

JUDGES' RETIREMENT SYSTEM OF ILLINOIS

Your Rights & Responsibilities **HANDBOOK**

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

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JRS MEMBERSHIP

The Judges' Retirement System of Illinois (JRS) exists to serve you, the member. JRS provides you and your family with a source of security through retirement, disability and death benefits.

This handbook explains JRS eligibility requirements, service, contributions and benefits.

If you terminate service, your benefits will be determined by the law in effect on your last day of employment.

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Membership in the Judges' Retirement System of Illinois is comprised of judges and associate judges of any court and the director of the Office of the Illinois Courts, if the director had previously established membership in JRS as a judge.

Eligibility

You automatically become a member of JRS unless you file an election with the Board of Trustees not to participate. Your written decision declining participation must be filed within 30 days from the date of being notified of the option.

Claims

In order to receive any benefit, you or your survivors must apply for it. All benefit claims should be made to the Judges' Retirement System.

After you begin receiving benefits, you should notify JRS if you change your name, address, or you wish to change your beneficiary(ies) for the lump sum death benefit.

All JRS records are maintained according to your Social Security number. Make sure your Social Security number is correct when filing a claim.

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

Group Insurance

Upon approval of your claim, participation in the State Employees Group Insurance Program will continue, as described in your CMS group insurance booklet.

Mailing Address

JRS maintains a mailing address for each member. This address is taken from your payroll record and appears on your check stub. You must report any change of address directly to your payroll clerk. If you terminate employment, advise JRS of any change of address.

Annual Benefit Statements

You will receive your annual JRS benefit statement in August. This statement includes information on your beneficiary(ies), credited service, contributions, retirement, disability, and death benefits. If you have any questions about your statement, or if you do not receive one, contact JRS at 217-782-8500.

CONTRIBUTIONS

You contribute a percentage of your salary by payroll deduction for benefits (see table at right). If you are single, you are not required to contribute to the survivor's annuity, but you are required to notify JRS of your decision immediately.

Retirement Annuity	7.5%
Automatic Annuity Increase	1.0%
Survivor's Annuity	2.5%
TOTAL	11.0%

If you are married, or marry while a judge, you may file an 'Election Not to Participate in the Survivor's Annuity Benefit.' Your form declining participation must be filed within 30 days of notifying JRS of your marital status.

If one of the above options is chosen, your total contribution is 8.5% of your salary. Contributions to the survivor's annuity are not required for an eligible child to qualify for the child's annuity.

If you are not contributing to the survivor's annuity and later marry or remarry, you will receive full credit for the survivor's annuity if:

- You repay any refunded contributions, plus interest.
- Payment is made covering the period you were unmarried and not contributing to the survivor's annuity, plus 3% interest.

You may also provide a pro-rated benefit for your spouse by contributing to the survivor's benefit from the date of your marriage with no back payments required.

Contributions made after January 1, 1982, have been excluded from your gross income for federal and state income tax purposes. You pay no tax on your contributions until you receive them. See page 16 for information on tax treatment of JRS benefits.

SERVICE

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 judicial service, received a refund of your contributions, and later returned to judicial service, you may reestablish your credited service by repaying your refund, plus 4% interest annually. Contributions must be repaid before retirement in order for your service to be credited.

A JRS member who terminates service as a judge may apply for and receive a refund of contributions without interest if:

- Immediate eligibility to receive a retirement annuity has not been established.
- The member has no immediate plans for returning to service as a judge.

If you become divorced or widowed, you are entitled to a refund of contributions made for the survivor's annuity. You must apply in order to receive this refund.

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 when determining eligibility for a JRS 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 on your last day of service.

Under the Reciprocal Act, JRS computes benefits using final compensation received as a judge. However, your total benefits cannot be higher than it would have been if all service were in one system.

In addition to JRS, the following systems participate in the Retirement Systems' Reciprocal Act:

- County Employees' Annuity & Benefit Fund of Cook County
- Forest Preserve District Employees' Annuity & Benefit Fund of Cook County
- General Assembly Retirement System
- Illinois Municipal Retirement Fund
- Laborers' Annuity & Benefit Fund of Chicago
- Metropolitan Water Reclamation District Retirement Fund
- Municipal Employees' Annuity & Benefit Fund of Chicago
- Park Employees' Annuity & Benefit Fund of Chicago
- Public School Teachers' Pension & Retirement Fund of Chicago
- State Employees' Retirement System
- State Teachers' Retirement System
- State Universities Retirement System

RETIREMENT BENEFITS

Eligibility

You may retire:

- At age 55 with 26 years of credited service.
- At age 55 with 10 years of credited service (reduced 1/2 of 1% for each month under age 60). If you take a reduced benefit, it is effective throughout your retirement.
- At age 60 with 10 years of credited service.
- At age 62 with 6 years of credited service.

Your benefit is based on your final salary and your total credited service, and is paid monthly for your lifetime. You must apply for benefits in order to receive them.

Contact JRS approximately 30 days before your retirement date. Your pension will start on the first day following your withdrawal from service. The maximum pension payable to a JRS member is 85% of final salary as a judge.

Your Retirement Benefit

Your retirement benefit is based on your salary and credited service on your last day of service using the following formula:

- 3.5% for the first 10 years of service
- 5.0% for each year after 10 years

The following tables illustrate the percentage of salary based on years of service for a retirement benefit.

For judges with six years of service but less than ten, benefits payable at age 62 are based on final salary.

<i>Years of Service</i>	<i>Percent of Salary</i>	<i>Years of Service</i>	<i>Percent of Salary</i>
6	21	6.5	22.75
7	24.5	7.5	26.25
8	28	8.5	29.75
9	31.50	9.5	33.25

For judges with 10 or more years of service, benefits payable at age 60 are based on final salary.

<i>Years of Service</i>	<i>Percent of Salary</i>	<i>Years of Service</i>	<i>Percent of Salary</i>
10	35	10.5	37.5
11	40	11.5	42.5
12	45	12.5	47.5
13	50	13.5	52.5
14	55	14.5	57.5
15	60	15.5	62.5
16	65	16.5	67.5
17	70	17.5	72.5
18	75	18.5	77.5
19	80	19.5	82.5
20+	85	(maximum)	

Example: A member is age 60, has 20 years of credited service, and a final salary of \$136,546:

First 10 years x 3.5% = 35%
Second 10 years x 5% = 50%
Total = 85%

85.0% x \$136,546 = \$116,064.10 annually or \$9,672.01 per month. This member's retirement benefit at age 58 is \$102,136.41 annually or \$8,511.37 per month because of the 1/2 of 1% reduction.

Credit for Additional Service

If you continue service as a judge after completing 20 years of judicial service and are under age 60, you can accrue 5/12% credit for each month over 20 years. This credit will offset any reduction you may incur if you retire before age 60.

Example: A member is age 58 years and 6 months and has 262 months (21.8 years) of judicial service. The age reduction is 1/2 of 1% for each month under age 60.
 $60 - 58 \frac{1}{2} = 1 \frac{1}{2} \text{ yrs} \times 12 \text{ mo.} = 18 \text{ mo.}$
 $18 \text{ mo.} \times .5 = 9\% \text{ reduction in benefit credit}$
 $262 \text{ mo.} - 240 \text{ mo.} = 22 \text{ mo.}$
 $22 \times 5/12 = 9.1667\% \text{ credit}$
 $9\% \text{ reduction} - 9.1667\% \text{ credit} = \text{No Reduction}$

Limiting Contributions

If you are age 60 and qualify for the 85% maximum retirement annuity, you can choose to limit contributions. You would no longer pay full contributions to JRS. Instead, you would only make contributions based on future salary increases.

Limiting your contributions is irrevocable. Benefits are based on your final salary at withdrawal from service.

Annual Pension Increases

You will receive a 3% pension increase on January 1 following your first full year of retirement. These annual increases are compounded on your previous year's annuity. Pension increases are not limited to the 85% maximum.

Example: Using the previous example of a member age 60 with 20 years of credited service and a final salary of \$136,546 and an initial retirement annuity of \$116,064.10, the automatic 3% increase is:

$3\% \times \$116,064.10 = \$3,481.92$ annually or \$290.16 more per month

The new annuity is \$119,546.02 annually or \$9,962.17 per month. The following year, the 3% increase is based on \$119,546.02.

Reciprocal service can be used to determine a member's eligibility for the 85% maximum benefit.

Returning to Employment

If you return to service as a judge, your retirement benefit is suspended if:

- You accept a permanent state position.
- You retired using the Reciprocal Act and return to a position which causes your Reciprocal benefit to be suspended, your judicial benefit will also be suspended.

Your JRS benefit will continue if you:

- Return to work for a county and did not originally retire under the Reciprocal Act.
- Teach at a junior college or university.
- Accept private employment.
- Work for the state in any temporary position, except judge, for 75 days or less per calendar year.

If You Are Recalled

If you are recalled as a judge, your retirement annuity will be suspended. After returning to retirement, your benefit is reinstated with an increase based on your additional judicial service.

If you retired with the maximum annuity and return to service as a judge, upon returning to retirement, you WILL be given the 3% automatic benefit increase for any January during your recall service.

If your recall service is at a higher rate of pay, your additional benefit is based on the higher rate.

DISABILITY BENEFITS

If you become disabled and unable to perform the duties of your position, you may receive disability benefits at any age which will partially replace your working income.

Retirement Annuity for Permanent Disability

If you are permanently disabled, you may receive a retirement annuity if you have at least 10 years of pension credit (reciprocal service may be used) and your disability occurs while you are a judge.

The JRS Board of Trustees must determine if you are totally and permanently disabled and unable to perform your judicial position.

Applying For and Receiving Permanent Disability Benefits

You must apply for disability benefits in order to receive them. The application process requires you to obtain two physician's reports certifying you as unable to perform the duties of your position, and sign a JRS medical release form.

Your permanent disability benefit equals your earned retirement benefit, and begins on the day following your removal

from the payroll. You will receive a 3% increase on January 1 following your first full year of receiving a retirement annuity for permanent disability.

Temporary Total Disability Benefits

To qualify for this benefit, you must have at least two years of service as a judge, and your disability occurs while you are a judge. The Board of Trustees must determine that you are totally disabled and temporarily unable to perform the duties of a judge.

While you are receiving temporary total disability benefits, your JRS account is credited with service as if you are working.

Applying For and Receiving Temporary Benefits

You must apply for disability benefits in order to receive them. The application process requires you to obtain two physician's reports certifying that you are unable to perform the duties of your position, and sign a JRS medical release form.

Your disability benefit equals 50% of your salary at the time of the disability, and begins on the day following your removal from the payroll. Disability benefits are only payable until the end of your term in office.

DEATH BENEFITS

Death Before Retirement

If you die while a judge and have at least 18 months of service credit, your survivors will be eligible for the survivor's benefit.

If you die after termination of service, but before receiving a retirement annuity, you must have at least 10 years of service credit for your spouse to qualify for the survivors' benefit.

If you die with no qualified survivors, your named beneficiary or estate will receive all of your JRS contributions.

Death After Retirement

If you die with no qualified survivors while receiving a permanent disability benefit or after retirement, 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 you were married for at least one year prior to your death, (s)he will receive a survivor's benefit.

A surviving spouse under age 50 can receive a survivor's 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. At that point, the benefit is suspended until (s)he reaches age 50.

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

The survivor benefit is reduced by any amounts received under the Workers' Compensation Act or Occupational Diseases Act.

Your Surviving Children

Unmarried children under age 18 (22 if full-time student), or disabled child over age 18, can receive a survivor's benefit. Adopted children of at least six months prior to your death have the same status as your biological children. Your child may apply for the survivor's benefit, even if you did not contribute to the survivor's annuity benefit.

Annual Survivor Increase

The survivor benefit is increased 3% each January 1 following the first full year of receiving this benefit. If the deceased member was an annuitant, the 3% increase is effective on January 1 after the benefit began.

AMOUNT OF SURVIVORS' ANNUITY

Death After Termination or Retirement

Death in Service

Your Spouse

7.5% of salary or 66 2/3% of earned retirement annuity, whichever is greater.

66 2/3% of earned retirement annuity

Your Eligible Children

5% of salary for each child with a max. for all children of 20% of salary, or 66 2/3% of earned pension, whichever is greater.

5% of salary for each child with a max. for all children of 20% of salary, or 66 2/3% of earned pension, whichever is greater.

LEAVING JRS

If you leave judicial service, you may withdraw your JRS contributions or rollover your contributions to another qualified plan or IRA. All termination refunds must be approved by the Board of Trustees. If you are immediately eligible for retirement, you cannot withdraw your contributions.

If You Have Your Contributions Refunded

- You will receive no interest on your contributions.
- You will forfeit all rights to a JRS benefit for yourself and your beneficiaries.
- You may be subject to additional tax withholding and penalties.

If You Withdraw Your Contributions and Later Return to Judicial Service

You will be eligible to repay your refunded contributions plus interest, and have your previous credited service restored after completing two additional years of credited service.

Service under the Retirement Systems' Reciprocal Act (listed on page 5) can be used to meet this requirement. Payments may be made in a lump sum, or by installments on a pre-tax or post-tax basis.

TAX TREATMENT

In general, you will not be taxed on your contributions until you receive benefits. Contributions made before January 1, 1982, were taxed when you received them. After January 1, 1982, your contributions were not included in your gross income and therefore are not immediately taxable.

When Benefits or Refunds are Paid to You

- You pay no state income tax.
- You pay federal tax on most benefits. Specific information will be furnished when benefits are payable.

The best tax treatment for you depends on your individual financial situation. JRS advises all members to check with a qualified tax consultant or financial planner before receiving benefits or refunds.

GENERAL INFORMATION

JRS Addresses and Phone Numbers

2101 South Veteran's Parkway
P. O. Box 19255
Springfield, Illinois 62794-9255
217-782-8500

Chicago Office:

State of Illinois Building
160 North LaSalle Street
Suite N-725
Chicago, Illinois 60601
312-814-5853

TDD Service

A Telecommunications Device for the Deaf (TDD) is available for members and annuitants who are hearing or speech-impaired. You may access this service at 217-785-7218.

Internet

JRS is on the Internet. We maintain a home page with a bulletin board to inform members of legislation and other information affecting you.

The JRS web site also contains a summary of our annual financial report, and a summary of the Illinois State Board of Investment annual financial report.

A link to other state agencies is also provided. You may e-mail us with any questions and/or comments at: ser@mail.state.il.us.

You can view our Internet web site at: <http://www.state.il.us/srs>. Be sure to include your Social Security number on all inquiries.

Board of Trustees

The Board of Trustees is responsible for the operation of JRS. The current Board includes:

Justice ***Thomas Hoffman***, Chairman

Justice ***John J. Bowman***, Vice-Chairman

Judge ***Henry A. Budzinski***

Chief Judge ***Timothy C. Evans***

State Treasurer ***Judy Barr Topinka***

Plan Document

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

The official document describing JRS benefits is Article 18 of the Illinois Pension Code, Chapter 40 ILCS, which legally governs the operation of the plan. If there is any variance between this handbook and the plan document, the plan document will rule.

Plan Year

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

Administration

JRS is administered by the board-appointed Executive Secretary, Michael L. Mory.

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 their beneficiaries.

Employer Identification Number

The employer identification number is 37-1254630.

Legal Process

Legal process may be served on the Executive Secretary, Michael L. Mory.

Employment Rights

Membership in JRS does not guarantee continued state employment, nor does it guarantee a right or claim to any benefit not accrued under the terms of the plan document.

NOTES