

professional design, but John Erwilliger is responsible for the content and should be blamed for the “cutesy”



State Universities Annuitants Association SUAA



What it Means to You
and all SURS Retirees



Getting Terms Straight

- **State Universities Retirement System (SURS)** is the state-designated agency that administers the pension of all public university and community college employees in Illinois. It invests and manages billions of dollars in assets; it calculates your annuity, and sends your monthly check.



How SURS Works

- You contribute 8% of each pay check to the SURS retirement fund.
- SURS then invests this retirement fund to be paid back to members upon retirement.
- Your college makes no on-going contributions to your retirement fund, but the State of Illinois does guarantee to pay retirement annuities.



What is SUAA?

- **State Universities Annuity Association (SUAA)** is an association of retirees and active employees from Illinois public universities and community colleges that works to protect and enhance retirement benefits of retirees and survivors in SURS.

SURS began in 1941. The amount of annuity at the time of retirement remained constant and did not increase until 1970.

Retirees had to wait a really long, long time for an increase.

1941 1942 1943 1944 1945 1946 1947 1948 1949
1950 1951 1952 1953 1954 1955 1956 1957 1958
1959 1960 1961 1962 1963 1964 1965 1966 1967
1968 1970 ----- Finally!

When relief came, each annuitant received an extra \$1.50 for each \$100 of annuity.

Nothing was provided for survivors.

Then something else happened...



How SUAA was formed

- Discussions in the late 1960s led to a coalition of persons who supported SURS in securing legislation in 1970 that provided the first pension increase for SURS members in 30 years.
- This coalition was also successful in securing the inclusion of language in the 1970 Revised Illinois Constitution that substantially protects the retirement pension rights of all State of Illinois Employees.



SUAA's Goals are to Ensure:

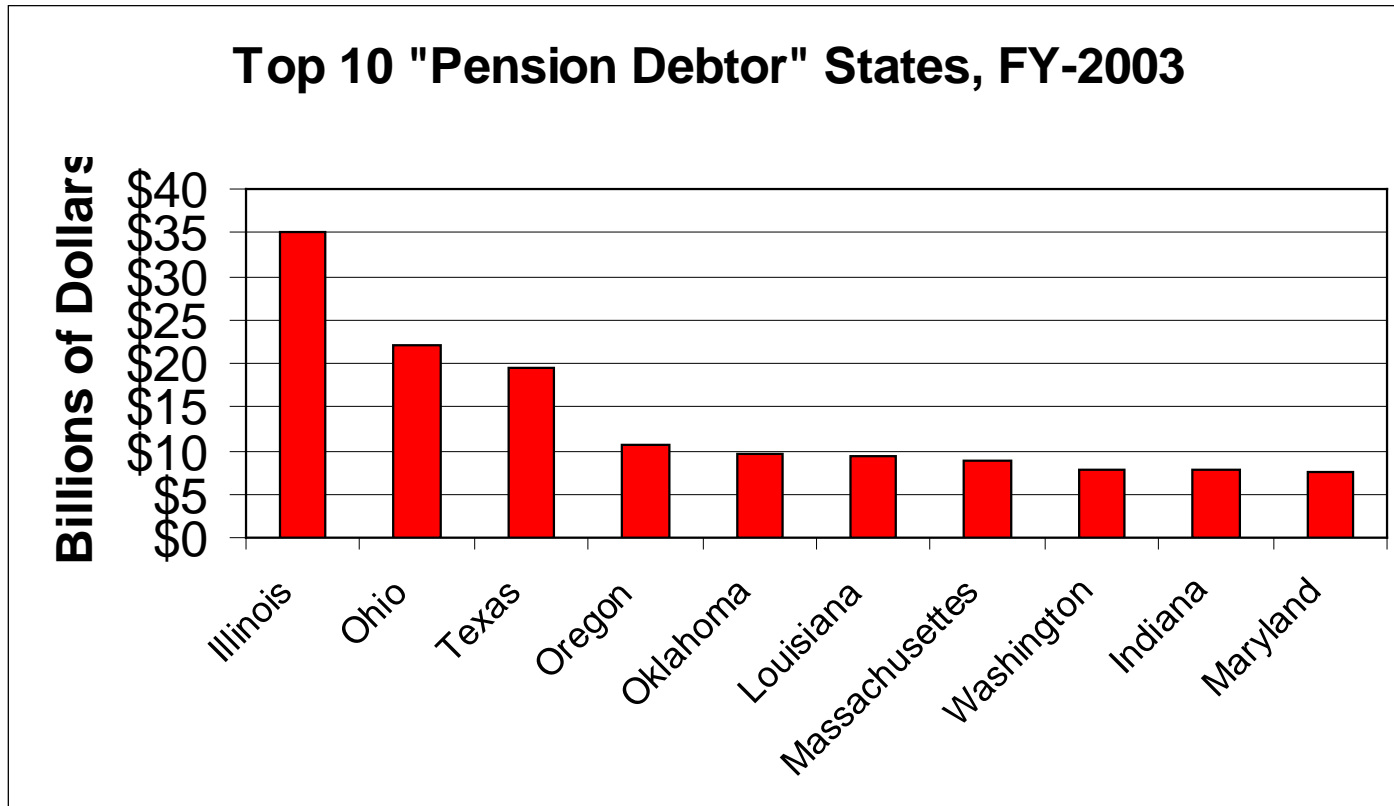
- State funding for the SURS pension program and State Health Insurance Plan
- General Assembly appropriation of mandated state contributions
- Compounding of annual increases for annuitants and survivors
- All other current benefits

Potential Problem for SURS

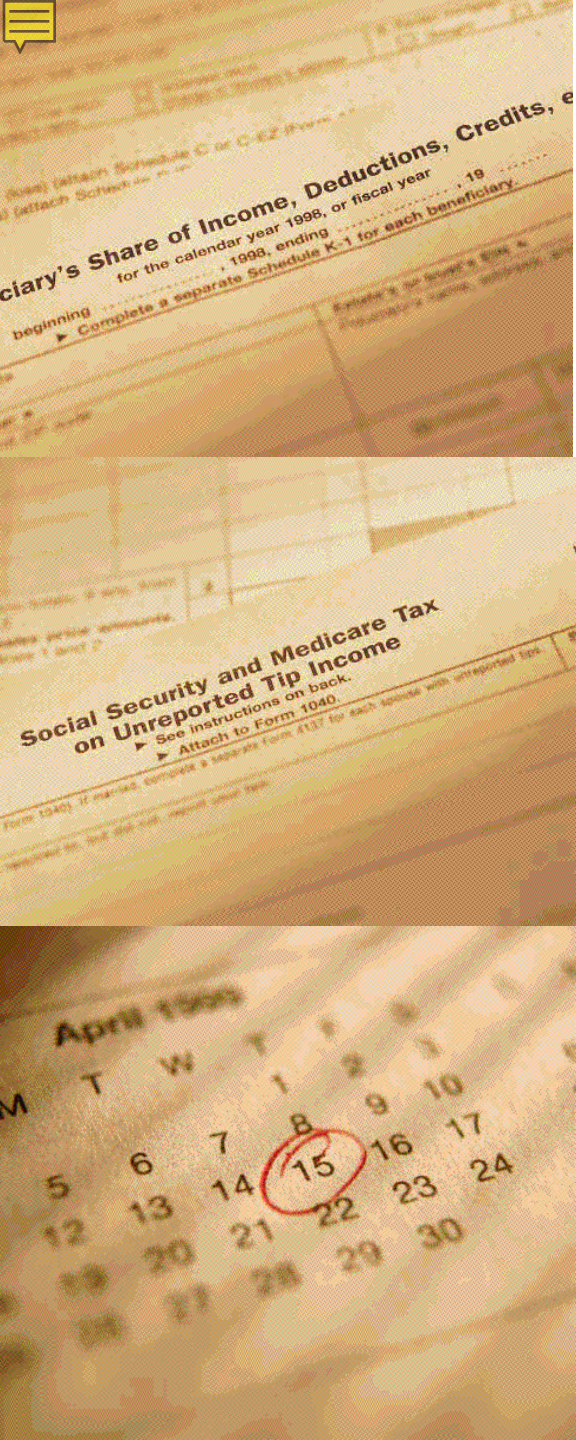
- **While the State of Illinois does guarantee to pay retiree annuities upon retirement**, your employer makes no on-going contributions to your retirement fund, This system has caused what is known as “**unfunded liabilities**,” or future tax obligations for future Illinois taxpayers. Currently, the “**unfunded liability**” for all State of Illinois pension plans is about **\$35,000,000,000**. (That’s Billion!)

***Relative to pension funding,
Illinois ranks 50th of the 50 states.***

Illinois owes more money to its pension systems than any other state.



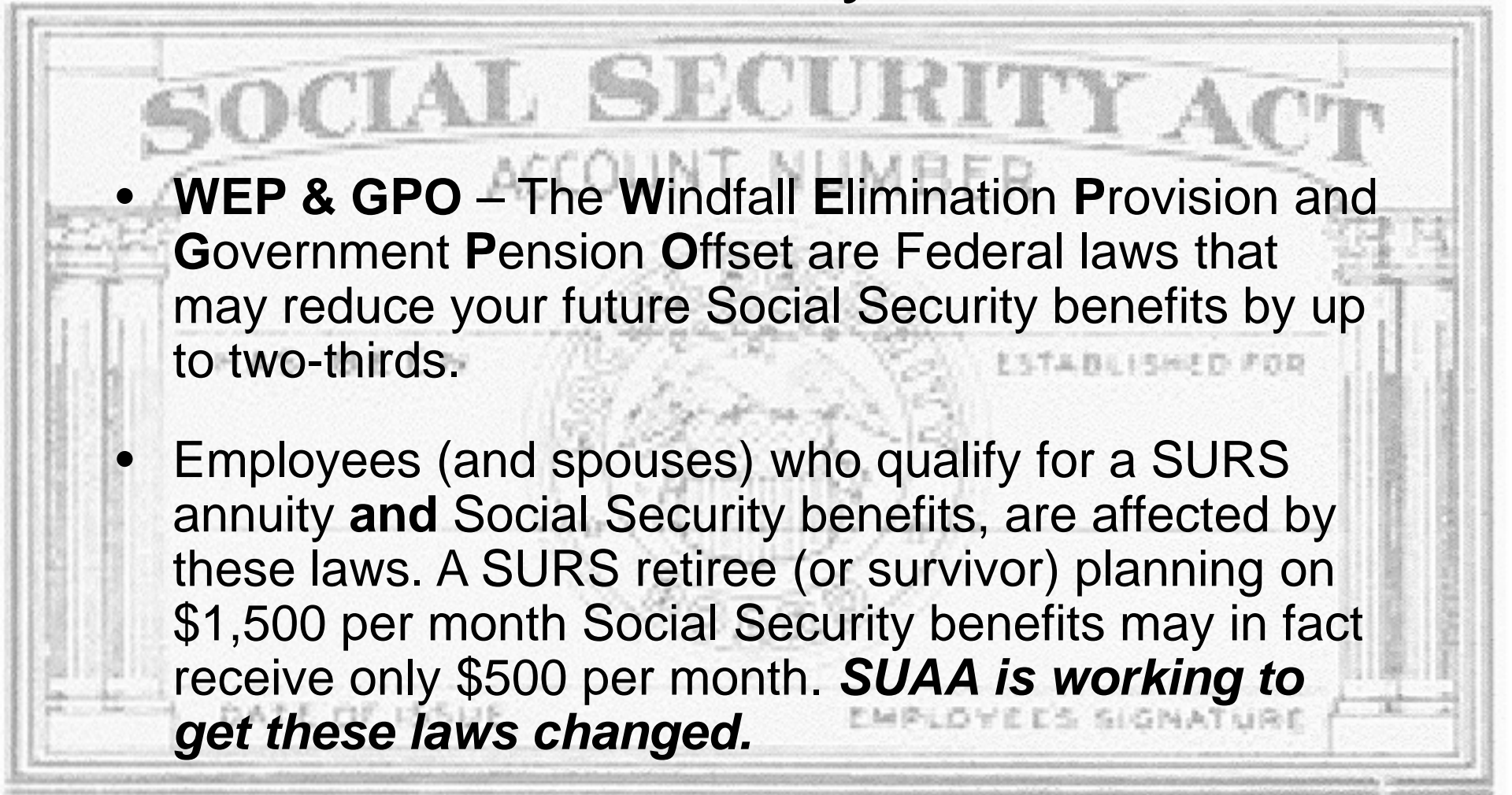
Wilshire Associates, Inc. FY-2003 report on funding of state public pension plans.



Related Concern...

- Another area where SURS (and all other State of Illinois) retirees are vulnerable, is the pension exclusion from State Income Taxes.
- Illinois is one of only three states that exclude all pension income from State Income Tax.
- There has been discussion about ending this exemption as a way to increase State tax revenue.
- SUAA will fight to keep this from happening.

Concerns Related to Social Security Laws...

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- **WEP & GPO** – The **W**indfall **E**limination **P**rovision and **G**overnment **P**ension **O**ffset are Federal laws that may reduce your future Social Security benefits by up to two-thirds.
 - Employees (and spouses) who qualify for a SURS annuity **and** Social Security benefits, are affected by these laws. A SURS retiree (or survivor) planning on \$1,500 per month Social Security benefits may in fact receive only \$500 per month. ***SUAA is working to get these laws changed.***

SUAA has Impacted SURS Benefits for Annuitants

- Helped secure annual increases in annuities from **0%** to **3%** compounded annually for both annuitants and surviving spouses
- Helped get **pensions protected** by 1970 Illinois Constitution
- Helped secure **one-time annuity increases** for long-time retirees
- Worked to change the maximum annuity from **70%** to **80%** for persons retiring at age 60 or earlier



SUAA has Impacted SURS Benefits for Survivors

- Brought payment of benefits to age **50** instead of **55**
- Rate of survivor payment was increased to **50%** of the retirement annuity
- Continued payment of benefits when a survivor **remarries** after age 55
- In 1981, 1982, 1983, and 1997 payments to annuitants and survivors in early years were **increased**.



As an employee, retiree, or survivor under SURS, you may benefit from:

- Lobbying efforts in Springfield to protect your annuity.
- Lobbying in Springfield to improve insurance benefits.
- Lobbying efforts in Washington to change Social Security retirement limits on SURS Retirees.
- Participation in SUAA long-term Care insurance plan.
- State newsletters and web site to keep you informed of pending legislation that could impact your retirement.





Edie Terwilliger

**Retired University of
Illinois, Urbana**

SUAA Member since 1994.

What are some of the benefits of SUAA?

“ SUAA newsletters and meetings help me keep up with what is happening with former co-workers.”



Frank H. Hedges III

**Retired in 1994 from
Eastern Illinois University in
Charleston**

SUAA Member since 1994.

What is your main concern about the retirement system?

“ I do not qualify for social security and do not have any retirement annuity other than SURS. The medical insurance program is the only one I have.”



Deborah A. Woodley, Ph.D
School of Technology
Eastern Illinois University

Plans to retire in 2010
Recently joined SUAA

Why did you decide to join SUAA?

“I am concerned about the unfunded liabilities and future tax obligation for my children and grandchildren. With the baby boomers reaching retirement age I can see a potential problem with state funding.”



John Terwilliger
Retired University of Illinois
SUAA Member since 1992

What would you like to see happen with SURS in the next five years?

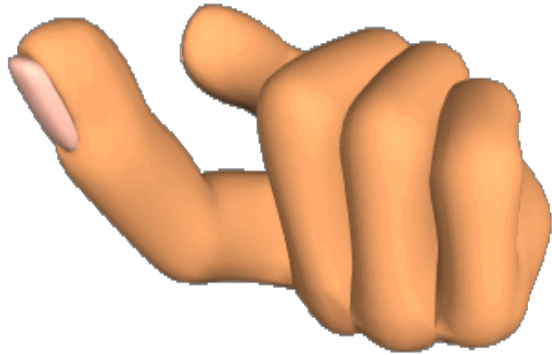
“I want to help SUAA work for full funding of our retirement system.”

State Universities Annuitants
Association think of membership in
SUAA as



Retirement Benefit
Insurance

***Act now** to preserve your and your family's benefits. For information on how to join SUAA contact your local chapter representative.*



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Or look on the web at: www.suaa.org