

TITLE 80: PUBLIC OFFICIALS AND EMPLOYEES
SUBTITLE D: RETIREMENT SYSTEMS
CHAPTER II: STATE UNIVERSITIES RETIREMENT SYSTEM

PART 1600
UNIVERSITIES RETIREMENT

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109 AUTHORITY: Implementing and authorized by Section 15-177 of the Illinois Pension Code [40
110 ILCS 5].

111

112 SOURCE: Amended September 2, 1977; amended at 2 Ill. Reg. 31, p. 53, effective July 30,
113 1978; amended at 7 Ill. Reg. 8139, effective June 29, 1983; codified at 8 Ill. Reg. 19683;
114 amended at 11 Ill. Reg. 15656, effective September 9, 1987; amended at 13 Ill. Reg. 18939,
115 effective November 21, 1989; amended at 14 Ill. Reg. 6789, effective April 20, 1990; emergency
116 amendment at 21 Ill. Reg. 4864, effective March 26, 1997, for a maximum of 150 days; amended
117 at 21 Ill. Reg. 6095, effective May 2, 1997; amended at 21 Ill. Reg. 11962, effective August 13,
118 1997; amended at 21 Ill. Reg. 12653, effective August 28, 1997; amended at 22 Ill. Reg. 4116,
119 effective February 9, 1998; amended at 23 Ill. Reg. 13667, effective November 1, 1999;
120 amended at 25 Ill. Reg. 10206, effective July 30, 2001; amended at 28 Ill. Reg. 2292, effective
121 January 23, 2004; expedited correction at 28 Ill. Reg. 7575, effective January 23, 2004; amended
122 at 29 Ill. Reg. 2729, effective March 1, 2005; amended at 29 Ill. Reg. 11819, effective July 12,
123 2005; amended at 29 Ill. Reg. 14060, effective September 1, 2005; amended at 29 Ill. Reg.
124 14351, effective September 6, 2005; amended at 30 Ill. Reg. 6170, effective March 21, 2006;
125 amended at 30 Ill. Reg. 7778, effective April 5, 2006; amended at 30 Ill. Reg. 9911, effective
126 May 9, 2006; amended at 30 Ill. Reg. 17509, effective October 19, 2006; amended at 31 Ill. Reg.
127 4267, effective February 22, 2007; amended at 31 Ill. Reg. 4927, effective March 12, 2007;
128 recodified at 31 Ill. Reg. 10194; amended at 32 Ill. Reg. 16515, effective September 25, 2008;
129 emergency amendment at 33 Ill. Reg. 6525, effective April 27, 2009, for a maximum of 150

130 days; emergency expired September 23, 2009; amended at 33 Ill. Reg. 10757, effective July 1,
 131 2009; amended at 33 Ill. Reg. 16755, effective November 23, 2009; amended at 34 Ill. Reg.
 132 9523, effective June 25, 2010; amended at 35 Ill. Reg. 10952, effective June 22, 2011; amended
 133 at 36 Ill. Reg. 3938, effective February 22, 2012; amended at 37 Ill. Reg. 1309, effective January
 134 15, 2013; amended at 37 Ill. Reg. 3866, effective March 15, 2013; amended at 37 Ill. Reg.
 135 10698, effective June 26, 2013; amended at 37 Ill. Reg. 15517, effective September 12, 2013;
 136 amended at 38 Ill. Reg. 5659, effective February 11, 2014; emergency amendment at 38 Ill. Reg.
 137 11376, effective May 9, 2014, for a maximum of 150 days; amended at 38 Ill. Reg. 16375,
 138 effective July 17, 2014; amended at 38 Ill. Reg. 17457, effective July 30, 2014; amended at 39
 139 Ill. Reg. 8317, effective June 1, 2015; amended at 40 Ill. Reg. 8437, effective June 3, 2016;
 140 amended at 41 Ill. Reg. 11606, effective September 1, 2017; amended at 41 Ill. Reg. 15353,
 141 effective December 5, 2017; amended at 42 Ill. Reg. 19078, effective October 5, 2018; amended
 142 at 43 Ill. Reg. 8562, effective July 26, 2019; amended at 44 Ill. Reg. 17714, effective October 22,
 143 2020; emergency amendment at 45 Ill. Reg. 492, effective December 18, 2020, for a maximum
 144 of 150 days; amended at 45 Ill. Reg. 2259, effective February 5, 2021; amended at 45 Ill. Reg.
 145 6649, effective May 11, 2021; amended at 46 Ill. Reg. 1883, effective January 18, 2022;
 146 amended at 47 Ill. Reg. 14005, effective September 14, 2023; amended at 48 Ill. Reg. 4218,
 147 effective February 29, 2024; amended at 49 Ill. Reg. _____, effective _____.

148
 149 **SUBPART A: GENERAL**

150
 151 **Section 1600.100 Definitions**

152
 153 Certain terms used frequently throughout this Part are defined in this Section. Unless the context
 154 requires a different meaning, other terms used in this Part shall be defined and interpreted in
 155 accordance with Article 15 of the Illinois Pension Code [40 ILCS 5/Art. 15]. The definition of a
 156 term under a specific Section or Subpart shall ~~superecede~~ supersede, for the purposes of that
 157 Section or Subpart, this Section.

158
 159 "Annuitant" – *A person receiving a retirement, reversionary, survivors or*
 160 *beneficiary annuity or disability retirement annuity from the System.* [40 ILCS
 161 5/15-119]

162
 163 "Annuity Payment Period" – *The annuity payment period shall begin on the date*
 164 *specified by the participant or the recipient of a disability retirement annuity*
 165 *submitting a written application. For a participant, the date on which the annuity*
 166 *payment period begins shall not be prior to termination of employment or more*
 167 *than one year before the application is received by the board; however, if the*
 168 *participant is not an employee of an employer participating in this System or in a*
 169 *participating system as defined in Article 20 of this Code on April 1 of the*
 170 *calendar year next following the calendar year in which the participant attains*
 171 *the age specified under Section 401(a)(9) of the Internal Revenue Code of 1986,*
 172 *as amended, the annuity payment period shall begin on that date regardless of*

173 *whether an application has been filed. For a recipient of a disability retirement*
174 *annuity, the date on which the annuity payment period begins shall not be prior to*
175 *the discontinuation of the disability retirement annuity under Section 15-153.2 of*
176 *the Code. ~~The period beginning on the date specified by the participant or the~~*
177 *~~recipient of a disability retirement annuity submitting a written application, which~~*
178 *~~shall not be prior to termination of employment or more than one year before the~~*
179 *~~application is received by the Board; however, if the participant is not an~~*
180 *~~employee of an employer participating in SURS or in a participating system as~~*
181 *~~defined in Article 20 of the Code on April 1 of the calendar year next following~~*
182 *~~the calendar year in which the participant attains age 70½, the annuity payment~~*
183 *~~period shall begin on that date regardless of whether an application has been~~*
184 *~~filed.~~ [40 ILCS 5/15-135(b)] For purposes of this definition, the "termination of*
185 *employment" shall be immediately prior to midnight on the last day the person is*
186 *an employee; and the "discontinuation of the disability retirement annuity" shall*
187 *be the day following the last day the disability retirement annuity is payable.*
188

189 "Board" – The Board of Trustees of the State Universities Retirement System as
190 constituted under Section 15-159 of the Code.

191 "Chairperson" – The chairperson of the Board.

192 "Claims Panel" – The quasi-adjudicative body constituted under the Board's
193 bylaws that hears all administrative contested matters as fiduciaries pursuant to
194 Section 1600.500.

195 "Code" or "Pension Code" – The Illinois Pension Code [40 ILCS 5].

196 "Effective Rate of Interest" – *The interest rate for all or any part of a fiscal year*
197 *that is determined by the Board based on factors including the System's past and*
198 *expected investment experience; historical and expected fluctuations in the market*
199 *value of investments; the desirability of minimizing volatility in the effective rate*
200 *of interest from year to year; and the provision of reserves for anticipated losses*
201 *upon sales, redemptions, or other disposition of investments and for variations in*
202 *interest experience. [40 ILCS 5/15-125(2)] See Section 15-125(2) of the Code for*
203 *the effective rate of interest set by the State Comptroller for purposes of Rule 2 of*
204 *Section 15-136(a) of the Code (i.e., the Money Purchase Formula).*

205 "Employee" – A person defined as an "employee" under Section 15-107 of the
206 Code.

207 "Employer" – An entity defined as an "employer" under Section 15-106 of the
208 Code.

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216 "Executive Director" – The chief administrative officer of SURS, appointed by
217 the Board.
218
219 "FOIA" – Freedom of Information Act [5 ILCS 140].
220
221 "General Counsel" – In-house legal counsel for SURS.
222
223 "IRS" – Internal Revenue Service of the U.S. Department of the Treasury.
224
225 "IRC" – Internal Revenue Code of 1986, as amended (26 U.S.C.~~USC~~ 1 et seq.).
226
227 "Member" – A SURS participant or annuitant.
228
229 "Participant" – A person participating in SURS under Section 15-134 of the Code.
230
231 "Participating Employee" – A participant who at the time is an employee under
232 Section 15-107 of the Code.
233
234 "Prescribed Rate of Interest" – *The rate of interest to be used in actuarial*
235 *valuation and in development of actuarial tables. The prescribed rate of interest is*
236 *determined by the Board on the basis of the probable average effective rate of*
237 *interest on a long term basis. [40 ILCS 5/15-125(1)]*
238
239 "Principal Office of SURS" – State Universities Retirement System, 1901 Fox
240 Drive, Champaign IL 61820.
241
242 "SURS" or "System" – State Universities Retirement System created by Article
243 15 of the Code [40 ILCS 5/Art. 15].
244
245 "Tier 1 Member" – A SURS participant or annuitant defined under Section 15-
246 108.1 of the Code.
247
248 "Tier 2 Member" – A SURS participant or annuitant defined under Section 15-
249 108.2 of the Code.
250
251 "USERRA" – Uniformed Services Employment and Reemployment Rights Act of
252 1994 (38 U.S.C.~~USC~~ 4301 et seq.).
253

254 (Source: Amended at 49 Ill. Reg. _____, effective _____)
255

256 **Section 1600.160 Information Submission Deadlines, Penalties, and Suspensions**
257

258 Purpose. This Section implements Section 15-168 of the Code, which authorizes the System to
259 require such information as shall be necessary for the proper operation of the system from any
260 participant or beneficiary or annuitant or from any current or former employer of a participant
261 or annuitant. Such information may include, but is not limited to, employment contracts. [40
262 ILCS 5/15-168].

263
264 a) Necessary Information. Information deemed necessary for the proper operation
265 of the System shall include the following categories of information. Any
266 information requested under this Section shall be treated as "submitted" only if
267 the information is complete and accurate.

268
269 1) Information necessary to calculate, pay, or finalize any benefit claim;

270
271 2) Information necessary to prepare a benefit estimate;

272
273 3) Information necessary to clarify or correct information previously
274 received;

275
276 4) Payroll reversal information or other accounting data concerning
277 employee earnings and contributions; or

278
279 5) Employment history documents, such as certification and termination
280 reports, and other reports concerning employment status.

281
282 b) Employer Submission Deadlines and Penalties.

283
284 1) A "request" for necessary information is any solicitation of information or
285 data to be provided in electronic format, letter, e-mail, fax, or other written
286 correspondence. Each item of information or data shall constitute a
287 separate request for information, even if multiple items are solicited on the
288 same form or document.

289
290 2) An employer in receipt of a System request for necessary information
291 shall submit the requested information to the System within 90 calendar
292 days after the date of the initial request.

293
294 3) Penalty Determination. The System may decide to assess penalties at any
295 time after the 91st calendar day following the date of the initial request.
296 The determination of whether to assess penalties shall be made on a case-
297 by-case basis and shall be based on the following considerations:

298
299 A) whether the delay in submitting the information is due to factors
300 that are beyond the employer's control;

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B) whether the employer has exhibited repeated patterns of noncompliance within the past three years; and

C) whether the employer has been properly notified of the need for the requested information according to this Section.

4) Notice of Penalties. If the System determines that penalties are to be assessed, it shall issue a notice to the employer stating that penalties shall accrue if the necessary information is not submitted within a 30-day grace period starting from the date of the notice. The notice shall describe the nature of the necessary information that has been requested. If the employer submits the necessary information within the 30-day grace period, then no penalties shall be assessed.

5) Penalty Billing. If the employer fails to submit the requested information within the 30-day grace period, then the System shall assess penalties at the rate of \$250 per calendar day counting from the 91st day after the initial request date until the information is submitted, with a maximum penalty of \$25,000 per delinquent request. Upon the employer's submission of the necessary information or the accrual of \$25,000 in penalties per delinquent request, whichever occurs earlier, the System shall issue the final penalty bill to the employer. The final bill shall contain a calculation of the penalty assessment and notify the employer of its rights to appeal the assessment within 35 days after the billing date pursuant to Section 1600.510.

6) Payment of Penalty. The employer shall pay the assessed penalties stated in the final bill within one year after the date of the bill. All payments must be received within one calendar year after receipt of the information by the System or one calendar year of reaching the maximum penalty of \$25,000, whichever occurs earlier. If the employer fails to make complete payment within the applicable timeframe, then the System may, after giving notice to the employer, certify the delinquent amount to the State Comptroller, and the Comptroller shall thereupon deduct the certified delinquent amount from State funds payable to the employer and pay them instead to the System. [40 ILCS 5/15-168(b)]. If the employer is a community college district, then the System may also recover any delinquency in assessed penalties that have not been paid for more than 120 days after the one-year deadline by certifying the amount to the county treasurer of the county in which the employer is located pursuant to Section 15-155.1(b) of the Code.

- 344 c) Participant, Annuitant, and Beneficiary Submission Deadlines and Benefit
345 Suspensions.
346
347 1) If a participant, beneficiary, or annuitant fails to provide any information
348 that is necessary for the calculation, payment, or finalization of any
349 benefit under Article 15 within 90 calendar days of the date of the
350 System's request under Section 15-168(a) of the Code, then the System
351 may immediately cease processing the benefit and may not pay any
352 additional benefit payment to the participant, beneficiary, or annuitant
353 until the requested information is provided. [40 ILCS 5/15-168(c)].
354
355 2) The System's determination of whether to suspend benefit processing or
356 the payment of additional benefits due to the participant, annuitant, or
357 beneficiary's failure to submit necessary information shall be based on the
358 following factors:
359
360 A) whether the delay in submitting the information is due to factors
361 that are beyond the participant, annuitant, or beneficiary's control;
362
363 B) whether the participant, annuitant, or beneficiary has exhibited
364 repeated patterns of noncompliance concerning other information
365 requests; and
366
367 C) whether the participant, annuitant, or beneficiary has been properly
368 notified of the need for the requested information according to this
369 Section, such as by mail sent to the individual's last known address
370 on file with the System, by e-mail sent to the individual's last
371 known e-mail address on file, by secure message sent to the
372 individual's account on the SURS member website, by telephone
373 call, or by a combination of such notification methods.
374
375 3) Notice of Suspension. If the System determines that benefit processing or
376 benefit payments are to be suspended, it shall issue a notice of suspension
377 to the participant, annuitant, or beneficiary who failed to submit the
378 necessary information that provides details about the nature of the
379 information that is requested and a 30-day grace period within which
380 information must be submitted to avoid such suspension.
381
382 4) Upon the participant, annuitant, or beneficiary's complete and accurate
383 submission of the necessary information, the System shall resume benefit
384 processing and pay any suspended benefit payments without interest.
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386 (Source: Added at 49 Ill. Reg. _____, effective _____)

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SUBPART B: CONTRIBUTIONS AND SERVICE CREDIT

Section 1600.260 Part-time/Concurrent Service Adjustment

This Section will clarify how the *percentage of time employed for each year of employment* is determined for the service adjustment under Section 15-134.1(b) of the Code. This percentage cannot exceed 100%. The service adjustment under Section 15-134.1(b) of the Code shall not apply to a member who is a participant on or after September 1, 2024.

- a) Determine the average monthly percent time worked.
 - 1) Establish the monthly full-time equivalent (FTE) earnings for each employer by dividing the monthly earnings from that employer by the percent time the participant worked for that employer for that month.
 - 2) Total the participant's earnings from all employers for that month and divide by the highest full-time equivalent.
 - 3) This results in the average monthly percent time worked.
 - 4) Example:

<u>Employer</u>	<u>Actual Monthly Earnings</u>	<u>Monthly % Time Worked</u>	<u>Monthly FTE</u>
Employer #1	\$200	20%	\$1,000
Employer #2	\$375	30%	\$1,250 (highest)
Employer #3	\$420	40%	\$1,050
Total Actual	\$995		

Average monthly percent time worked = 79.6% (\$995 divided by \$1,250)

- b) Determine the percentage of time employed for each relevant year of employment.
 - 1) Total the average monthly percent time worked for each month in the academic year for which the participant had earnings.
 - 2) Divide this number by the total number of months during the academic year for which the participant had earnings.

422 3) This calculation results in the percentage of time employed for each year
 423 of employment.

424
 425 4) Example:
 426

<u>Average monthly % time worked</u>	<u>Earnings in:</u>
79.6	September
67.5	October
54.3	November
78.5	December
35.2	February
38.9	March
44.5	April
37.5	May
Total 436.0	8 months of earnings

427
 428 Percentage of time employed for the year of employment is 54.5% (436.0
 429 divided by 8).
 430

431 c) Calculate Annuity

432
 433 1) In calculating a retirement annuity, if the participant's "percentage of time
 434 employed for each year of employment is 50% or less for 3 or more years
 435 after September 1, 1959, service is granted for employment in excess of 3
 436 years", in the proportion that the percentage of time employed for each
 437 year of employment bears to the average annual percentage of time
 438 employed during the period on which the final rate of earnings is based.
 439 An example calculation for this subsection (c) is:
 440

Year	Unadjusted Service	Percentage of Time Employed	Adjusted Service
1	1.00	25%	1.00
2	1.00	25%	1.00
3	1.00	30%	1.00
4	1.00	30%/57.50%	0.5217
5	1.00	45%/57.50%	0.7826
6	1.00	50%/57.50%	0.8696
7	1.00	55%	1.00
8	1.00	60%	1.00
9	1.00	65%	1.00
	<hr/> 9.00		<hr/> 8.1739

- 442 2) In this example, the final rate of earnings are based on years 6 through 9.
443 The average annual percentage of time employed during the period on
444 which the final rate of earnings is based is 57.5%. This is the sum of years
445 6 through 9 percentages divided by 4.
446
447 3) Years 1 through 6 have percentages of 50% or less and must be tested for
448 adjustment. The participant receives 3 of these years without adjustment.
449 To maximize the service that is used in the calculation of the retirement
450 annuity, those years with the smallest percentages will be applied to the 3
451 years the participant receives without adjustment. In this example, that is
452 years 1 through 3. Therefore, only years 4 through 6 require adjustment.
453 To determine the adjusted service, divide the "percentage of time
454 employed" by the "average annual percentage of time employed during the
455 period on which the final rate of earnings is based", then multiply by the
456 unadjusted service. If year 4's unadjusted service had been 0.50 year, the
457 adjusted service would have been $30\%/57.5\% \times 0.50 = .2609$.
458
459 d) The service credit adjustment in subsection (c) is not made in determining the
460 participant's eligibility for a retirement annuity, disability benefits, additional
461 death benefits, or survivors' insurance.
462

463 (Source: Amended at 49 Ill. Reg. _____, effective _____)
464

465 **Section 1600.270 Employer Contributions for Benefit Increases Resulting from Earnings**
466 **Increases Exceeding 6%**
467

468 Purpose. This Section implements Section 15-155(g), (h), (i), (j) and (k) of the Code. This
469 Section shall not apply to benefits from other retirement systems or pension funds payable under
470 the Retirement Systems Reciprocal Act (Article 20 of the Code).
471

- 472 a) Calculation of the Employer Cost. This calculation is made when a monthly
473 benefit is calculated from the participant's final rate of earnings (FRE). The
474 "present value of the increase in benefits" described in Section 15-155(g), called
475 the "Employer Cost", will be calculated as follows:
476
477 1) The earnings, as defined in Section 15-111 of the Code, for every
478 academic year in the FRE period, as defined in Section 15-112 of the
479 Code, are adjusted on a full-time equivalent basis.
480
481 A) 48 Month FREs and Partial Academic Years. When the final rate
482 of earnings for a participant is the average annual earnings during
483 the 48 consecutive calendar month period ending with the last day
484 of final termination of employment, any partial academic year at

- 485 the beginning of the final rate of earnings period will be
486 disregarded.
487
- 488 B) Full-Time Equivalent (FTE) Basis
489
- 490 i) SURS will adjust earnings from an employer in a manner
491 consistent with the percent time employed reported by the
492 employer.
493
- 494 ii) The FTE earnings of an academic year shall equal the total
495 earnings in the academic year divided by the average
496 percent time of employment.
497
- 498 C) Earnings credited during periods of service purchased under
499 Sections 15-113.1 through 15-113.7 of the Code shall be
500 determined on a FTE basis.
501
- 502 D) For the purpose of Section 15-155(g), earnings do not include
503 payments made under a collective bargaining agreement for
504 unused sick leave or payments made for unused vacation.
505
- 506 E) For purposes of Section 15-155(g), earnings shall include earnings,
507 to the extent not established by a participant under Section 15-
508 113.11 or 15-113.12, that would have been paid to the participant
509 had the participant not taken periods of voluntary or involuntary
510 furlough occurring on or after July 1, 2015 and on or before June
511 30, 2017, or periods of voluntary pay reduction in lieu of furlough
512 occurring on or after July 1, 2015 and on or before June 30, 2017.
513 These earnings shall be reported by the employer in the format
514 specified by the System for this purpose.
515
- 516 F) For purposes of Section 15-155(g), earnings shall exclude any
517 earnings increase paid in an academic year beginning on or after
518 July 1, 2020 resulting from overload work performed in an
519 academic year subsequent to an academic year in which the
520 employer was unable to offer or allow to be conducted overload
521 work due to an emergency declaration limiting such activities. [40
522 ILCS 5/15-155(h-5)]
523
- 524 2) The FTE earnings of each academic year in the FRE period are limited to
525 106% of the previous academic year's FTE earnings to yield the "Capped
526 FTE Earnings" of each academic year.
527

- 528 3) The Capped FTE Earnings of each academic year are multiplied by their
529 respective average percent times of employment to yield the "Capped
530 Earnings" for each academic year. The Capped Earnings shall be used to
531 determine the "Capped FRE".
532
- 533 4) The "Benefit Increase" shall equal the difference between the FRE and the
534 Capped FRE, multiplied by the number of years of service, and further
535 multiplied by 2.2%.
536
- 537 5) The Employer Cost equals the actuarial present value of the Benefit
538 Increase. This actuarial present value calculation will be made by using
539 actuarial tables provided by SURS' actuary from time to time. The
540 actuarial table used will correspond with the type of monthly benefit that
541 is provided to the participant. A single-life annuity table will be used
542 when a traditional benefit package participant has no eligible survivor at
543 the time of retirement. If the participant had employment with more than
544 one employer during the final rate of earnings period, the Employer Cost
545 is calculated for each employer using only the earnings with that
546 employer. However, no Employer Cost will be assessed among multiple,
547 concurrent employers if the increase in total earnings for the concurrent
548 academic year in the FRE period does not exceed 6% over the total
549 earnings of the previous academic year.
550

551 b) Employer Billing
552

- 553 1) Billing. *Whenever it determines that a payment is or may be required*
554 *under Section 15-155(g), SURS will calculate the amount of the payment*
555 *and bill the employer for the amount. The bill will specify the calculations*
556 *used to determine the amount due.*
557
- 558 2) Request for Recalculation. *If the employer disputes the amount of the bill,*
559 *it may, within 30 days after receipt of the bill, apply to SURS in writing for*
560 *a recalculation. The application must specify the grounds of the dispute*
561 *and, if the employer asserts the calculation is subject to Section 15-155(h)*
562 *or (i), must include an affidavit setting forth and attesting to all facts*
563 *within the employer's knowledge that are pertinent to the applicability of*
564 *Section 15-155(h) or (i). Upon receiving a timely application for*
565 *recalculation, SURS will review the application and, if appropriate,*
566 *recalculate the amount due.*
567
- 568 3) Payment. *The employer contributions required under Section 15-155(g)*
569 *may be paid in the form of a lump sum within 90 days after the receipt of*
570 *the bill. If the employer contributions are not paid within 90 days after*

571 *receipt of the bill, then interest will be charged at a rate equal to SURS'*
572 *prescribed rate of interest compounded annually from the 91st day after*
573 *the receipt of the bill. Payments must be concluded within 3 years after*
574 *the employer's receipt of the bill. [40 ILCS 5/15-155(g)]*
575

576 4) Appeals of the Recalculation. The employer may appeal a recalculation
577 pursuant to Section 1600.510.
578

579 c) Exclusions for Earnings Increases Paid on or after June 1, 2005, but before July 1,
580 2011, under Section 15-155(h)
581

582 1) Grandfathering. *When assessing payment for any amount due under*
583 *Section 15-155(g), SURS will exclude earnings increases paid to*
584 *participants required under contracts or collective bargaining agreements*
585 *entered into, amended, or renewed before June 1, 2005. [40 ILCS 5/15-*
586 *155(h)] These contracts are "grandfathered". For the purposes of Section*
587 *15-155(h):*
588

589 A) A contract or collective bargaining agreement is "entered into,
590 amended or renewed" on the earliest of the following:
591

592 i) the date the governing body of the employer voted to
593 accept the contract or collective bargaining agreement;
594

595 ii) the date the contract or collective bargaining agreement
596 was executed in final form by the parties; or
597

598 iii) the date the parties to the contract or collective bargaining
599 agreement reached a tentative agreement regarding the
600 terms of the contract or collective bargaining agreement,
601 provided that the tentative agreement is subsequently
602 approved by the governing body of the employer on or after
603 June 1, 2005, without any changes to the terms that have
604 the effects described under subsection (c)(1)(B)(i) or (ii).
605

606 B) A contract or collective bargaining agreement will not exclude
607 earnings increases paid under the contract or agreement if the
608 contract or agreement is amended or renegotiated after June 1,
609 2005 to have the effect of:
610

611 i) increasing the earnings usable for the FRE (except when
612 the increase is the result of a salary reopener provision that

613 was part of the contract or collective bargaining agreement
614 prior to June 1, 2005); or

615
616 ii) extending the expiration date of the contract (in which case
617 the earnings will be excluded only through the original
618 expiration date of the contract).

619
620 C) Miscellaneous

621
622 i) A contract exception made by an employer for an
623 individual shall disqualify that individual's earnings
624 increases from grandfathering but shall not invalidate the
625 grandfathering for any other persons.

626
627 ii) A memorandum of understanding between the employer
628 and the collective bargaining unit to increase the credit
629 hours available shall not invalidate the contract, but any
630 earnings increases because of the increased credit hours
631 shall not be excluded from the calculation under subsection
632 (a), unless Section 15-155(h) or (i) of the Code applies.

633
634 iii) When a member has given notice to the employer of intent
635 to retire pursuant to the terms of a grandfathered contract or
636 collective bargaining agreement, earnings provided under
637 the contract or collective bargaining agreement shall be
638 excluded so long as the earnings are provided to the
639 member within four years after the expiration date of the
640 contract or collective bargaining agreement.

641
642 iv) Notwithstanding the other provisions of this subsection
643 (c)(1), earnings paid under a grandfathered contract on or
644 after July 1, 2011 shall not be excluded from earnings
645 under subsection (a).

646
647 2) Earnings 10 Years Prior to Retirement Eligibility. *When assessing*
648 *payment for any amount due under Section 15-155(g) of the Code, SURS*
649 *will exclude earnings increases paid to a participant at a time when the*
650 *participant is 10 or more years from retirement eligibility under Section*
651 *15-135 of the Code. [40 ILCS 5/15-155(h)] Earnings increases paid in*
652 *academic years preceding and including the academic year during which*
653 *the participant was 10 years from attaining earliest retirement eligibility*
654 *shall be excluded.*

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- 3) Overloads and Overtime
 - A) *Earnings increases resulting from overload work, including a contract for summer teaching, or overtime when the employer has certified to SURS, and SURS has approved the certification, that:*
 - i) *in the case of overloads:*
 - *the overload work is for the sole purpose of academic instruction in excess of the standard number of instruction hours for a full-time employee occurring during the academic year that the overload is paid; and*
 - *the earnings increases are equal to or less than the rate of pay for academic instruction computed using the participant's current salary rate and work schedule; and*
 - ii) *in the case of overtime, the overtime was necessary for the educational mission. [40 ILCS 5/15-155(h)]*
 - B) The certification shall be in the form adopted by SURS and be signed by a duly authorized representative of the employer. The certification must be accompanied by supporting documentation as required by the form.
 - C) The standard number of instruction hours for a full-time employee shall be consistent with employer policy in force for the academic year in which the overload earnings were earned.
- 4) Promotions
 - A) *When assessing payment for any amount due under Section 15-155(g) of the Code, SURS will exclude earnings increases resulting from:*
 - i) *a promotion for which the employee moves from one classification to a higher classification under the State Universities Civil Service System;*
 - ii) *a promotion in academic rank for a tenured or tenure-track faculty position; or*

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- iii) *a promotion that the Illinois Community College Board has recommended in accordance with Section 15-155(k).*

 - B) *The earnings increases* referenced in subsection (c)(4)(A) *shall be excluded only if the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions.* [40 ILCS 5/15-155(h)]

 - C) The employer shall certify that the promotion is to a position that has existed and been filled by a member for no less than one complete academic year and the earnings increase as a result of the promotion is an increase that results in an amount no greater than the average salary paid for other similar positions. The certification shall be in the form adopted by SURS and be signed by a duly authorized representative of the employer. The certification must be accompanied by supporting documentation as required by the form.

 - D) The phrase "an amount no greater than the average salary paid for other similar positions" shall mean the midpoint of the salary range for the position or similar positions as most recently approved by the Merit Board of the State Universities Civil Service System or the current average salary paid for tenured or tenure-track faculty positions in the same department, as the case may be.

 - d) Exclusions for earnings increases described in Section 15-155(h) of the Code paid on or after July 1, 2011, but before July 1, 2014, under a contract or collective bargaining agreement entered into, amended, or renewed on or after June 1, 2005, but before July 1, 2011, under Section 15-155(i). For the purpose of Section 15-155(i), a contract or collective bargaining agreement is "entered into, amended or renewed" on the earliest of the following:
 - 1) the date the governing body of the employer voted to accept the contract or collective bargaining agreement;
 - 2) the date the contract or collective bargaining agreement was executed in final form by the parties; or
 - 3) the date the parties to the contract or collective bargaining agreement reached a tentative agreement regarding the terms of the contract or

741 collective bargaining agreement, provided that the tentative agreement is
742 subsequently approved by the governing body of the employer on or after
743 July 1, 2011 without any changes to the terms that have the effect of
744 extending the expiration date.

745
746 e) The exclusions under subsections (c) and (d) shall not apply to earnings increases
747 paid after June 30, 2014.

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749 (Source: Amended at 49 Ill. Reg. _____, effective _____)

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751 SUBPART C: SURVIVORS AND BENEFICIARIES

752
753 Section 1600.330 Evidence of Age, Parentage, and Marital Status

754
755 a) Whenever evidence of age is required by the System, a birth certificate shall be
756 required unless one cannot be acquired. If no such record can be acquired, the
757 following documents will be accepted:

758
759 1) military records;

760
761 2) marriage record showing date of birth;

762
763 3) evidence of Social Security payments that require attainment of specific
764 age;

765
766 4) valid passport, permanent residency card, driver's license card, or other
767 government-issued form of identification; or

768
769 5) two or more documents showing birth dates, such as, but not limited to
770 naturalization papers, insurance policies, school records, medical records,
771 or religious records that certify the date of birth, such as baptismal and bris
772 certificates.

773
774 b) Whenever evidence of parentage other than a birth certificate is required by the
775 System under Section 1-104.2 or 15-129 of the Code, submission of at least one
776 of the following documents shall be proof of parentage, unless one of the child's
777 biological parents has admitted in writing, before a notary public, that someone
778 other than the member is the parent, or the child has been adopted by a person
779 other than the member:

780
781 1) certified copy of a court order finding the member was the natural parent
782 of the child born out of wedlock;

783

- 784 2) certified copy of a settlement agreement which has been approved by a
785 court for the support of a child born out of wedlock;
786
- 787 3) written acknowledgment of paternity (e.g., pleadings filed in any
788 proceeding pending before a court, or submittals to a public agency, or a
789 document signed by the putative parent) and evidence (e.g., cancelled
790 checks or receipts from the other parent) that the member contributed to
791 the support of the child;
792
- 793 4) certified copy of a court order entered pursuant to a declaratory judgment
794 action establishing either a support obligation or visitation rights;
795
- 796 5) copy of the public record of marriage of the parents of child born out of
797 wedlock who marry and the putative parent acknowledges parentage in
798 writing (e.g., pleadings filed in any proceeding pending before a court, or
799 submittals to a public agency, or a document signed by the putative
800 parent).
801

802 c) Whenever evidence of marriage is required by the System, a copy of the public
803 record of marriage or a copy of the religious record of the marriage shall be
804 submitted. If no such record exists, then two or more of the following will be
805 considered in the determination of marital status:
806

- 807 1) a copy of the jointly filed federal income tax return for the year preceding
808 the death;
809
- 810 2) a notarized statement from the individual who performed the marriage;
811
- 812 3) notarized statements from at least two individuals in attendance of the
813 marriage;
814
- 815 4) written certification from the Social Security Administration of acceptance
816 of the marriage and its date; or
817
- 818 5) other documentation found by the System that supports the legal existence
819 of the marriage.
820

821 d) Dissolution or invalidity of marriage shall be proven only upon the submission of
822 a certified copy of the declaration or decree entered by a court of competent
823 jurisdiction.
824

825 (Source: Added at 49 Ill. Reg. _____, effective _____)
826

SUBPART D: BENEFIT CALCULATION AND PAYMENT

Section 1600.410 Twenty Percent Limitation on Final Rate of Earnings Increases

- a) Introduction. Public Act 90-65 added to Section 15-112 of the Code a limitation on increases in earnings for the period of time covered under the calculation of final rate of earnings. This Section ~~provides~~~~is promulgated to provide~~ guidance and interpretation to the staff of SURS in implementing Section 15-112. The 20% limitation on increases in earnings shall consider basic compensation only to the extent actually paid in exchange for services rendered.
- b) All annual increases in earnings, as defined at Section 15-111 of the Code, by a participant during the period used in determining the final rate of earnings of 20% or less shall be deemed to be includable in the calculation of the final rate of earnings. No further inquiry shall be necessary by the staff of SURS.
- c) Except as otherwise provided in subsection (d), in the event that there is an annual increase in earnings by a participant during the period used in determining the final rate of earnings of greater than 20%, any increase in excess of 20% shall be disregarded in calculating the final rate of earnings.
- d) Regardless of subsection (c), the following shall not be subject to the 20% increase limitation:
- 1) a change in the percentage of time worked by the participant (except that time worked in excess of 100% per employer shall be subject to the limitation);
 - 2) a change from a nine-month position to a 12-month position;
 - 3) overloads or extensions, so long as the overload for which payment is received took place during the period used for calculating the final rate of earnings; and
 - 4) supplemental contracts, so long as verifiable additional work is performed pursuant to the supplemental contract, such as the teaching of a course additional to the customary load, or performance of duties additional to, and not in replacement of, the participant's regular duties.
- e) Subsection (d)(1) shall not apply to a member who is a participant on or after September 1, 2024. [40 ILCS 5/15-134.1(b)]

(Source: Amended at 49 Ill. Reg. _____, effective _____)

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Section 1600.420 Making Preliminary Estimated Payments

- a) SURS shall make a Preliminary Estimated Payment (PEP) to members who qualify for a retirement annuity and file an application for that annuity. The purpose of a PEP is to provide members with some of their retirement income while their retirement claim is still being processed.
- b) The amount of the PEP shall be based on the highest applicable Rule described in Section 15-136 of the Code.
- c) The PEP calculation will not consider unverified current year earnings, nor unverified current year vacation payments, nor unverified additional credit for unused and unpaid sick leave, nor unverified ~~reciprocal~~~~Reciprocal~~ credits, nor ~~early retirement option~~~~Early Retirement Option~~ payments, nor additional service credit purchased after the application for retirement annuity has been received by SURS. Applicable taxes and insurance premiums will be deducted from the PEP.
- d) Date of Payment
 - 1) If the application for retirement annuity is received at least 90 days before the member's effective retirement date, the PEP will be paid on the first working day of the month following the effective date of the annuity. It will be paid each month until the retirement claim is finalized.
 - 2) If the application for retirement annuity, or the decision of the member under subsection (d)(3), is received less than 90 days before the member's effective retirement date, the PEP will be paid as soon as practicable. It will be paid each month until the retirement claim is finalized.
 - 3) If the member is entitled to the election under Section 15-135.1 of the Code, the member must first make or decline that election before a PEP can be calculated.
- e) Amount of Payment. SURS shall pay a PEP amount pursuant to the following calculations applying the Rules in Section 15-136(a) of the Code:
 - 1) If the member has ~~reciprocal service credit~~~~Reciprocal Service Credit~~, SURS will apply Rule 2.
 - A) If in a ~~reciprocal~~~~Reciprocal~~ case Rule 1 is estimated to be highest, SURS will pay 100% of the Rule 2 amount.

- 913 B) If in a ~~reciprocal~~ ~~Reciprocal~~ case Rule 2 is estimated to be highest,
914 SURS will pay 80% of the Rule 2 amount.
915
- 916 2) If the member has no ~~reciprocal~~ ~~Reciprocal~~ credits, SURS will pay 90% of
917 the estimated Rule 1 amount or 90% of the estimated Rule 2 amount,
918 whichever is higher.
919
- 920 3) If the member makes an election under Section 15-135.1 of the Code,
921 SURS will pay 100% of the estimated Rule 2 amount.
922
- 923 4) If the member qualifies under Section 15-136.3 of the Code, SURS will
924 pay the higher of \$75 per month or 100% of the estimated Rule 2 amount.
925
- 926 5) If the member qualifies for a retirement annuity under Rule 4, SURS will
927 pay 90% of the Rule 4 amount.
928
- 929 6) If the member applies for a retirement annuity under Rule 4, but the years
930 of service as a police officer or firefighter have not yet been verified by
931 staff, SURS will pay 90% of the Rule 2 amount.
932
- 933 f) Once the retirement claim has been finalized, the member will receive a check for
934 the difference between the PEP payments and the actual monthly benefit amount
935 that is due ~~to the member~~ ~~him or her~~, retroactive to the effective date of the
936 member's annuity, without interest. If the PEP payments result in an
937 overpayment, SURS will recover the overpaid benefit from future benefits,
938 without interest.
939
- 940 g) Pursuant to Sections 15-163 and 15-168 of the Code, if a participant or annuitant
941 fails to provide any information that is necessary for the calculation, payment, or
942 finalization of the retirement claim within 90 calendar days after the date of the
943 System's request, then the System may immediately cease processing the benefit
944 and suspend the payment of any PEPs until the requested information is provided
945 as provided under Section 1600.160.
946

947 (Source: Amended at 49 Ill. Reg. _____, effective _____)
948

949 **Section 1600.450 Overpayment Recovery** 950

951 Purpose. Under Section 15-186.1 of the Code, SURS may recover amounts overpaid from the
952 recipient and/or the recipient's estate (collectively, "recipient"), plus interest at the effective rate
953 from the date of overpayment to the date of recovery, either directly or by deducting that amount
954 from the remaining benefits payable to the recipient at a rate determined prudent and in the best

955 interests of the System. This Section establishes procedures by which SURS' authority to collect
956 overpayments under Section 15-186.1 is to be exercised.

957

958 a) Demand and Statements. SURS will provide the overpaid recipient with a written
959 demand upon discovery of the overpayment. The written demand shall specify
960 the total amount of the overpayment, the month or months in which the
961 overpayment occurred, a description of the nature of the overpayment, the interest
962 rate to be assessed, and the option for installment payments or deduction from
963 future benefits. The written demand shall also notify the recipient of the right to
964 appeal and receive a hearing concerning the determination of overpayment status
965 in accordance with Section 1600.500. SURS will send the recipient monthly
966 statements indicating the overpayment balance and any installment balances and
967 shall continue sending monthly statements until the total amount is fully repaid or
968 SURS acts under subsection (c).

969

970 b) Interest. Interest will compound monthly at 1/12 the current effective rate of
971 interest per month starting 35 days after the date of issuance of the written
972 demand until collection is completed. Notwithstanding the foregoing, interest
973 accrual shall be suspended during the pendency of a request for review of the
974 overpayment under Section 1600.500. However, if the recipient does not prevail
975 under administrative review, interest shall apply retroactively to the date 35 days
976 after the date of issuance of the written demand until collection is completed.

977

978 c) Actions for Recovery. If the recipient has not begun repayment or has not filed an
979 appeal within 35 days after the written demand, or a final non-appealable decision
980 in favor of SURS issued subsequent to an appeal, SURS may take any, or any
981 combination, of the following actions, as SURS deems appropriate and prudent, to
982 collect the overpayment:

983

984 1) Deduct from benefits, refunds and credits payable to the recipient. Under
985 Section 15-185 of the Code, the Board may deduct from any benefit
986 payable to participants, annuitants, survivors and beneficiaries amounts
987 owed to SURS due to the participant's service. SURS may recover
988 overpayments from any benefit payable due to the participant's service,
989 including annuity benefits, survivor benefits, separation refunds, disability
990 benefits and death benefits. If anyone receiving a benefit due to the
991 participant's service is overpaid, the overpayment may be recovered from
992 any current or future benefits paid to the same person or any other person
993 receiving benefits due to the participant's service;

994

995 2) Engage a private collections agent;

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- 3) Initiate proceedings to obtain a civil judgment by attorneys retained by SURS or through the Attorney General;
 - 4) Refer the overpayment to the Debt Collection Bureau of the Illinois Department of Revenue and/or the Illinois Debt Recovery Offset Portal (IDROP) of the Illinois State Comptroller;
 - 5) Coordinate collection efforts with the State of Illinois Treasurer's Office; and/or
 - 6) By and through any other means permissible by law.
- d) Maintenance of Records. Records of overpayments shall be maintained for at least 36 months, except as provided under subsection (e), and shall contain the following:
- 1) A description of the cause for the overpayment;
 - 2) Correspondence concerning attempts to collect the overpayment; and
 - 3) Evidence of notice given for a hearing and review of the overpayment and any final outcome of the hearing and review.
- e) Uncollectible Accounts Receivable. If SURS is unable to collect all or part of an overpayment after 36 months, SURS' staff may request the Board, or its duly authorized representative, to certify the overpayment balance as uncollectible and no longer to be maintained as an account receivable in SURS' records. The request shall include the documentation required under subsection (d) and confirmation that the certification would be in the best economic interest of SURS. In determining the best economic interest of SURS, staff shall determine whether the total collection cost expended or anticipated will exceed the recoupment reasonably expected. However, the following exceptions may apply:
- 1) SURS' staff may deem an overpayment balance of \$100 or less to be uncollectible 6 months after the date of the demand without certification by the Board;
 - 2) SURS' staff may request certification for an overpayment balance of more than \$100 but less than \$5,000 after collection efforts have elapsed for at least 12 months.

- 1038 f) Reopening Uncollectible Accounts Receivable. Overpayments certified by the
1039 Board as uncollectible may be reopened for collection if the SURS' staff
1040 determines that it is in the best economic interest of SURS to do so.
1041
- 1042 g) Past Overpayments. Overpayments incurred prior to January 1, 2008 may be
1043 certified as uncollectible under subsection (e) notwithstanding the lack of any of
1044 the documentation required under subsection (d).
1045
- 1046 h) De Minimis Exception. Any revision or correction of a benefit that results in a
1047 difference of \$1 or less per month for monthly payments or \$10 or less for lump-
1048 sum payments shall be considered de minimis and shall not be treated as an
1049 overpayment that is to be collected from the recipient under this Section.
1050

1051 (Source: Amended at 49 Ill. Reg. _____, effective _____)
1052

1053 Section 1600.455 Benefit Forfeitures Relating to Felony Convictions 1054

1055 Purpose. This Section implements Section 15-187 of the Code concerning the forfeiture of
1056 benefits, which provides that none of the benefits provided under Article 15 of the Code shall be
1057 paid to any person who is convicted of any felony relating to or arising out of or in connection
1058 with a person's service as an employee from which the benefit derives. [40 ILCS 5/15-187]
1059

- 1060 a) Date of Conviction. The benefits subject to forfeiture under this Section shall be
1061 limited to benefits that are payable on or after the date on which a sentence is
1062 imposed by a court of competent jurisdiction following a judgment or conviction
1063 of a felony. The System shall not suspend or impair any vested right under the
1064 Code prior to the date of such sentencing. The forfeiture under this Section shall
1065 be applied beginning on the date of the sentencing even if the criminal conviction
1066 is appealed to an appellate court. If the conviction is overturned on appeal by a
1067 final, non-appealable judgment, then the System shall pay the member any
1068 previously forfeited benefits without interest. If the member received a refund of
1069 contributions under subsection (b), only the forfeited benefits that were payable
1070 until the date of such refund shall be paid, without interest.
1071
- 1072 b) Refund Rights. Notwithstanding the forfeiture of any benefit under this Section, a
1073 participant or annuitant shall be entitled to receive a refund of any employee
1074 contributions made under Section 15-157 of the Code, but shall not be entitled to
1075 any employer contributions or any interest. In the case of a member of the
1076 Retirement Savings Plan, the member shall be entitled to receive a refund of
1077 employee contributions (adjusted for any gains and losses up to the date of the
1078 refund), but the refund shall not include any employer contributions (including
1079 any gains or losses earned on those contributions).
1080

1081 c) Employment with Different Employers. The conviction of a felony relating to or
1082 arising out of or connection with a person's service earned under a particular
1083 employer shall not be applied to service earned under a different employer that
1084 bears no relation to the felony.

1085
1086 d) Multiple Positions, Appointments, or Contracts with the Same Employer. The
1087 conviction of a felony relating to or arising out of or in connection with service
1088 earned under a particular employer shall cause the forfeiture of all benefits
1089 derived from all service earned under that employer, even if the felony did not
1090 relate to, did not arise out of, or was not in connection with other periods of
1091 service earned under that employer.

1092
1093 (Source: Added at 49 Ill. Reg. _____, effective _____)
1094

1095 **Section 1600.460 Accelerated Pension Benefit Payment In Lieu of Any Pension Benefit**
1096

1097 a) Purpose. This Section implements Section 15-185.5 of the Code providing for an
1098 accelerated pension benefit payment in lieu of any pension benefit, to be referred
1099 to in this Section as the "Vested Inactive Buyout" or "VIB".
1100

1101 b) Definitions. For purposes of Section 15-185.5(a), the following terms shall have
1102 the meanings specified in this subsection (b).
1103

1104 1) Eligible Person. An eligible "person" shall mean a person who satisfies
1105 the following conditions.
1106

1107 A) The *person has terminated all service*, meaning the person has
1108 terminated employee status under Section 15-107 of the code as of
1109 the date SURS receives the VIB application and has continuously
1110 remained in non-employee status as of the date SURS receives the
1111 election to accept the VIB offer.
1112

1113 B) The *person has accrued sufficient service credit to be eligible to*
1114 *receive a retirement annuity under Article 15*, meaning the person
1115 must meet the applicable retirement eligibility requirements under
1116 Section 15-135 of the Code solely with respect to service credit as
1117 of the date SURS receives the VIB application. For this purpose,
1118 service credit shall include only service credited under Article 15.
1119 No service credited at a reciprocal retirement system or pension
1120 fund shall count under this subsection (b)(1)(B).
1121

1122 C) The *person has not received any retirement annuity under Article*
1123 *15*, meaning the person must not have received any retirement

1124 annuity or Preliminary Estimated Payments as of the date SURS
1125 receives the VIB application.

1126
1127 D) *The person has not made the election under Section 15-185.6.*

1128
1129 E) *The person is not a participant in the Self-Managed Plan under*
1130 *Section 15-158.2.*

1131
1132 2) Implementation Date. *"Implementation date" means the earliest date*
1133 *upon which the Board authorizes eligible persons to begin irrevocably*
1134 *electing the accelerated pension benefit payment option under Section 15-*
1135 *185.5. The Board shall endeavor to make such participation available as*
1136 *soon as possible after June 4, 2018 and shall establish an implementation*
1137 *date by Board resolution. [40 ILCS 5/15-185.5(a)]*

1138
1139 3) Pension Benefit. The "pension benefit" upon which the VIB shall be
1140 calculated shall consist of one or more of the following benefits, as
1141 applicable:

1142
1143 A) Traditional Benefit Package

1144
1145 i) Tier 1 Members. Retirement benefits under the applicable
1146 provisions of Section 15-136 of the Code and, if a
1147 permanent survivor (as defined under subsection (b)(4))
1148 exists, survivors insurance benefits under Section 15-145 of
1149 the Code, subject to the minimum total survivors annuity
1150 payable under Section 15-146(b) of the Code.

1151
1152 ii) Tier 2 Members. Retirement benefits under the applicable
1153 provisions of Section 15-136 and, if a permanent survivor
1154 (as defined under subsection (b)(4)) exists, survivors
1155 insurance benefits under Section 15-145.1 of the Code.

1156
1157 B) Portable Benefit Package

1158
1159 i) Tier 1 Members. Retirement benefits based on the actuarial
1160 equivalent of a single-life annuity described under Section
1161 15-136.4(b) of the Code with automatic annual increases
1162 under Section 15-136.4(l).

1163
1164 ii) Tier 2 Members. Retirement benefits based on the actuarial
1165 equivalent of a single-life annuity described under Section

- 1166 15-136.4(b) with automatic annual increases under Section
1167 15-136(d-5).
1168
- 1169 C) Refund of Survivors Contributions. If the eligible person has no
1170 permanent survivor as of the VIB application date, then the refund
1171 that would have been payable as of the assumed retirement date
1172 under Section 15-154(c) of the Code.
1173
- 1174 D) Refund of Additional Contributions. The refund that would be
1175 payable as of the assumed retirement date under Section 15-154(d),
1176 if applicable.
1177
- 1178 E) Refund of Excess Service Credit. The refund that would be
1179 payable as of the assumed retirement date under Section 15-154(e)
1180 for excess or waived service credit.
1181
- 1182 F) Refund of Police and Firefighter Contributions. The refund that
1183 would be payable as of the assumed retirement date under Section
1184 15-154(f), if the eligible person elects to waive the application of
1185 Rule 4 of Section 15-136 of the Code.
1186
- 1187 4) Permanent Survivor. For purposes of this Section, the term "permanent
1188 survivor" shall mean a person who:
1189
- 1190 A) is living as of the earlier of the assumed retirement date or the date
1191 on which the VIB offer is issued; and
1192
- 1193 B) is the youngest (i.e., has the longest actuarially assumed life
1194 expectancy) from among the following:
1195
- 1196 i) a "surviving spouse" under Section 15-127 of the Code
1197 (without regard to any one-year minimum marriage
1198 requirement) or an "eligible spouse" under Section 15-
1199 136.4(a) (without regard to any one-year minimum
1200 marriage requirement); or
1201
- 1202 ii) a "child" under Section 15-129 of the Code who is
1203 unmarried and dependent upon the person by reason of a
1204 physical or mental disability that began prior to the date the
1205 child attained age 18.
- 1206 • If the child is age 18 or older as of the application
1207 date, the child will be deemed to be disabled on the
1208

1209 basis of a written certificate from one or more
1210 licensed and practicing physicians stating that the
1211 child is unable to engage in any substantial gainful
1212 activity by reason of any medically determinable
1213 physical or mental impairment that can be expected
1214 to result in death or that has lasted or can be
1215 expected to last for a continuous period of not less
1216 than 12 months. The physician's determination of
1217 disability shall be determined in accordance with 20
1218 CFR 416.905 through 416.911.

1219
1220 • If the child is under age 18 as of the application
1221 date, the child will be deemed to be disabled on the
1222 basis of a written certificate from one or more
1223 licensed and practicing physicians stating that the
1224 child has a medically determinable physical or
1225 mental impairment or combination of impairments
1226 that causes marked and severe functional
1227 limitations, and that can be expected to cause death
1228 or that has lasted or can be expected to last for a
1229 continuous period of not less than 12 months. The
1230 physician's determination of disability shall be
1231 determined in accordance with 20 CFR 416.905
1232 through 416.911.

1233
1234 c) VIB Application. Beginning on the implementation date, an eligible person may
1235 apply for a VIB calculation in writing in the form prescribed by SURS, subject to
1236 the following conditions:

1237
1238 1) Application Deadline. SURS must receive the application by the date by
1239 which an irrevocable election must be made under Section 15-185.5(b) of
1240 the Code ~~June 30, 2024~~. However, in no event shall SURS accept an
1241 application less than 12 months prior to the date on which the eligible
1242 person must begin receiving Required Minimum Distributions under
1243 Section 1-116.1 of the Code and IRC section 401(a)(9).

1244
1245 2) Termination of Application

1246
1247 A) A pending application shall terminate prior to SURS' receipt of the
1248 election to receive the VIB on the earliest of the eligible person's:

1249
1250 i) revocation of the application;

1251

- 1252 ii) re-employment;
1253
1254 iii) death;
1255
1256 iv) required beginning date for Required Minimum
1257 Distributions under Section 1-116.1; or
1258
1259 v) election to receive an Automatic Annual Increase Buyout
1260 (AAI Buyout) under Section 15-185.6 and Section
1261 1600.461 of this Part.
1262
1263 B) No election to accept a VIB offer shall be effective upon or after
1264 the termination of a pending application.
1265
1266 C) The eligible person may not withdraw or revoke a pending
1267 application as of the date SURS receives the completed VIB
1268 election form.
1269
1270 3) Other Benefits. The eligible person may not apply for a refund, disability
1271 benefit, or disability retirement annuity while a VIB application is
1272 pending.
1273
1274 d) VIB Offer Amount. After receipt of a VIB application, SURS shall calculate the
1275 VIB offer amount as soon as practicable. The VIB offer amount shall be 60% of
1276 the present value of the applicable pension benefit payable as of the assumed
1277 retirement date. The calculation shall be subject to the following conditions:
1278
1279 1) Actuarial Assumptions
1280
1281 A) All actuarial tables used to calculate the VIB offer amount shall
1282 use actuarial assumptions most recently adopted by the Board as of
1283 the time of the calculation.
1284
1285 B) The present value date shall be the first of the month on or
1286 immediately following the date that SURS receives the VIB
1287 application.
1288
1289 C) The discount rate used to calculate the present value of any benefit
1290 shall be the prescribed rate of interest.
1291
1292 D) The effective rate of interest for fiscal years prior to the fiscal year
1293 containing the date of the calculation shall be the historical rates
1294 set by the Board or the State Comptroller, as applicable. The

1295 effective rate of interest for fiscal years inclusive of and after the
1296 fiscal year containing the date of the calculation shall be the last
1297 known effective rate of interest set by the Board or the State
1298 Comptroller, as applicable.
1299

1300 2) Service Credit

1301
1302 A) All service credit purchases must have been completed by the date
1303 SURS receives the VIB application.
1304

1305 B) Service credit for unused, unpaid sick leave under Section 15-
1306 113.4 of the Code shall apply only if the eligible person was an
1307 employee within 60 days immediately preceding the assumed
1308 retirement date.
1309

1310 3) Assumed Retirement Date. The assumed retirement date shall be the
1311 retirement annuity commencement date determined as follows.
1312

1313 A) If the eligible person has attained the earliest applicable retirement
1314 age under Section 15-135 of the Code as of the date SURS receives
1315 the VIB application, the VIB offer amount shall be based on a
1316 retirement annuity that commences on the first of the month on or
1317 immediately following the date that SURS receives the VIB
1318 application (subject to any applicable early age reductions under
1319 Section 15-136).
1320

1321 B) If the eligible person has not attained the earliest applicable
1322 retirement age under Section 15-135 as of the date SURS receives
1323 the VIB application, the VIB offer amount shall be based on a
1324 retirement annuity that commences on the first of the month
1325 following the birthday on which the person will have attained the
1326 earliest applicable retirement age under Section 15-135 (subject to
1327 any applicable early age reductions under Section 15-136).
1328

1329 4) Survivor Benefits. The assumed dates of death of the eligible person and
1330 eligible permanent survivor with respect to any assumed survivor benefit
1331 shall be based on the most recent mortality assumptions adopted by the
1332 Board as of the date of the calculation.
1333

1334 5) Frequency. No more than one VIB offer amount shall be calculated in a
1335 State fiscal year.
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- 6) Appeals. An eligible person may seek an appeal of the calculation of the VIB offer amount within 35 days after the issuance of the offer, in accordance with Section 1600.500.
 - e) VIB Election. The election to accept the VIB offer shall be made in the manner and form prescribed by SURS. SURS may require additional documentation or proof to verify any fact or record necessary for the administration of the election.
 - 1) Election Deadline. The eligible person shall elect to accept the VIB offer within 120 days after the date the VIB offer was issued. If no election is submitted by the deadline, the eligible person shall be deemed to have rejected the VIB offer.
 - 2) Election Date. The date of the election to accept the VIB offer shall be the date SURS receives the completed VIB election form.
 - 3) Survivor Consent. The election shall be accompanied by written and notarized consent of any permanent survivor. If a permanent survivor who was identified in the VIB application no longer qualifies as a permanent survivor, then the election shall be, instead, accompanied by documentation proving the disqualifying condition as follows:
 - A) Death. Death shall be proven by a certified copy of the death certificate.
 - B) Divorce. A dissolution of marriage shall be proven by a certified copy of the judgment of dissolution of marriage or civil union.
 - C) Child's Non-Disability. A child's non-disability shall be proven by a written certificate from one or more licensed and practicing physicians stating that the child is no longer disabled under subsection (b)(4)(B)(ii).
 - 4) Effect of Acceptance. Upon SURS' receipt of the election to accept the VIB offer amount, the eligible person shall be subject to the following conditions:
 - A) The election to accept the VIB offer shall be irrevocable unless:
 - i) the State Comptroller fails to remit the full VIB amount to SURS within a year after SURS has submitted a voucher under Section 15-185.5(f); or

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- ii) SURS has knowledge of specific and articulable facts, taken together with rational inferences from those facts, that would lead a reasonable person to believe that the election to accept the VIB was made under fraud, duress, undue influence, illegality or incapacity.
 - B) The eligible person may not elect to proceed under the Retirement Systems Reciprocal Act [40 ILCS 5/Art. 20] with respect to any service to which the VIB pertains.
 - C) The eligible person may not purchase service credit under Article 15 of the Code with respect to any service credit attributable to the VIB or any accelerated pension benefit payment under Section 14-147.5, 14-147.6, 16-190.5 or 16-190.6 of the Code.
 - D) The eligible person shall no longer be a participant of SURS and forfeits all accrued rights and credits in SURS and no other benefit shall be paid under Article 15 based on those forfeited rights and credits, including any retirement, survivor or other benefit; except, to the extent that participation, benefits or premiums under the State Employees Group Insurance Act of 1971 are based on the amount of service credit.
 - E) The VIB may not be repaid to SURS, and the forfeited rights and credits may not under any circumstances be reinstated.
 - F) If the eligible person returns to participation under Article 15, any benefits under SURS earned as a result of that return to participation shall be based solely on the person's credits and creditable service arising from the return to participation. Upon return to participation, the person shall be considered a new employee subject to all the qualifying conditions for participation and eligibility for benefits applicable to new employees, except the person shall retain the same Tier status and program elections previously made under Section 15-134.5 of the Code.
 - G) An election to accept the VIB offer shall be deemed to be a waiver of any appeal rights under Section 1600.500 with respect to the VIB.
- f) VIB Voucher and Payment

- 1422 1) As soon as administratively practicable after SURS' receipt of the election
1423 to accept the VIB offer, SURS shall submit one or more vouchers to the
1424 State Comptroller for the payment of the VIB. SURS shall pay the VIB as
1425 soon as administratively practicable after SURS' receipt of the VIB
1426 amount from the State Comptroller. In no event shall SURS pay the VIB
1427 without having received the amounts sufficient to pay the VIB in full from
1428 the State Comptroller.
1429
- 1430 2) The VIB shall be paid in the form of a direct rollover to an "eligible
1431 retirement plan" as defined under Section 1600.140(h)(6) (including any
1432 supplemental defined contribution plan administered by SURS) to the
1433 extent permissible under IRC section 401(a)(31), except for any amounts
1434 attributable to Required Minimum Distributions under Section 1-116.1 of
1435 the Code or amounts paid under the Excess Benefit Arrangement under
1436 Section 1600.430 of this Part. The eligible person may not elect to receive
1437 any portion of the direct rollover as cash.
1438
- 1439 3) If the eligible person dies after having elected to accept the VIB offer
1440 amount, but prior to payment of the VIB, the VIB shall be payable to the
1441 eligible person's estate.
1442

1443 (Source: Amended at 49 Ill. Reg. _____, effective _____)
1444

1445 **Section 1600.461 Accelerated Pension Benefit Payment for a Reduction and Delay in AAI**
1446

- 1447 a) Purpose. This Section implements Section 15-185.6 of the Code providing for an
1448 accelerated pension benefit payment for a reduction and delay in an automatic
1449 annual increase (AAI) to a retirement annuity and an annuity benefit payable as a
1450 result of death, to be referred to in this Section as the "AAI Buyout".
1451
- 1452 b) Definitions. For purposes of Section 15-185.6(a), the following terms shall have
1453 the meanings specified in this ~~subsection~~ subsection (b).
1454
- 1455 1) Eligible Person. An "eligible person" shall mean a person who satisfies
1456 the following conditions:
1457
- 1458 A) *The person is a Tier 1 member.*
1459
- 1460 B) *The person has submitted an application for a retirement annuity*
1461 *under Article 15.*
1462
- 1463 C) *The person has met the age and service requirement for receiving*
1464 *a retirement annuity under Article 15, meaning the person must*

- 1465 meet the applicable retirement eligibility requirements under
1466 Section 15-135 of the Code with respect to age and service credit
1467 accrued under Article 15 and, if the person elects to retire under
1468 the Retirement Systems Reciprocal Act, any service credit of a
1469 participating reciprocal system.
1470
- 1471 D) The *person has not received any retirement annuity under Article*
1472 *15, meaning the retirement date specified in the retirement*
1473 *application cannot be prior to the date SURS receives the*
1474 *application for a retirement annuity.*
1475
- 1476 E) The *person has not made the election under Section 15-185.5 of*
1477 *the Code.*
1478
- 1479 F) The *person is not a participant in the Self-Managed Plan under*
1480 *Section 15-158.2 of the Code.*
1481
- 1482 2) Implementation Date. *"Implementation date" means the earliest date*
1483 *upon which the Board authorizes eligible persons to begin irrevocably*
1484 *electing the accelerated pension benefit payment option under Section*
1485 *185.6. The Board shall endeavor to make such participation available as*
1486 *soon as possible after June 4, 2018 and shall establish an implementation*
1487 *date by Board resolution. [40 ILCS 5/15-185.6(a)]*
1488
- 1489 3) Assumed Annuities. The AAI Buyout shall be based on one or more of
1490 the following assumed annuities, as applicable:
1491
- 1492 A) Traditional Benefit Package. Retirement benefits under the
1493 applicable provisions of Section 15-136 of the Code and, if a
1494 permanent survivor (as defined under subsection (b)(4)) exists,
1495 survivors insurance benefits under Section 15-145 of the Code,
1496 subject to the minimum total survivors annuity payable under
1497 Section 15-146(b) of the Code.
1498
- 1499 B) Portable Benefit Package. Retirement benefits based on the
1500 actuarial equivalent of a single-life annuity described under
1501 Section 15-136.4(b).
1502
- 1503 4) Permanent Survivor. For purposes of this Section, the term "permanent
1504 survivor" shall mean a person who:
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- 1506 A) is living as of the earlier of the assumed retirement date or the date
1507 on which the AAI Buyout offer is issued; and

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- B) is the youngest (i.e., has the longest actuarially assumed life expectancy) from among the following:
 - i) a "surviving spouse" under Section 15-127 of the Code (without regard to any one-year minimum marriage requirement); or
 - ii) a "child" under Section 15-129 of the Code who is unmarried and dependent upon the person by reason of a physical or mental disability which began prior to the date the child attained age 18.
 - If the child is age 18 or older as of the application date, the child will be deemed to be disabled on the basis of a written certificate from one or more licensed and practicing physicians stating that the child is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months. The physician's determination of disability shall be determined in accordance with 20 CFR 416.905 through 416.911.
 - If the child is under age 18 as of the application date, the child will be deemed to be disabled on the basis of a written certificate from one or more licensed and practicing physicians stating that the child has a medically determinable physical or mental impairment or combination of impairments that causes marked and severe functional limitations, and that can be expected to cause death or that has lasted or can be expected to last for a continuous period of not less than 12 months. The physician's determination of disability shall be determined in accordance with 20 CFR 416.905 through 416.911.
- c) AAI Buyout Application. Beginning on the implementation date, an eligible person may apply for an AAI Buyout calculation in writing in the form prescribed by SURS, subject to the following conditions:

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- 1) Application Deadline. SURS must receive the AAI Buyout application by the retirement date specified on the completed retirement application, which can be no later than the date until which the System is required to implement the AAI Buyout under Section 15-185.6(b) of the Code ~~June 30,~~ **2024**.
 - 2) Termination of Application
 - A) A pending application shall terminate on the earliest of the eligible person's:
 - i) revocation of the application;
 - ii) cancellation or suspension of the retirement annuity under Section 15-139 of the Code;
 - iii) death; or
 - iv) an election to receive a Vested Inactive Buyout under Section 15-185.5 of the Code and Section 1600.460 of this Part.
 - B) No election to accept an AAI Buyout offer shall be effective upon or after the termination of a pending application.
 - C) The eligible person may not withdraw or revoke a pending application as of the date SURS receives the completed AAI Buyout election form.
 - d) AAI Buyout Offer Amount
 - 1) After receipt of an AAI Buyout application, SURS shall calculate the AAI Buyout offer amount as soon as practicable.
 - 2) The AAI Buyout offer amount shall be 70% of the difference of:
 - A) the present value of the automatic annual increases to the assumed annuities under Sections 15-136(d), 15-136.4(l), and 15-145(j) of the Code, as applicable; and

- 1592 B) the present value of the automatic annual increases to the assumed
1593 annuities, using the formula provided under Section 15-185.6(b-5)
1594 of the Code.
1595
- 1596 3) The calculation shall be subject to the following conditions:
1597
 - 1598 A) Actuarial Assumptions
1599
 - 1600 i) All actuarial tables used to calculate the AAI Buyout offer
1601 amount shall use actuarial assumptions most recently
1602 adopted by the Board as of the time of the calculation.
1603
 - 1604 ii) The present value date shall be the retirement date.
1605
 - 1606 iii) The discount rate used to calculate the present value shall
1607 be the prescribed rate of interest.
1608
 - 1609 B) Survivor Benefits. The assumed dates of death of the eligible
1610 person and eligible permanent survivor or contingent annuitant, as
1611 applicable, with respect to any assumed survivors insurance benefit
1612 or survivor portion of a joint and survivor annuity, as applicable,
1613 shall be based on the most recent mortality assumptions adopted by
1614 the Board as of the date of the calculation. The AAI to a survivors
1615 insurance annuity or the survivor portion of a joint and survivor
1616 annuity, as applicable, calculated under Section 15-185.6(b-5) of
1617 the Code, shall commence on the January 1 occurring on or after
1618 the first anniversary of the commencement of the survivors
1619 insurance annuity or survivor portion of a joint and survivor
1620 annuity.
1621
 - 1622 C) Frequency. No more than one AAI Buyout offer amount shall be
1623 calculated in a State fiscal year.
1624
 - 1625 D) Appeals. An eligible person may seek an appeal of the calculation
1626 of the AAI Buyout offer amount within 35 days after the issuance
1627 of the offer in accordance with Section 1600.500.
1628
- 1629 e) AAI Buyout Election. The election to accept the AAI Buyout offer shall be made
1630 in the manner and form prescribed by SURS. SURS may require additional
1631 documentation or proof to verify any fact or record necessary for administration
1632 of the election.
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- 1) Election Deadline. The eligible person shall elect to accept the AAI Buyout offer within 120 days after the date the AAI Buyout offer was issued. If no election is submitted by the deadline, the eligible person shall be deemed to have rejected the AAI Buyout offer.
 - 2) Election Date. The date of the election to accept the AAI Buyout offer shall be the date SURS receives the completed AAI Buyout election form.
 - 3) Termination from Employment. The eligible person must not return to work as an employee under Section 15-107 of the Code until after the date SURS receives the completed AAI Buyout election form.
 - 4) Survivor Consent. The election shall be accompanied by written and notarized consent of any permanent survivor or contingent annuitant, as applicable. If a permanent survivor who was identified in the AAI Buyout application no longer qualifies as a permanent survivor, the election shall be, instead, accompanied by documentation proving the disqualifying condition as follows:
 - A) Death. Death shall be proven by a certified copy of the death certificate.
 - B) Divorce. A dissolution of marriage shall be proven by a certified copy of the judgment of dissolution of marriage or civil union.
 - C) Child's Non-Disability. A child's non-disability shall be proven by a written certificate from one or more licensed and practicing physicians stating that the child is no longer disabled under subsection (b)(4)(B)(ii).
 - 5) Effect of Acceptance. Upon SURS' receipt of the election to accept the AAI Buyout offer amount, the eligible person shall be subject to the following conditions:
 - A) The election to accept the AAI Buyout offer shall be irrevocable unless:
 - i) the State Comptroller fails to remit the full AAI Buyout amount to SURS within a year after SURS has submitted a voucher under Section 15-185.6(d-5); or
 - ii) SURS has knowledge of specific and articulable facts, taken together with rational inferences from those facts,

that would lead a reasonable person to believe that the election to accept the AAI Buyout was made under fraud, duress, undue influence, illegality or incapacity.

- B) An eligible person who participates in the Traditional Benefit Package and who elects to accept the AAI Buyout offer may not elect to receive a survivors contribution refund under Section 15-154(c) of the Code if a survivors insurance beneficiary exists as of the retirement date. If no survivors insurance beneficiary exists as of the retirement date, the survivors contribution refund shall be payable to the eligible person.
- C) An eligible person who elects to accept the AAI Buyout offer shall be deemed to have waived the right to any supplemental payments under Section 15-136.3 and Section 15-146(d) of the Code.
- D) An election to accept the AAI Buyout offer shall be deemed to be a waiver of any appeal rights under Section 1600.500 with respect to the AAI Buyout and all underlying calculations.

- 6) Effect of Rejection. Upon SURS' receipt of a rejection of the AAI Buyout offer amount or upon the failure to make an election within the deadline specified under subsection (e)(1), SURS shall pay automatic annual increases as provided under Sections 15-136(d), 15-136.4(l), and 15-145(j) of the Code, as applicable.

f) AAI Buyout Voucher and Payment

- 1) As soon as administratively practicable after the SURS' receipt of the election to accept the AAI Buyout offer amount, SURS shall submit one or more vouchers to the State Comptroller for the payment of the AAI Buyout. SURS shall pay the AAI Buyout as soon as administratively practicable after the SURS' receipt of the AAI Buyout amount from the State Comptroller. In no event shall SURS pay the AAI Buyout without having received the amounts sufficient to pay the AAI Buyout in full from the State Comptroller.
- 2) The AAI Buyout shall be paid in the form of a direct rollover to an "eligible retirement plan" as defined under Section 1600.140(h)(6) (including any supplemental defined contribution plan administered by SURS) to the extent permissible under IRC section 401(a)(31), except for any amounts attributable to Required Minimum Distributions under Section 1-116.1 of the Code or amounts paid under the Excess Benefit

1720 Arrangement under Section 1600.430. The eligible person may not elect
1721 to receive any portion of the direct rollover as cash.

1722
1723 3) The AAI Buyout may not be repaid to SURS. However, if the retirement
1724 annuity is cancelled under Section 15-139(a) of the Code after the eligible
1725 person is paid the AAI Buyout offer amount, the eligible person shall
1726 repay to SURS that amount, plus any applicable interest under Section
1727 1600.450.

1728
1729 4) If the eligible person who has received the AAI Buyout returns to
1730 participation under Article 15, the calculation of any future automatic
1731 annual increase in all retirement and survivor annuities under Section 15-
1732 139(c) shall be calculated in accordance with Section 15-185.6(b-5).

1733
1734 5) If the eligible person dies after having elected to accept the AAI Buyout
1735 offer, but prior to payment of the AAI Buyout, the AAI Buyout shall be
1736 payable to the eligible person's estate.

1737
1738 (Source: Amended at 49 Ill. Reg. _____, effective _____)

1739
1740 **SUBPART E: DISABILITY CLAIMS AND ADMINISTRATIVE REVIEW**

1741
1742 **Section 1600.550 Disability Claims Procedure**

1743
1744 a) Pursuant to Code Section 15-150, a participant may be granted a disability benefit
1745 if, while a participating employee, he or she becomes physically or mentally
1746 incapacitated and unable to perform the duties of his or her assigned position for
1747 any period exceeding 60 consecutive calendar days and the employee had
1748 completed 2 years of service at the time of disability, unless the disability is a
1749 result of an accident or the employee is a police officer who qualifies for line-of-
1750 duty disability benefits under Section 15-153(b) of the Code. An employee shall
1751 be considered disabled only during the period for which the Board determines,
1752 based upon the evidence listed in this Section, that the employee is unable to
1753 reasonably perform the duties of his or her assigned position as a result of a
1754 physical or mental disability. This determination shall be based upon:

1755
1756 1) a written certificate from one or more licensed and practicing physicians
1757 appointed by or acceptable to the Board, stating that the employee is
1758 disabled and unable to reasonably perform the duties of his or her assigned
1759 position;

1760
1761 2) a written certificate from the employer stating that the employee is unable
1762 to perform the duties of his or her assigned position and, if the employee is

1763 a police officer applying for a line-of-duty disability, the employer's
1764 position on whether the disability qualifies as a line-of-duty disability; and
1765

1766 3) any other medical examinations, hospital records, laboratory results, or
1767 other information necessary for determining the employment capacity and
1768 condition of the employee; and-
1769

1770 4) if the employee is a police officer applying for a line-of-duty disability, a
1771 written certification from one or more licensed and practicing physicians
1772 appointed by or acceptable to the Board, stating that the disability qualifies
1773 as a line-of-duty disability under Section 15-153(b) of the Code.
1774

1775 b) Application Filing Requirements
1776

1777 1) An application for disability benefits must include the certifications
1778 described in subsections (a)(1), ~~and~~ (a)(2), (a)(4), if applicable, and
1779 supporting documentation described in subsection (a)(3), all as explained
1780 in more detail in this Section, for each disabling condition as well as for
1781 the entire period of disability.
1782

1783 2) The application must be filed within one calendar year after the date on
1784 which the disability occurred. The application is deemed to have been
1785 filed on the date on which the System first receives any part or section of
1786 the application. This limitation may be waived upon a showing of good
1787 cause, including, but not limited to, extenuating circumstances in which
1788 the applicant was under significant~~some~~ physical, mental or medical
1789 infirmity or legal status that prevented the applicant from filing within the
1790 time period.
1791

1792 c) Certification By Physicians. For purposes of subsections~~subsection~~ (a)(1) and
1793 (a)(4), the following shall apply:
1794

1795 1) Physicians acceptable to the Board are attending physicians, physicians
1796 designated by the participant and physicians to whom the participant was
1797 referred by the attending or designated physician. Physicians appointed
1798 by SURS staff to examine the participant are deemed to be physicians
1799 appointed by the Board. The physician must be licensed to practice and be
1800 currently practicing in the field of expertise related to the underlying
1801 physical or mental condition for which disability benefits are sought.
1802

1803 2) The certification must be signed by a physician described in subsection
1804 (c)(1) or an authorized representative of the physician and must state the
1805 following:

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- A) the medical diagnosis of the physical or mental condition;
 - B) the prognosis of the physical or mental condition;
 - C) the physical or mental limitations to which the participant should adhere; and
 - D) that the participant is disabled and is unable to reasonably perform the duties of his or her assigned position as a result of the physical or mental disability; ~~and~~.
 - E) if the employee is a police officer applying for a line-of-duty disability, that the disability qualifies as a line-of-duty disability under Section 15-153(b) of the Code.
- 3) The certification must be accompanied by a report containing the following:
- A) the date of examination;
 - B) the medical history of the participant;
 - C) the results of any diagnostic tests used;
 - D) the diagnosis of the physical or mental condition;
 - E) the plan of treatment for the physical or mental condition and prognosis in response to the treatment plan;
 - F) an evaluation of the physical or mental condition as it bears upon the participant's ability to reasonably perform the duties of his or her assigned position; and
 - G) any existing documentation of objective medically demonstrable anatomical, physiological or psychological abnormalities manifested as test results or laboratory findings apart from self-reported symptoms.
- d) Certification by Employers. For purposes of subsection (a)(2), the certification must be signed by an officer authorized by the employer and must state the following:

- 1849 1) the physical or mental performance requirements for the reasonable
1850 performance of the participant's assigned position;
1851
- 1852 2) whether the participant is able to satisfy each physical or mental
1853 performance requirement for the reasonable performance of his or her
1854 assigned position to the best of the employer's knowledge or belief and the
1855 reason for that knowledge or belief; ~~and~~
1856
- 1857 3) whether the participant is able to reasonably perform the duties of his or
1858 her assigned position based on the provisions of subsections (d)(1) and
1859 (d)(2); ~~and~~;
1860
- 1861 4) if the employee is a police officer applying for a line-of-duty disability,
1862 the employer's position on whether the disability qualifies as a line-of-duty
1863 disability under Section 15-153(b) of the Code.
1864
- 1865 e) Determination of Regular and Line-of-Duty Disability. If the participant
1866 establishes, by a preponderance of the evidence, that he or she is physically or
1867 mentally disabled and unable to perform the duties of his or her assigned position
1868 as a result of the disability, the participant shall be determined eligible for regular
1869 disability benefits under Section 15-153(a) ~~150~~ of the Code. In lieu of regular
1870 disability benefits under Section 15-153(a) of the Code, if a police officer
1871 establishes, by a preponderance of the evidence, that as the result of sickness,
1872 accident, or injury incurred in or resulting from the performance of an act of
1873 duty, the police officer is found to be physically or mentally disabled for
1874 employment as a police officer so as to render necessary his or her suspension or
1875 retirement from employment as a police officer or is found to be unable to
1876 perform his or her duties as a police officer by reason of heart disease, stroke,
1877 tuberculosis, or any disease of the lungs or respiratory tract, resulting from
1878 employment as a police officer, the police officer shall be determined eligible for
1879 line-of-duty disability benefits under Section 15-153(b) of the Code. Any police
1880 officer who suffers a heart attack or stroke as a result of the performance and
1881 discharge of police duty shall be considered to have been injured in the
1882 performance of an act of duty and shall be eligible for line-of-duty disability
1883 benefits under Section 15-153(b) of the Code. For purposes of Section 15-153(b)
1884 of the Code, a police officer shall be considered to be in the performance of an
1885 act of duty while on any assignment approved by the police officer's chief,
1886 whether the assignment is on or off the employer's property. [40 ILCS 5/15-
1887 153(b)].
1888
- 1889 1) SURS staff shall determine whether certifications made under subsections
1890 (a)(1), ~~and~~ (a)(2), and (a)(4), if applicable, and supporting documentation

1891 described in subsection (a)(3) establish eligibility for regular disability
1892 benefits or line-of-duty disability benefits.

1893
1894 2) At the discretion of SURS staff, the participant may be required to submit
1895 to additional examinations by staff appointed physicians or specialists to
1896 aid in the determination process.

1897
1898 3) Physical or mental conditions resulting from self-inflicted injuries,
1899 substance abuse, or any act for which the participant was convicted of a
1900 misdemeanor or felony

1901
1902 A) are not the result of an accident for purposes of ~~Code~~ Section 15-
1903 150 of the Code; and

1904
1905 B) are not a sickness, accident, or injury incurred in or resulting from
1906 the performance of an act or duty for purposes of Section 15-
1907 153(b) of the Code.

1908
1909 f) Subsequent Re-examination of Disabled Participants

1910
1911 1) SURS staff shall secure from one or more physicians, periodically, re-
1912 evaluation reports concerning the continued disability of the participant.
1913 The date of re-evaluation shall be determined by SURS staff on the basis
1914 of the medical reports received previously, the nature of the disability, and
1915 other relevant information.

1916
1917 2) In the re-evaluation of disability claims, the examining physician shall be
1918 the attending physician or the physician designated by the participant, but,
1919 if the nature of the disability or other circumstances justifies the
1920 appointment of someone other than the participant's attending physician or
1921 designated physician as the examining physician, SURS staff shall make
1922 the appointment. All other procedures that may be applicable in
1923 processing the initial claim for disability benefits shall be followed in re-
1924 evaluation of the claim.

1925
1926 g) Release of Medical Information. The participant may be required to authorize the
1927 release of all medical or other information related to the disability claim,
1928 including but not limited to medical reports, hospital records, Department of
1929 Employment Security earnings statements, income tax records, unemployment
1930 records, and any record deemed necessary to the administration of the disability
1931 claim. The failure of the participant to submit to a re-evaluation examination or a
1932 treatment plan, to produce records, or to approve release of information required
1933 shall~~may~~ result in the discontinuance~~suspension~~ of disability benefit payments

1934 under Section 15-152 of the Code or suspension under Section 1600.160 of this
1935 Part, as applicable.

1936
1937 h) Vacation Payments and Disability Benefit Commencement. If an employee
1938 receives payment for unused vacation leave accrued under the employment from
1939 which the employee is disabled, the date of the "termination of payment of salary
1940 or sick leave benefits" under ~~Code~~ Section 15-151 of the Code shall be delayed by
1941 the number of work days attributable to the vacation payment.

1942
1943 (Source: Amended at 49 Ill. Reg. _____, effective _____)
1944

1945 **Section 1600.555 Disability Retirement Annuity Claims Procedure**
1946

1947 a) Pursuant to Section 15-153.2 of the Code, a participant whose disability benefits
1948 are discontinued under the provisions of clause (6) of Section 15-152 of the Code
1949 and who is not a participant in the Retirement Savings Plan is entitled to a
1950 disability retirement annuity of 35% of the basic compensation which was
1951 payable to the participant at the time the regular disability began under Section
1952 15-153(a) of the Code, or 65% of the basic compensation that was payable to the
1953 participant at the time the line-of-duty disability began under Section 15-153(b)
1954 of the Code, provided that the Board determines that the participant has a
1955 medically determinable physical or mental impairment that prevents him or her
1956 from engaging in any substantial gainful activity, and which can be expected to
1957 result in death or which has lasted or can be expected to last for a continuous
1958 period of not less than 12 months. This determination shall be based upon:

- 1959
1960 1) a written certificate from one or more licensed and practicing physicians
1961 appointed by or acceptable to the Board, stating that the participant is
1962 unable to engage in any substantial gainful activity; and
1963
1964 2) any other medical examinations, hospital records, laboratory results, or
1965 other information necessary for determining the employment capacity and
1966 condition of the participant.

1967
1968 b) Application Filing Requirements
1969

1970 1) An application for a disability retirement annuity must include the
1971 certification described in subsection (a)(1) and supporting documentation
1972 described in subsection (a)(2), all as explained in more detail in this
1973 Section, for each disabling condition as well as for the entire period of the
1974 disability retirement annuity.
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- 2) The application for a disability retirement annuity must be filed within one calendar year after the date on which the disability benefits are discontinued under clause (6) of Section 15-152 of the Code. The application is deemed to have been filed on the date on which the System first receives any part or section of the application. An untimely application shall render the participant ineligible for a disability retirement annuity. This limitation may be waived upon a showing of good cause, including, but not limited to, extenuating circumstances in which the applicant was under a significant physical, mental or medical infirmity or legal status that prevented the applicant from filing within the time period.

 - c) Certification By Physicians. For purposes of subsection (a)(1), the following shall apply:
 - 1) Physicians acceptable to the Board are attending physicians, physicians designated by the participant and physicians to whom the participant was referred by the attending or designated physician. Physicians appointed by SURS staff to examine the participant are deemed to be physicians appointed by the Board. The physician must be licensed to practice and be currently practicing in the field of expertise related to the underlying physical or mental condition for which disability benefits are sought.

 - 2) The certification must be signed by a physician described in subsection (c)(1) or an authorized representative of the physician and must state the following:
 - A) the medical diagnosis of the physical or mental condition;

 - B) the prognosis of the physical or mental condition; and

 - C) that the participant has a medically determinable physical or mental impairment that prevents the participant from engaging in any substantial gainful activity and can be expected to result in death or has lasted or can be expected to last for a continuous period of not less than 12 months.

 - 3) The certification must be accompanied by a report containing the following:
 - A) the date of examination;

 - B) the medical history of the participant;

- 2019 C) the results of any diagnostic tests used;
- 2020
- 2021 D) the diagnosis of the physical or mental condition;
- 2022
- 2023 E) the plan of treatment for the physical or mental condition and
- 2024 prognosis in response to the treatment plan;
- 2025
- 2026 F) an evaluation of the physical or mental condition that prevents the
- 2027 participant from engaging in any substantial gainful activity and
- 2028 that can be expected to result in death or has lasted or can be
- 2029 expected to last for a continuous period of not less than 12 months;
- 2030 and
- 2031
- 2032 G) any existing documentation of objective medically demonstrable
- 2033 anatomical, physiological or psychological abnormalities
- 2034 manifested as test results or laboratory findings apart from self-
- 2035 reported symptoms.
- 2036

2037 d) Determination of Disability Retirement Annuity. If the participant whose

2038 disability benefits are discontinued under the provisions of clause (6) of Section

2039 15-152 of the Code establishes, by a preponderance of the evidence, that the

2040 participant has a medically determinable physical or mental impairment that

2041 prevents the participant from engaging in any substantial gainful activity and can

2042 be expected to result in death or has lasted or can be expected to last for a

2043 continuous period of not less than 12 months, the participant shall be determined

2044 eligible for a disability retirement annuity under Section 15-153.2 of the Code.

2045 Participants in the Retirement Savings Plan are not eligible to receive DRA

2046 benefits.

- 2047
- 2048 1) SURS staff shall determine whether the certifications made under
- 2049 subsection (a)(1) and supporting documentation described in subsection
- 2050 (a)(2) establish eligibility for a disability retirement annuity.
- 2051
- 2052 2) At the discretion of SURS staff, the participant may be required to submit
- 2053 to additional examinations by staff appointed physicians or specialists to
- 2054 aid in the determination process.
- 2055

2056 e) Subsequent Re-examination of Disability Retirement Annuity Recipients

- 2057
- 2058 1) SURS staff shall secure from one or more physicians, periodically, re-
- 2059 evaluation reports concerning the continued disability of the participant or
- 2060 the recipient. The date of re-evaluation shall be determined by SURS staff

2061 on the basis of the medical reports received previously, the nature of the
2062 disability, and other relevant information.

2063
2064 2) In the re-evaluation of disability retirement annuity claims, the examining
2065 physician shall be the attending physician or the physician designated by
2066 the participant or the recipient. However, if the nature of the disability or
2067 other circumstances justifies the appointment of someone other than the
2068 participant's or recipient's attending physician or designated physician as
2069 the examining physician, SURS staff shall make the appointment. All
2070 other procedures that may be applicable in processing the initial claim for
2071 a disability retirement annuity shall be followed in re-evaluation of the
2072 claim.

2073
2074 f) Release of Medical Information. The participant or the recipient may be required
2075 to authorize the release of all medical or other information related to the disability
2076 retirement annuity claim, including, but not limited to, medical reports, hospital
2077 records, Department of Employment Security earnings statements, income tax
2078 records, unemployment records, and any record deemed necessary to the
2079 administration of the disability retirement annuity claim. The failure of the
2080 participant or the recipient to submit to a re-evaluation examination or a treatment
2081 plan, to produce records, or to approve release of information required shall result
2082 in the discontinuance of disability retirement annuity payments payable to the
2083 participant or recipient who failed to comply pursuant to Section 15-153.2(d) of
2084 the Code or suspension under Section 1600.160, as applicable.

2085
2086 g) The terms "substantial gainful activity" and "medically determinable physical or
2087 mental impairment" shall have the meanings ascribed to them under 20 C.F.R.
2088 404.1510 and 404.1521, respectively.

2089
2090 (Source: Added at 49 Ill. Reg. _____, effective _____)

2091
2092 **SUBPART G: BOARD TRUSTEE ELECTION**

2093
2094 **Section 1600.710 Petitions**

2095
2096 a) All petitions shall be in the form adopted by the System. Petition forms may be
2097 obtained from the System on or after October 1 immediately preceding the
2098 Election Date. The petition forms may be photocopied for use by the candidates.
2099 If offered by SURS, petition signatures can also be submitted electronically via an
2100 independent, secure third-party vendor selected by SURS to accept electronic
2101 signatures ~~electronically~~.

2102

- 2103 b) A valid petition nominating a candidate for an open contributing membership
2104 position or an open annuitant position on the System's Board of Trustees shall
2105 meet the following requirements:
2106
- 2107 1) On page one of the petition the potential candidate must sign the petition
2108 as one of the nominating signatories. The signature shall constitute the
2109 potential candidate's confirmation that he or she is willing to be a
2110 candidate. If using the offered third-party vendor for submitting electronic
2111 signatures, the candidates may submit their own signatures electronically
2112 as well.
2113
 - 2114 2) The petition must bear the requisite number of original signatures of
2115 individuals eligible to nominate the candidate, as established by Section
2116 1600.700(b) or (c). A valid petition may consist of multiple pages and
2117 may contain blank signature lines; however, all valid signatures must be
2118 original signatures unless they are submitted via an offered third-party
2119 vendor. Each candidate must submit their own petition and/or obtain
2120 electronic signatures on behalf of their own candidacy. Single petitions
2121 listing multiple candidates will not be accepted.
2122
 - 2123 3) Each original or electronic signature of an eligible voter must be
2124 accompanied by the signing person's name (printed), home address (street
2125 and city), and SURS employer (or last SURS employer). ~~Other eligible
2126 voter information, including the last four digits of the signer's social
2127 security number may be included to assist the Board Secretary in verifying
2128 petition signing eligibility.~~ Signatures that are not accompanied by a full
2129 permanent ~~at least a partial~~ address will not be accepted. ~~The partial social
2130 security number shall remain confidential.~~
2131
 - 2132 4) Petitions may be circulated for signatures commencing the October 1
2133 immediately preceding the applicable Election Date and ending on
2134 January 31.
2135
 - 2136 5) An individual eligible to sign a petition nominating a candidate for an
2137 open contributing membership position on the Board may sign original
2138 and/or electronic petitions for as many contributing membership position
2139 candidates as desired.
2140
 - 2141 6) An individual eligible to sign a petition nominating a candidate for an
2142 open annuitant position on the Board may sign original and/or electronic
2143 petitions for as many annuitant candidates as desired.
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- 7) Original-hardcopy petitions shall bear the notarized signature of the individual who circulated the petition for signatures, verifying that the signatures contained on the petition were signed in that individual's presence and are genuine, and that, to the best of the circulating individual's knowledge, the persons who signed the petition were eligible to do so under Section 1600.700(b) or (c). These requirements do not apply to petition signatures submitted electronically through the third-party vendor offered by SURS.
 - 8) Original petitions and petitions with electronic signatures shall be filed with and must be received by the Board Secretary by the January 31 immediately preceding the Election Day. Petitions received after the prescribed petition-filing period are invalid and will not be counted.
 - c) The Board Secretary shall determine the validity of petitions pursuant to the Illinois Pension Code and this Part not less than 75 days prior to the Election Day and notify all candidates in accordance with the election calendar whether their petitions met all petition requirements. Candidates filing conforming petitions will be added to the slate of candidates on the respective ballot.
 - d) Any individual may, upon reasonable notice to the System, examine the petitions that have been filed with the System with respect to the election to take place; provided, however, that in order to protect the signing participants' and annuitants' privacy and confidentiality, the examination shall be subject to the following limitations:
 - 1) Petitions that are examined will be duplicate copies of the original petitions filed and/or printouts of electronic signatures filed, with any confidential information redacted;
 - 2) Petitions and electronic signatures may only be examined at the System's offices after the validity of the petitions has been verified by the Board Secretary as provided in subsection (c); and
 - 3) Petitions and electronic signatures may not be removed from the System's offices, copied, or duplicated by any means.
 - e) Challenge to the Petition Validation Process
 - 1) The challenger shall submit a written statement identifying the specific aspects of the petition validation process that is being challenged.

- 2187 2) All challenges shall be submitted to the Board Secretary no later than 7
2188 days after the petition validation notification required in subsection (c).
2189 Any challenge submitted more than 7 days after the date of the notification
2190 shall not be considered. The Board Secretary shall transmit any challenges
2191 to a 3 member committee of the Board, comprised of members of the
2192 Board not running in the contested election.
2193
2194 3) The committee shall consider the written statement and proceed to make a
2195 final determination with respect to the challenge.
2196
2197 4) A written notice of the final determination shall be sent to the challenger
2198 and all candidates within 7 days after making the determination.
2199
2200 5) The determination of the committee shall constitute a final administrative
2201 decision for purposes of the Administrative Review Law [305 ILCS 5/Art.
2202 III].
2203

2204 (Source: Amended at 49 Ill. Reg. _____, effective _____)