

GARS MISSION STATEMENT

To establish an efficient method of permitting retirement, without hardship or prejudice, of General Assembly members and certain elected state officials who are aged or otherwise incapacitated, by enabling them to accumulate reserves for themselves and their dependents for old age, death and termination of employment.

**Your
Rights & Responsibilities**

**E M P L O Y E E
H A N D B O O K**

TIER 2

*For Members Who First
Became a Member On or
After January 1, 2011*

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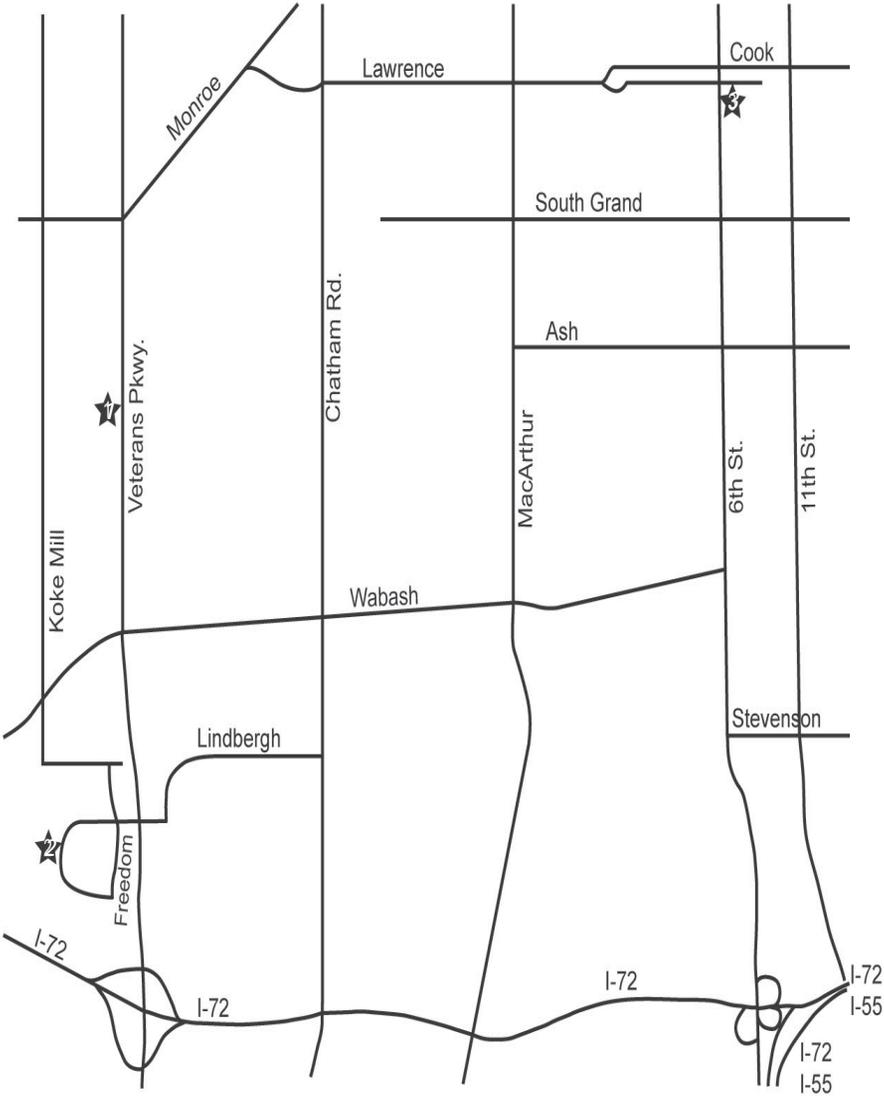
General Assembly Retirement System of Illinois
2101 South Veterans Parkway
P. O. Box 19255
Springfield, IL 62794-9255
217-782-8500

APRIL 1, 2015

SPRINGFIELD

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★ GARS
 2101 S. Veterans Parkway
 P. O. Box 19255
 Springfield, IL
 62794-9255

★ Social Security
 3112 Constitution Drive
 Springfield, IL
 62704

★ Deferred Compensation
 801 South 7th Street
 P. O. Box 19208
 Springfield, IL
 62794-9208

GENERAL INFORMATION

This handbook, provided by the General Assembly Retirement System of Illinois (GARS), presents you with an overview of your benefits. It explains GARS eligibility requirements, pension contributions and overall benefits. These benefits, when combined with other income, are designed to provide you with financial security in retirement.

This handbook describes GARS benefits in nontechnical language. GARS is governed by 40 ILCS 5/2 of the Illinois Compiled Statutes (Plan Document). If there is any variance between this handbook and the Plan Document, the Plan Document rules.

This information applies to all active members of the General Assembly elected or appointed on or after January 1, 2011. Upon leaving the General Assembly, your benefits will be determined by the laws in effect on that date. Read this booklet carefully and keep it for reference. Make sure your loved one is also familiar with this handbook and that he or she knows where your important papers are located.

The Member Handbook is intended to serve as a supplement to your Annual Benefit Statement, which includes personal benefit information pertaining to you. If you have questions about the information in this handbook, call us at 217-782-8500.

GARS ADDRESSES & PHONE NUMBERS

Office Hours:
8 a.m. – 4:30 p.m.

Email:
gars@srs.illinois.gov

SPRINGFIELD

2101 South Veterans Parkway
P. O. Box 19255
Springfield, Illinois 62794-9255
217-782-8500 Fax: 217-557-5154

CHICAGO

Michael A. Bilandic Building
160 North LaSalle Street
Suite S-200
Chicago, Illinois 60601
312-814-5853 Fax: 312-814-5805

TDD/TTY

A Telecommunications Device for the Deaf (TDD/TTY) is available for members and annuitants who are hearing or speech-impaired. If you have a TDD device, you may access this service at 217-785-7218.

INTERNET

GARS is on the Internet at www.srs.illinois.gov. Our website provides an overview of retirement and death benefits, and gives you easy access to a variety of information: current retirement issues, how to contact us, answers to frequently asked questions, education opportunities, the GARS annual financial report and a link to other state agencies.

MAILING ADDRESS

GARS maintains a mailing address for each member. This address is taken from your payroll record and is maintained by the Office of the Comptroller. You must report any change of address directly to the Comptroller's Office. If you terminate employment, advise GARS of any change of address.

ANNUAL BENEFIT STATEMENTS

You will receive your annual GARS benefit statement in August. This statement includes information on your beneficiaries, credited service, contributions, retirement and death benefits. If you have any questions about your statement, contact GARS.

ONE-ON-ONE COUNSELING

GARS staff is available for individual meetings after making an appointment. After each election, we attend the New Member Conference to answer questions for new members. One-on-One counseling sessions are also held throughout the year in various locations.



GARS MEMBERSHIP

All benefit claims and appeals are reviewed by the GARS Board of Trustees. If your claim for benefits is denied, or you question the payment of any benefit, within 30 days you or your representative may file a written appeal or request a hearing before the Board of Trustees.

Membership in the General Assembly Retirement System of Illinois is comprised of members of the General Assembly and state officials of the executive branch who are elected by the people of Illinois. Under certain conditions, the Clerk or the Assistant Clerk of the House of Representatives and the Secretary or the Assistant Secretary of the Senate may be eligible for membership.

ELIGIBILITY

You automatically become a member of GARS unless you file an election with the Board of Trustees not to participate. Your written decision declining participation must be filed within 24 months from becoming a member.

If you choose not to participate in GARS, you are subject to mandatory Social Security coverage unless contributing a minimum of 7.5% of your legislative salary to the Illinois Deferred Compensation Plan.

BENEFIT CLAIMS

In order to receive any benefit, you or your survivors must apply. All benefit claims should be directed to the General Assembly Retirement System. After you begin receiving benefits, notify GARS if you change your name, address, or wish to change your beneficiary(ies) for the lump sum death benefit.



CONTRIBUTIONS

You contribute a percentage of your salary by payroll deduction for benefits. As a Tier 2 member, you will only be required to pay contributions up to the annual salary maximum determined by the Department of Insurance for each calendar year. The table below shows current contribution rates.

You may choose not to contribute to the survivors annuity if you have no eligible survivors. If you revoke this election, you can requalify for the survivors annuity by repaying GARS all contributions that would have been paid during this time period, plus interest of 4%.

If you are unmarried, have no eligible survivors, and have contributions in the survivors annuity, you can apply for a refund of these contributions at any time before retiring. If you accepted a refund of survivor contributions and later remarry, you must repay the refund plus interest to qualify your new spouse for benefits.

Retirement Annuity	8.5%
Automatic Annuity Increase	1.0%
Survivors' Annuity	2.0%
TOTAL	11.5%

YOUR CONTRIBUTIONS ARE TAX SHELTERED

Your contributions are excluded from your gross income for federal and state income tax purposes. You pay no tax on your con-



SERVICE

contributions until you receive them. See page 17 for information on the tax treatment of GARS benefits.

Service credit starts with the first day you become a contributing member. Your service during any fraction of a month is considered a full month of service.

IF YOUR CONTRIBUTIONS WERE REFUNDED

If you terminated legislative service, received a refund of your contributions, and later returned to service, you may reestablish your credited service by repaying your refund with interest at 4%. Contributions must be repaid before retirement in order for your service to be credited.

TAX-DEFERRING OPTIONAL SERVICE PURCHASES

GARS allows members to defer tax on optional service credit purchases (i.e. military service, refunded service, etc.) through payroll deduction. The tax-deferred withholding is an irrevocable payroll agreement for the total service credit purchase. Service credit is granted only after a refund or service purchase is paid in full.

MILITARY SERVICE

Up to 24 months of military service can be purchased based on your rate of compensation on the last date as a GARS participant prior to the military service, or on the first date as a participant after military service, whichever is greater. A copy of your DD-214 is required.

ROLLOVERS

You may rollover money from an eligible pension plan or an Individual Retirement Account (IRA), to purchase optional service credit. You may also rollover money from your Deferred Compensation account (457) or tax-sheltered annuity (403b) to purchase service credit or repay a refund. To do so, you must obtain and complete a Transfer/Rollover Certification form from GARS.

Contributions and service credit in all reciprocal systems may be transferred to GARS at a cost.

SERVICE UNDER OTHER ILLINOIS PUBLIC RETIREMENT SYSTEMS

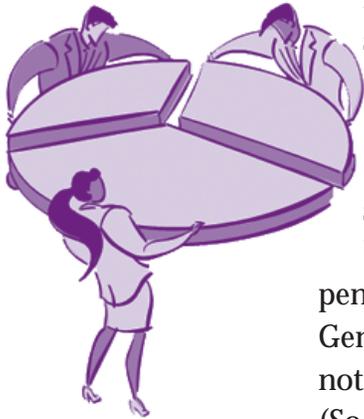
If you have established at least one year of credited service under an Illinois Public Retirement System that participates in the Retirement Systems’ Reciprocal Act, your service under that system may be used to determine your eligibility for a GARS benefit.

In general, the rules of each retirement system apply in determining a benefit. The benefit amount is based on the benefit formula and amount of service in each system and is paid to you by each system.

Under the Reciprocal Act, your GARS pension benefits will be based on your General Assembly eight year average salary, not to exceed the annual salary maximum (Social Security wage base).

The annual salary maximum applicable to Tier 2 GARS members for use in benefit determinations is established by the Illinois Department of Insurance each calendar year. However, the total benefits between all systems cannot be higher than it would have been if all service were in one system.

As a Tier 2 GARS member, your GARS share of the benefit is based on the Tier 2 formula described on the following page. You CANNOT be grand fathered into the Tier 1 formula based on service in a reciprocal system prior to January 1, 2011.



RETIREMENT BENEFITS

ELIGIBILITY

To receive a Tier 2 pension benefit, you may retire at age 67 with at least eight years of service credit. GARS members earn 3% for each year of service.

You are also eligible to retire at age 62 with eight years of credited service but with a reduction of 1/2 of 1% for each month under age 67. If you take a reduced benefit, it remains in effect throughout your retirement.

Your retirement benefit is based on your total credited service and your average monthly salary obtained by dividing your total salary during the highest 96 consecutive months of service within the last 120 months of service, by the number of months of service in that period. The average monthly salary may not exceed the annual earnings maximum for each calendar year.

This benefit is paid for your lifetime. The maximum retirement benefit is 60% of your calculated average salary. You must submit a retirement application and a copy of your birth certificate in order to receive benefits. Contact GARS approximately 30 days before your retirement date. Your pension becomes effective on the first day following your

This table displays the percentage of salary that GARS members with 8 to 20 years of GARS service credit will receive at age 67.

<i>Years of Service</i>	<i>Percent of Salary</i>
8	24%
9	27
10	30
11	33
12	36
13	39
14	42
15	45
16	48
17	51
18	54
19	57
20	60

Example: A member who is age 67, has 20 years of credited service, and a calculated average salary of \$65,164, would receive 60% of their calculated average salary.

$60\% \times \$65,164 = \$39,098.40$ annually or \$3,258.20 a month.

removal from the payroll OR one year before the receipt of your application in the case of an annuity based on an obtained age.

If at retirement, you have served as an officer of the General Assembly for at least two years, you will

be given the option of purchasing enough service to meet the four-year requirement to use the officer salary in the calculation of benefits.

GROUP INSURANCE

To be eligible for the state's insurance program at retirement, you must meet the minimum eight year vesting requirement in GARS.

ANNUAL PENSION INCREASES

You will receive a pension increase of 3% or the annual unadjusted percentage increase in the Consumer Price Index for Urban Consumers (CPI-U), whichever is less on January 1 or July 1 following your first full year of retirement, but in no event prior to age 67. This annual increase is compounded on your previous year's annuity.

REVERSIONARY ANNUITY

This option allows you to elect to reduce your monthly retirement benefit to

provide a higher lifetime income for your survivor after your death. The written designation to elect the reversionary annuity should be filed with GARS at least two years prior to your contemplated date of retirement.

The reversionary annuity is paid in addition to survivor benefits. If the reversionary annuitant dies after the participant's retirement, the reduced annuity being paid to the retired member will remain unchanged.

RE-ENTRY AFTER RETIREMENT

If you return as a member of the General Assembly after retirement, your annuity will be suspended.

Upon returning to service, you will resume contributions to GARS and accrue additional service credit. Upon subsequent retirement, you will be entitled to a retirement benefit consisting of the amount of your original pension, plus the amount of additional service credit earned during your return to service.

If you become a Tier 2 General Assembly retiree and later become a full-time member of another reciprocal system, your GARS Tier 2 pension will be suspended. After termination from that employment, your GARS pension will be reinstated and recalculated, if appropriate.

It is your responsibility to notify GARS immediately of your reemployment.

Upon approval of your pension benefit, participation in the State Group Insurance Program will continue, as described in your CMS group insurance booklets.



QUALIFIED ILLINOIS DOMESTIC RELATIONS ORDER (QILDRO)

A QILDRO allows for the division of a retirement benefit or a refund of contributions due to divorce. It does not establish a new benefit, nor does it create a new member or beneficiary.

The QILDRO does not apply to survivor annuities or group insurance benefits.

Generally, the QILDRO orders the payment of a benefit to the spouse as the alternate payee. It may also be payable to a child or other dependent as the alternate payee.

A member may not choose a benefit type that would diminish the alternate payee's benefit without written consent from the alternate payee. The QILDRO is usually issued at the time of divorce and sent to the member's retirement system. It is recorded and retained until the member applies for a refund, retirement benefit or dies.

Any member who begins employment with an Illinois public retirement system after July 1, 1999 accepts the QILDRO as a condition of employment. QILDRO information and forms may be downloaded from our website at www.srs.illinois.gov.

DEATH BENEFITS

DEATH BEFORE RETIREMENT

If you die while a legislator and have at least two years of service credit, your eligible survivors will qualify for the monthly survivors' benefit effective on the date of your death.

If you die after termination of service, but before receiving a retirement annuity, you must have at least four years of service credit for your spouse to qualify for the survivors' benefit (*see page 15*).

If you die while in active service with no qualified survivors, your named beneficiary or estate will receive your GARS contributions.

DEATH AFTER RETIREMENT

If you die after retirement with no qualified survivors, your named beneficiary or estate will receive your total contributions, less any benefits paid.

YOUR SURVIVING SPOUSE

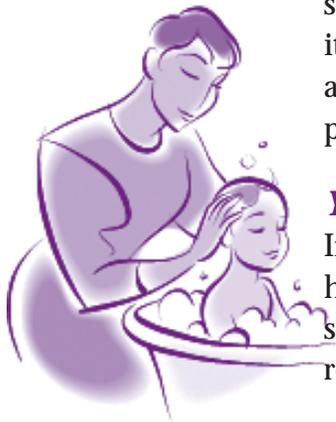
If you are survived by your spouse age 50 or over, and were married for at least one year prior to your death, your spouse will receive a monthly survivors' benefit effective on the date of your death if you are an active member or the first of the month following your death if you are retired.

Your eligible survivors, beneficiaries or estate may qualify for death benefits.

On June 1, 2011, Illinois recognized legal civil unions between two people. They are entitled to the same GARS benefits as spouses if they have been legal partners for one year. Throughout this booklet, the terms 'civil union partner' and 'spouse' are used interchangeably.

Your surviving spouse under age 50 can receive a survivors' benefit if (s)he supports your unmarried children under age 18 (22 if full-time student), or a disabled child over age 18. This benefit is payable until the last child reaches age 18 (22 if full-time student), marries, dies or is no longer disabled.

If your spouse is under age 50, the survivor benefit is suspended until (s)he reaches age 50. Remarriage is permitted without loss of benefits. The eligible survivors must share the 66 2/3% of the retirement annuity equally. This benefit is reduced by any amounts received under the Workers' Compensation Act or Occupational Diseases Act.



YOUR SURVIVING CHILDREN

If you are not survived by a spouse but have eligible children, they will share the survivor benefit of 66 2/3% of your earned retirement annuity.

ANNUAL INCREASE

The survivor benefit is increased by 3% OR the annual unadjusted percentage increase in the Consumer Price Index for Urban Consumers, whichever is less, each January 1 following the first full year of receiving this benefit.

If the member was retired at the date of death, the increase is due on January 1 after the commencement of the survivor annuity.

AMOUNT OF SURVIVORS' ANNUITY

	<i>Death in Service</i>	<i>Death After Termination or Retirement</i>
Spouse without eligible children	66 2/3% of earned retirement annuity	66 2/3% of earned retirement annuity
Spouse with eligible children	66 2/3% of earned retirement annuity	66 2/3% of earned retirement annuity
Spouse with dependent disabled children	66 2/3% of earned retirement annuity	66 2/3% of earned retirement annuity
Children under 18 (22 if full-time student)		A combined total payment equal to 66 2/3% of member's earned retirement annuity
Dependent, disabled children when there is no eligible spouse	66 2/3% of earned retirement annuity	66 2/3% of earned retirement annuity

66 2/3% of earned annuity divided among all "payees"

If you terminate service in the General Assembly, you may choose to withdraw your contributions in GARS or roll your contributions over to another qualified plan or IRA.

LEAVE YOUR CONTRIBUTIONS IN GARS

- You must have eight years of service under GARS to qualify for a Tier 2 pension.
- You may use less than eight years of service to qualify for a reciprocal pension; however, your combined service credit must meet each system's minimum service credit requirements.

IF CONTRIBUTIONS ARE REFUNDED

- You receive no interest on your contributions.
- You forfeit all rights to GARS benefits for yourself and your beneficiaries.

Service under the Retirement Systems' Reciprocal Act can be used to meet the two-year requirement.

WITHDRAW YOUR GARS CONTRIBUTIONS AND RETURN TO SERVICE IN THE GENERAL ASSEMBLY

You will be eligible to repay your refunded contributions with 4% interest and have your previously credited service restored after completing two additional years of service.

WHEN BENEFITS OR REFUNDS ARE PAID TO YOU

- You pay no Illinois state income tax.
- You pay federal tax on the taxable portion of your pension.
- All benefits and refunds must be declared as income in the year they are received.
- Specific tax information will be furnished in your first payment letter when your benefit is processed.
- You may postpone taxation of refunds by 'rolling-over' the payment to another qualified plan that accepts it, or to an Individual Retirement Account (IRA) or Roth IRA. The qualified plan accepting the rollover must agree to separately account for the nontaxable portion of the rollover.

GARS advises all members to consult with a qualified tax professional or financial planner before receiving benefits or refunds.

In general, you will not be taxed on your contributions until you receive benefits or a refund.



The best tax treatment for you depends on your individual financial situation.

BOARD OF TRUSTEES

The Board of Trustees is responsible for the operation of GARS. The seven-member Board includes senators, representatives, and an elected General Assembly annuitant.

PLAN DOCUMENT

This handbook describes the benefits of GARS in non-technical language. Some features, particularly those that apply to very few employees, are not included.

The official document describing GARS benefits is the Illinois Compiled Statutes, 40 ILCS 5/2, which legally governs the operation of the plan.

PLAN YEAR

For record-keeping purposes, the plan year is July 1 through June 30.

ADMINISTRATION

GARS is administered by the board-appointed Secretary.

GARS FUNDING

Contributions are made by the state and its members. All contributions not required for current operations are invested by the Illinois State Board of Investment for the exclusive benefit of its members and beneficiaries.

To safeguard the proper operation and funding of this pension fund, operations are monitored both internally and externally. GARS' financial and administrative activities are subject to an annual audit by an independent accounting firm under the direction of the state's Auditor General.

Proper funding includes an actuarial review of the fund balances to ensure that funds will be available for current and future benefit payments.

EMPLOYER IDENTIFICATION NUMBER

The employer identification number for GARS is 37-1254629.

LEGAL PROCESS

Legal process may be served on the GARS Secretary.

DEFINED BENEFIT PLAN

GARS is a defined benefit plan under Section 401(a) of the Internal Revenue Code. It bases your Tier 2 retirement benefit on the eight year average of your highest salary for annuity purposes in the General Assembly and your years of service credit.

Our office hours are 8:00 a.m. until 4:30 p.m. You may also email GARS at gars@srs.illinois.gov



GLOSSARY OF TERMS

Annual Benefit Statement: The Annual Benefit Statement is mailed in August to active members, and to inactive members in late April. This statement summarizes the member's account and benefits. It includes information on service credit, projected and accrued pension benefits, and lists the member's beneficiaries.

Automatic Increase in Retirement Annuity: If you retire at age 67 or older, you will receive a pension increase of 3% or the annual unadjusted percentage increase in the Consumer Price Index for Urban Consumers (CPI-U), whichever is less on January 1 or July 1 following your first full year of retirement.

The survivor benefit for survivors of deceased active members is increased 3% or the annual unadjusted percentage increase in the CPI-U, whichever is less, each January 1 following the first full year of receiving this benefit.

Civil Union Partner: A legal partner who is entitled to the same legal obligations, responsibilities, protections and benefits as spouses in Illinois.

Calculated Average Salary:

For Retirement and Survivor Benefits - Calculated Average Salary or Highest Salary for Annuity Purposes is the average of the highest 96 consecutive months over the last 120 months of service.

Defined Benefit Plan: Provides a predetermined benefit amount using a formula combining service credit and salary.

Pension: Retirement annuity paid for a member's lifetime.

Qualified Plan: A retirement plan qualified under the Internal Revenue Code allowing GARS and its members certain tax advantages.

Reciprocity: A member who has at least one year of credited service under another Illinois Public Retirement System, may use service under that system to determine eligibility for a GARS benefit.

Retirement Systems' Reciprocal Act: Provides continuity of pension credits for individuals who have participated in more than one Illinois public employee retirement system. There are currently thirteen retirement systems participating in the Retirement Systems' Reciprocal Act.

Rollovers: Postponing taxation of distributions by rolling-over the payment to another qualified plan, or to an Individual Retirement Account or Roth IRA.

Service: The total credited service certified to a member's record.

Solon: The newsletter for GARS members which contains timely and pertinent information. The Solon is usually mailed in January and August.

Survivor Annuitant: A qualified survivor (spouse, civil union partner, child) designated by statute to receive a monthly annuity upon the death of the member.

Tax-Sheltered/Tax-Deferred: Contributions made by a member that are tax-deferred until a benefit is paid.

Tier 2: A member of the General Assembly who first became a member on or after January 1, 2011.

ILLINOIS RECIPROCAL SYSTEMS

Chicago Teachers' Pension Fund

203 North LaSalle, Suite 2600
Chicago, IL 60601-1210
312-641-4464 Fax 312-641-7185
www.ctpf.org

County Employees' Annuity & Benefit Fund of Cook County

33 North Dearborn, Suite 1000
Chicago, IL 60602-3103
312-603-1200 Fax 312-603-9760

Forest Preserve District Employees' Annuity & Benefit Fund of Cook County

33 North Dearborn, Suite 1000
Chicago, IL 60602-3103
312-603-1200 Fax 312-603-9760

Illinois Municipal Retirement Fund

2211 York Road, Suite 500
Oak Brook, IL 60523-2337
630-368-1010 Fax 630-368-5399
www.imrf.org

Judges' Retirement System

2101 South Veterans Parkway
P. O. Box 19255
Springfield, IL 62794-9255
217-782-8500 Fax 217-557-5154
www.srs.illinois.gov

Laborers' Annuity & Benefit Fund of Chicago

321 North Clark, Suite 1300
Chicago, IL 60654-4739
312-236-2065 Fax 312-236-0574
www.labfchicago.org

Metropolitan Water Reclamation District Retirement Fund

111 East Erie, Suite 330
Chicago, IL 60611-2898
312-751-3222 Fax 312-751-5699
www.mwrd.org

Municipal Employees' Annuity & Benefit Fund of Chicago

321 North Clark, Suite 700
Chicago, IL 60654-4767
312-236-4700 Fax 312-527-0192
www.meabf.org

Park Employees' Annuity & Benefit Fund of Chicago

55 East Monroe, Suite 2720
Chicago, IL 60603
312-553-9265 Fax 312-553-9114
www.chicagoparkpension.org

State Employees' Retirement System

2101 South Veterans Parkway
P. O. Box 19255
Springfield, IL 62794-9255
217-785-7444 Fax 217-524-2293
www.srs.illinois.gov

Chicago Office: 312-814-5853
Fax 312-814-5805

Teachers' Retirement System

2815 West Washington Street
P. O. Box 19253
Springfield, IL 62794-9253
800-877-7896 Fax 217-753-0394
www.tr.s.illinois.gov

State Universities Retirement System

1901 Fox Drive
P. O. Box 2710
Champaign, IL 61825-2710
800-275-7877 Fax 217-378-9800
www.surs.org

RETIREMENT CHECKLIST

1. Submit a resignation letter to the Office of the Comptroller with a copy to the General Assembly Retirement System (GARS).

2. Contact GARS approximately 30 days prior to the effective date of your benefit to request a retirement application packet.

3. Request a retirement application packet from all reciprocal systems involved with your benefit approximately 60 days prior to the effective date of your benefit. Return the completed application to the appropriate retirement system.

4. Return your completed GARS retirement application, the direct deposit form completed by your financial institution, the insurance participation election form, a photocopy of your birth certificate and a photocopy of your Medicare card (if applicable) to GARS.

