOYED BEFORE 1/1/11 AND THOSE EMPLOYED AFTER 1/11/11

	Tier 1 Members First Employed Prior to January 1, 2011	Tier 2 Members First Employed On or After January 1, 2011
Minimum Vesting	5 years of service	10 years of service
Normal Retirement Age (without age reduction)	Age 62, with at least 5 years Age 60, with at least 8 years At any age with at least 30 years	Age 67, with at least 10 years of service
Earliest Retirement Age (with age reduction)	Age 55, with at least 8 years of service	Age 62, with at least 10 years of service
Age Reduction	1/2 of 1% for each month under age 60	1/2 of 1% for each month under age 67
Final Rate of Earnings (FRE)	<ul style="list-style-type: none"> • Average earnings during 4 high consecutive academic years; or • The average of the last 48 months prior to termination (if applicable) 	The average earnings of the highest 96 consecutive months (8 yrs) during the last 120 months (10 yrs) of service.
FRE Limits	Limited to 20% year over year increases in earnings for years in the FRE period.	<ul style="list-style-type: none"> • The same 20% annual increase limit; and • Average is limited to a maximum of \$106,800 for 2011, which is increased annually thereafter by the lesser of 3% or by one-half of the Consumer Price Index for the preceding year.
Retirement Benefit AAI (Automatic Annual Increase)	The AAI (annual cost of living increase) is 3%, compounded annually.	The AAI is calculated using the lesser of 3% or one-half of the consumer price index. The increase will not be compounded.
Survivor Benefits	An eligible survivor receives a minimum of 50% of the member's earned retirement annuity.	An eligible survivor receives 66 2/3% of the participant's earned retirement annuity.
Survivor AAI	The AAI (annual cost of living increase) is 3%, compounded annually.	The AAI is calculated using the lesser of 3% or one-half of the consumer price index. The increase will not be compounded.

The State Universities Retirement System, in conjunction with other Illinois Reciprocal Retirement Systems, continues to analyze this legislation to ensure consistent interpretation.

If you have questions regarding these changes in the Pension Code for new employees, you may contact SURS at 217-378-8816 in the Champaign-Urbana area or 800-275-7877 in the C-U area.

All aspects of administration of the State Universities Retirement System (SURS), including but not limited to benefit calculation and payment, must comply with state and federal law. No employee of SURS has the authority to bind the system to take action contrary to law, even in the event of misstatement of fact or law. Furthermore, while this letter states SURS's current understanding of the law, this could change as a result of court opinions, statutory changes, or other matters (e.g., Attorney General opinions). Accordingly, SURS is required under law to correct any mistake in benefit amount, even after payments have begun. Use of any information from this letter, form, or any other document provided by SURS is for general information only and does not represent personal tax or legal advice either express or implied. You must seek professional legal or tax advice for personal income tax questions and other legal assistance.