

Benefit Statement Enclosed

Your annual benefit statement is enclosed with this edition of the *Inform*er. Review your statement carefully, since it contains information on group insurance and beneficiaries. The Minnesota Life Insurance Company maintains your life insurance beneficiary information. If you would like to change or update your beneficiaries, contact Minnesota Life at 1-888-202-5525.

Refer to your statement during the annual Benefit Choice insurance enrollment period in May. The statement also contains an annuitant identification card. Cut out the I.D. card and carry it with you as proof of your association with the state of Illinois for government and retiree discounts.

What Wealth Transfer?

Despite all the headlines heralding the Greatest Wealth Transfer Ever, nothing of the sort has happened and the experts who analyze family finances say it's not likely to.

As of 2004, only 20% of Baby Boomers (those born between 1946 and 1964) said they received a bequest, a fairly constant percentage since 1989. But the percentage of boomers expecting such largess had diminished from 27% to 15%. From those dashed expectations, only 25% of boomers will end up with anything.

What happened to all the dough that was supposed to be passed down? There are more siblings to share it, for one thing. There were 3.5 boomer kids per

family, for example, compared with 2.3 children born into pre-WWII families. Also, parents are living longer and spending a fortune on health care. The average cost of a nursing-home room in 2005 was \$74,095. Assisted-living costs were \$34,860.



Compared with previous generations, more of the assets of today's retirees, including old-style pensions and Social Security, are paid out in monthly installments designed to last the retirees lifetime but no longer.

There's also been a shift in what observers call the "bequest ethic." Warren Buffett isn't the only one who's decided not to give it all to the kids!

From Kiplinger's Magazine

Student Spring Insurance Recertification

For those annuitants with dependents enrolled as full-time college students, the spring recertification process will begin in March. You should receive a Dependent Coverage Certification Statement (CMS 138) by the end of February or first week in March.



Some dependent student's enrollment will be verified through the National Student Clearinghouse (NSC). In these cases, the CMS 138 must be signed and mailed to SERS.

For those not verified through this method, proof of full-time college enrollment is required and must be attached to the CMS 138 that you mail to us.*

** Examples of documentation include: letter from the Office of the School Registrar, tuition bill marked "paid," copy of enrollment from the university's website, abbreviated transcript, copy of grant award or tuition waiver, itemized statement of account. The student's name and full-time status must be indicated on the submitted document.*

CMS Form 138 and any required documentation MUST be sent to SERS by the end of March or your student's dependent coverage will terminate on April 1, 2007.

Federal Income Tax Withholding

SERS monthly benefit payments are subject to federal income tax withholding. ***If you have a federal income tax withholding request on file with us, it will continue to be honored unless you request a change.***

If there is not a withholding election on file, taxes are withheld at the rate for a married person with three exemptions. However, no tax withholdings are deducted



on a gross benefit of less than \$1,517.00 per month or \$18,204.00 annually.

You must complete a new W-4P (withholding form for pension or annuity payments) if you want to change or end your withholding. This form is available through our website at www.state.il.us/srs or you may call the Vouchering Section at 217-785-7034.



If you don't have enough taxes withheld and your estimated tax payment is not sufficient enough for the tax year, you may have to pay additional taxes and penalties at the end of the year.

SERS will notify you through the *Informer* newsletter of any changes to federal tax laws that affect your withholding.

Circle the 2007 MRR Workshop That You Would Like to Attend

Please disregard the numbers in parentheses. They are for internal office use.

SERS offers the Myths and Realities of Retirement (MRR)

workshop to retirees, survivors, disability benefit recipients and their guests.

The MRR is a free, one-day workshop which runs from 9 a.m. until 3 p.m. It examines financial scams, the effects of inflation, estate planning, group insurance, and health & leisure. Participants will find this workshop worthwhile and informative.

If you would like to attend an MRR workshop, complete and return the application to us. You can also call our office to register. After you are registered, we will confirm your enrollment by letting you know the exact workshop location.

Mar. 20	Carbondale (50)	Aug. 14	Effingham (67)
Mar. 28	Charleston (58)	Aug. 21	Chicago (02)
Apr. 11	Mt. Vernon (52)	Aug. 28	East Peoria (82)
Apr. 19	Fairview Heights (15)	Aug. 30	Springfield (01)
Apr. 24	Quincy (36)	Sep. 12	Galesburg (23)
May 2	Itasca (71)	Sep. 18	Rockford (90)
May 31	Tinley Park (95)	Sep. 20	Madison (46)
Jun. 12	Taylorville (27)	Sep. 26	Mt. Vernon (52)
Jun. 14	Springfield (01)	Oct. 3	Springfield (01)
Jun. 19	Chicago (02)	Oct. 18	Lisle (03)
Jun. 21	Peoria (88)	Oct. 23	Schaumburg (77)
Jun. 26	Carbondale (06)	Oct. 30	Chicago (02)
Jul. 12	Tinley Park (95)	Nov. 7	Joliet (47)
Jul. 24	Utica (43)	Nov. 15	Carbondale (25)
Jul. 31	Urbana (34)	Nov. 28	Chicago (02)
Aug. 2	Fairview Heights (15)	Dec. 4	Springfield (01)

Name _____

Social Security Number _____

Are You Bringing a Guest? _____

Return This Form To:

State Retirement Systems, Field Services Division
 2101 S. Veterans Parkway, P. O. Box 19255
 Springfield, IL 62794-9255
 217-785-6979 Fax: 217-785-7019