



Employment after Retirement Employee Restrictions under 40 ILCS 5/15-139

General Information

Under the SURS return-to-work restrictions (40 ILCS 5/15-139), an annuitant may not return to work in any capacity, paid or unpaid, with a SURS-covered employer until retired for at least 60 calendar days. The annuitant must have a clear separation from SURS-covered employment and no agreement, written or oral, to return to a SURS-covered employer at the time of retirement. If the annuitant does not satisfy this requirement, the annuity will be cancelled.

It is the annuitant's responsibility to notify SURS upon returning to employment for a SURS-covered employer.

If the annuitant returns to SURS-covered employment after the 60-day period, the annuitant will be subject to an earnings limitation. The exact amount of the earnings limitation will be stated on the Certification of Retirement Annuity upon finalization of the retirement claim. If the annuitant exceeds the earnings limitation, the retirement annuity will be reduced or suspended.

If an annuitant chooses to resume active participation in SURS and forego the annuity payments, special limitations may apply. Please contact SURS for more information.

In addition, if the annuitant's first participation began on or after January 1, 2011 (Tier II), and the annuitant begins full-time employment with any other eligible retirement system covered under the Illinois Retirement Systems Reciprocal Act, SURS may be required to suspend the annuity during that employment.

Exceptions

There is no limitation on post-retirement earnings if:

- Annuitant returns to work with an employer who is **not** covered by SURS
- Member takes a Portable lump-sum retirement
- Member is in the Self-Managed Plan

If a member takes a Portable lump-sum retirement, there is a 60-day waiting period from the date payment was issued before returning to work for a SURS-covered employer. The member would then have the option to contribute to SURS when re-employed.

For a member in the Self-Managed Plan, there is no waiting period. However, the member will not have the option to contribute to SURS when re-employed.

Earnings Limitation

If the annuitant receives any compensation from a SURS-covered employer, it will be subject to the earnings limitation.

The only exception to the above would be if an annuitant is an independent contractor as determined by the IRS. Independent contractors must file a form SS-8 (Determination of Employee Work Status for Purposes of Employment Taxes and Income Tax Withholding) with the IRS. Once the IRS makes the determination of independent contractor status, the annuitant must provide SURS a copy of the IRS determination letter.

Retirement Before Age 60

If the annuity payments began before age 60, the monthly earnings from a SURS-covered employer cannot exceed the current monthly annuity. This limitation continues to apply after the annuitant turns 60.

The earnings limitation is increased each year by any applicable automatic annual increase.

Retirement at Age 60 or Later

If the annuity payments began at age 60 or later, the earnings from a SURS-covered employer during any academic year after the retirement date, combined with the annual base annuity from SURS, may not exceed the annuitant's highest earnings during any academic year before the retirement.

Once the annual earnings limitation is calculated, it does not change.

Employment after Retirement

Employer Restrictions under 40 ILCS 5/15-139.5

Employer Return-to-Work Restrictions

Public Act 97-0968 provides that a SURS-covered employer is to make a contribution to SURS if it employs an “affected annuitant” on or after August 1, 2013. The contribution will be equal to the affected annuitant’s annualized retirement annuity payable on the day in which the employer has employed the affected annuitant.

Once an affected annuitant, the annuitant remains an affected annuitant unless he or she suspends the pension and returns to active service. Upon resuming retirement, the annuitant returns to affected annuitant status.

Explanation of Affected Annuitant

An employed annuitant would become an affected annuitant on the first day of an academic year following the academic year in which the annuitant initially meets the following conditions:

- Receives compensation during an academic year beginning after August 1, 2013, that is greater than 40 percent of the highest annual rate of earnings earned prior to retirement, and
- Receives an annuity of at least \$833.33 per month (\$10,000 per year) in the academic year containing June 1, 2015, and any academic year thereafter.

Compensation received solely from federal, foundation, trust, or corporate funds, or state grants in which the principal investigator is named, does not apply toward affected annuitant status.

This legislation operates independently of the SURS return-to-work restrictions under 40 ILCS 5/15-139 and only applies to a SURS-covered employer that employs a SURS annuitant.

There is no additional contribution requirement or employment limitation for an annuitant who becomes an affected annuitant.

Employer Responsibility

It is the employer’s responsibility to provide to SURS the following information within 60 days of the annuitant’s re-employment:

- A copy of the annuitant’s employment contract, or if no contract exists, the anticipated length of employment and rate of pay;
- If the annuitant will be paid from federal, foundation, trust, or corporate funds, or state grants in which the principal investigator is named; and
- The employer’s determination as to whether the annuitant is already an affected annuitant.

If a SURS-covered employer employs an affected annuitant, the employer must make a contribution to SURS equal to the affected annuitant’s annualized retirement annuity payable on the day in which the employer has employed the affected annuitant, i.e., the monthly annuity payable for the first month of employment is multiplied by twelve.

For a list of SURS-covered employers, please visit the SURS website at www.surs.org.