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
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 Annuitants 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.


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.

Top 10 "Pension Debtor" States, FY-2003

Consequences of Underfunding…

• These unfunded liabilities are also important because this situation causes pressure on the legislature to “cut back” on other expenditures, such as employee insurance benefits, which are not constitutionally protected.

• This situation is important to all SURS members and all future Illinois taxpayers – our children and grandchildren – who will be expected to “pay the bill.”
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…

• **WEP & GPO** – The *Windfall Elimination Provision* and *Government Pension Offset* 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.”
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.

At EIU, contact:
Terry Weidner
345-5320
Cftmw@eiu.edu

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