



The Panel

August 2001

Judges' Retirement System of Illinois

Health Insurance & Medicare

The Judges' Retirement System receives many inquiries about Medicare. The following information explains how Medicare coordinates with the State's health insurance after retirement.

Medicare consists of two parts. Part A covers hospital stays, while Part B covers medical and doctor costs. In order to qualify for Part A on a free basis, you must be eligible to receive Social Security.

Part B is optional insurance coverage requiring a monthly fee, but it's available to everyone even if they don't qualify for Part A.

Medicare & State Insurance

In July of 1992, legislation changed how the State processes claims for its members and their eligible dependents enrolled in Medicare.

After this date, if you are retired, age 65, and receive free Part A, you must enroll in Part B or the State will reduce its benefits by what Part B would have paid. This reduction will require you to pay additional out-of-pocket expenses.

If you or your dependents aren't eligible for Part A, the State will pay your health insurance claims at the normal benefit level with no reductions.

Recently, a member retired and wasn't eligible for Medicare because he didn't have enough Social Security quarters to qualify for benefits. The member obtained employment which

1-on-1 Counseling Schedule

Last fiscal year our staff visited 13 sites and talked to over 155 active members, annuitants, and survivors about their benefits. Listed below are the dates and locations of the 1-on-1 counseling sessions for fiscal year 2002.

Although no appointment is necessary, we like to know who will be attending each session. If you would like to attend a 1-on-1 session, call us at 217-782-8500, or notify the Court Administrator at the meeting site.

September 5

Madison Co. Courthouse
Edwardsville 9:00 – 11:00 a.m.

September 5

Jefferson Co. Courthouse
Mt. Vernon 1:00 – 3:00 p.m.

September 6

Williamson Co. Courthouse
Marion 9:00 – 11:00 a.m.

November 1

3rd Municipal District Courthouse
Rolling Meadows
11:00 a.m. – 2:00 p.m.

November 2

4th Municipal District Courthouse
Maywood 8:30 – 11 a.m.

withheld for Social Security, and he eventually qualified for Social Security and Medicare Part A.

However, Social Security prohibits anyone from enrolling in Part B until the general enrollment period of January 1 through March 31. After the enrollment period, the first effective date for benefits is July 1. But the State reduces all benefits on the date Part A becomes effective, even though Part B benefits may not start until a much later date.

If future employment qualifies you for Social Security benefits, one solution to this problem is to enroll in Part B when you retire, or at age 65 if you are already retired from JRS.

JRS Salaries Effective 7-1-01

Supreme Court Justice
\$158,103

Appellate Court Justice
\$148,803

Circuit Court Judge
\$136,546*

Associate Court Judge
\$127,247*

* Includes \$500 paid by the County

Understanding Your Statement

Enclosed with this copy of The Panel is your annual benefit statement for the year ending June 30, 2001. It reflects a salary increase effective July 1, 2001. If you have questions about your statement, call us at 217-782-8500.

In this article, we highlight areas of the statement where members have the most questions.

If you do not agree with the service shown on your statement, contact the JRS at 217-782-8500.

If you are establishing service credit, it will not be shown on your statement until it is paid in full.

This is the projected JRS benefit you are eligible to receive, assuming continuous service, at normal retirement age. If you have reciprocal service listed below, add the two amounts together to estimate your combined benefit.

This is your accrued benefit estimate, assuming termination of service on June 30, 2001. Do not add reciprocal service to this amount.

Reciprocal service is shown with months of service and the estimated benefit amount, if applicable.

Judges' Retirement System of Illinois

2101 South Veterans Parkway, P. O. Box 19255, Springfield, IL 62794-9255

Your Annual Benefit Statement has been prepared as of June 30, 2001 using the following information:

Social Security # 333-27-1111 Date of Birth 11/27/1940

JOHN M. DOE
14 ANY STREET
ANY CITY, IL 11111

Member Information

You have 214 months of contributing membership service. This does not include service forfeited by taking a refund, or any service credit in a reciprocal retirement system listed below.

Your total contributions are \$161,225.48. Your fiscal year 2001 contributions (July 1-June 30) were \$4,810.11. Your monthly rate of pay as of July 1, 2001, is \$10,603.91. Your final salary is used to compute your retirement benefits.

Retirement Benefits

Retirement benefits are based on service, final salary and age. Normal retirement is age 60 with ten years (120 months) of service. After 26 years (312 months) of service you may retire at age 55 without a reduction in your benefits. You will receive 5/12% credit for each month of service over 240 months to reduce any reduction normally assessed for retirement between age 55-60. If you continue working to normal retirement age, or 26 years of service, whichever comes first, your estimated monthly retirement benefit will be \$8,432.00 on 07/01/2001.

Your monthly benefit earned as of June 30, 2001 is \$8,432.00, payable on 07/01/2001.

Disability

Temporary Total Disability

If you become totally disabled, your monthly benefit amount payable to the end of your term is \$5,301.96. You will receive one month of service credit for each month you are receiving a temporary total disability benefit.

Total Permanent Disability

If you become permanently disabled, your monthly benefit amount is \$8,432.00. This amount is payable for life so long as you remain permanently disabled.

Reciprocal Service

Using the reciprocal act with IRS, you may receive the following monthly benefit(s) at age 60:
ILLINOIS RECIPROCAL RETIREMENT PLAN 43.00 \$5,175.00
ONLY EMPLOYEES OF COOK COUNTY 100.00

Death Benefits

Death benefits are payable to your spouse, children or named beneficiaries, as applicable. Lump sum death benefits are payable to your named beneficiaries if there are no eligible survivor(s) at your date of death. If you wish to change your JRS beneficiaries, a change of beneficiary form is printed in the enclosed Panel. JRS BENEFITS ARE SEPARATE FROM YOUR GROUP LIFE INSURANCE COVERAGE. Group life beneficiaries are not included in this statement.

If you die while actively employed, your eligible spouse will receive a monthly income of \$5,621.00^{*} payable at age 50 or earlier if eligible children survive. Your eligible children will each receive a monthly benefit of \$530.20^{*}, up to a maximum children benefit of \$5,621.00.^{*}

If you die with no qualified survivors, your named beneficiary or estate will receive your total contributions of \$161,225.48.

Your current beneficiaries are:
1 - BENEFICIARY 1

* This amount is reduced by any Workers Compensation benefits received.

At a Glance

as of June 30, 2001

Member Information

Total Months of Service 214
Total Contributions \$161,225.48

Retirement

Estimated Retirement Benefit \$8,432.00
Payable on 07/01/2001

Death

Surviving Spouse Benefit \$5,621.00
Surviving Child Benefit \$530.20
Surviving Children Maximum ... \$5,621.00



Legislation

No legislation affecting JRS members was passed by the General Assembly.

The survivor benefit payable to a spouse is 66 2/3% of the earned benefit, or 7 1/2% of your final salary, whichever is greater.

Your named JRS beneficiaries are separate from your Group Life Insurance beneficiaries. The people listed on your Benefit Statement are designated to receive your JRS benefits only.

You may change your beneficiaries at any time by completing a Nomination of Beneficiaries form on the next page.

JRS on the Web

Internet:
<http://www.state.il.us/srs>

E-Mail: ser@mail.state.il.us

Benefit Statement Changes

This year's JRS annual benefit statement reflects a change in the way benefits are computed. In the Reciprocal Service section, we are including a benefit estimate available to you at normal retirement (age 60) using the Reciprocal Act.

To determine your total benefit, add the projected JRS benefit to the amount from the reciprocal system(s). To calculate your maximum benefit, refer to your current salary and multiply that amount by 85%. This will allow you to compare your benefit with the maximum benefit.

If your statement shows reciprocal service but no amount, you probably don't have enough service to use the Reciprocal Act, or you may have concurrent service with JRS and another system, or you may not need the service to qualify for the maximum benefit.

Again this year, we have calculated benefits based on your salary prescribed by law on July 1, 2001. Service and contributions reflect amounts through June 30, 2001.

Although we make every effort to provide you with an accurate benefit estimate, it is an approximation ONLY. For a more accurate estimate, or if you have questions, contact our office at 217-782-8500.

The Benefit Statement for annuitants and survivors will be mailed in March, 2002.

JRS Workshops

To help you start planning for your retirement years, we urge you to enroll in the Education for Tomorrow's Choices pre-retirement workshop.

This free, one-day workshop features a certified financial planner to discuss money management and investment strategies. Other speakers will cover Deferred Compensation, Social Security, insurance and JRS benefits.

Although retirement may be years in the future, this information will help you begin planning for a lifetime of financial security. If you are interested in attending this workshop, call us at 217-782-8500.

Sept. 14 **Grayslake**

Oct. 11 **Chicago**

Myths & Realities of Retirement Suspended

This fiscal year, JRS won't be offering the MRR workshop for annuitants and their survivors. This decision is due to low attendance during the last fiscal year.

If you are interested in attending a similar workshop presented by the State Employees' Retirement System, call our office at 217-782-8500 for a copy of their schedule.

This workshop will give you important information for a happy and secure retirement.

Judges' Retirement System of Illinois

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

MEMBER'S NOMINATION OF BENEFICIARY(IES) FOR DEATH BENEFITS

This form is used to nominate the person or persons to receive any death benefit payable by the Judges' Retirement System of Illinois. **This is a legal document which, after preparation, may not be altered in any way by any person.** A member desiring to change beneficiaries at a later date must complete a new Nomination of Beneficiary form. The form on file with JRS which has the most recent date-located next to the member's signature-will take precedence.

INSTRUCTIONS: Complete this form using ink or typewriter. You may nominate as many as you wish, or to your estate. If additional space is required, use additional sheets. Benefits will be paid on a **survivor basis in the numerical order** you indicate. Two or more persons with the same order number will receive equal shares. When this beneficiary nomination is accepted by the Judges' Retirement System, an acknowledgment will be mailed to you.

NOTE: Persons nominated as beneficiaries without order numbers will be considered after those persons nominated with order numbers. Two or more persons nominated without order numbers will receive equal shares.

EXAMPLE

| Order Number | Name | Address | Relationship |
|--------------|----------------|-------------------------------------|--------------|
| 1 | John A. Doe | 123 West Main, Chicago, IL 60601 | Father |
| 2 | Jane B. Doe | 123 West Main, Chicago, IL 60601 | Mother |
| 3 | David C. Doe | 123 West Main, Chicago, IL 60601 | Brother |
| 3 | Nancy D. Doe | 44 South 2nd, Springfield, IL 62708 | Sister |
| 3 | Mary E. Doe | 123 West Main, Chicago, IL 60601 | Sister |
| 4 | Frank F. Smith | 9876 E. 99th St., Peoria, IL 61605 | None |

In the event the member dies while in state service, the benefit will be paid as follows:

- All the money will be paid to John A. Doe.
- If John A. Doe is not living when the member dies, all the money will be paid to Jane B. Doe.
- If John A. and Jane B. Doe are not living when the member dies, the money will be divided equally among David C., Nancy D., and Mary E. Doe. (If only two of these three persons are living when the member dies, each will receive one-half of the money. If only one of these three persons is living when the member dies, he/she will receive all of the money.)
- If John A., Jane B., David C., Nancy D., and Mary E. Doe are not living when the member dies, all the money will be paid to Frank F. Smith.
- If none of the nominated beneficiaries are living when the member dies, all of the money will be paid to the member's estate.

Nominated Beneficiaries

| Order Number | Name | Address | Relationship |
|--------------|-------|---------|--------------|
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ |

This form must be witnessed by two people who are not named as beneficiaries.

Member's Signature _____ Date _____

Member's Social Security Number _____ Witness _____

Member's Address _____ Address _____

Witness _____

Address _____