

Reinstatement of Pension Credits

An employee may reinstate pension credit of one year or more by repaying the refund of employee contributions with interest after completing two years of service in a reciprocal system. The payment must be made under the laws of the system that paid the refund.

Employees who wish to reinstate pension credit should contact the system that paid them the refund to determine the amount and payment method required. The repayment may be made at any time after qualification, as long as the member is still employed by the reciprocal system and repays the credit before retirement.

Reentry Into Service

If an annuitant reenters service in a system that is paying a pension, all systems will suspend their pension payment if the employing system requires it. The pension is reinstated when employment ends. Recomputation of pension benefits for additional service is based on the laws of each system.

Pension Estimates

To receive an estimate of pension benefits, submit a request to the last system you were employed with. Inform them of the other systems you have service credit with and your estimated retirement date.

Systems Covered Under the Reciprocal Act

County Employees' Annuity & Benefit Fund of Cook County

33 N. Dearborn Street
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 Street
Room 1100
Chicago, IL 60602-3103
312-603-1200
Fax 312-603-9760

Judges' & General Assembly Retirement Systems

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

Illinois Municipal Retirement Fund

2211 York Road, Suite 500
Oak Brook, IL 60523-2337
1-800-275-4673, 630-368-1010
Fax 630-368-5399

Laborers' Annuity & Benefit Fund of Chicago

221 N. LaSalle, Suite 748
Chicago, IL 60601-1301
312-236-2065
Fax 312-236-0574

Metropolitan Water Reclamation District Retirement Fund

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

Municipal Employees' Annuity & Benefit Fund of Chicago

221 N. LaSalle, Room 500
Chicago, IL 60601-1301
312-236-4700
Fax 312-236-2383

Park Employees' Annuity & Benefit Fund of Chicago

55 East Monroe, Suite 2880
Chicago, IL 60603
312-553-9265
Fax 312-553-9114

Chicago Teachers' Pension Fund

203 N. LaSalle, Suite 2600
Chicago, IL 60601
312-641-4464
Fax 312-641-7185

State Employees' Retirement System of Illinois

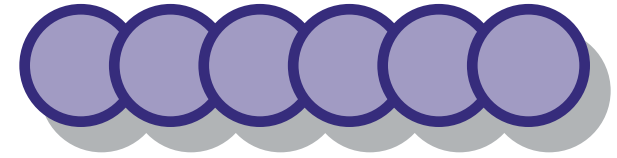
2101 South Veterans Parkway
P. O. Box 19255
Springfield, IL 62794-9255
217-785-7444
Fax 217-524-2293
Chicago Office: 312-814-5853
Fax 312-814-5805

Teachers' Retirement System

2815 West Washington Street
P. O. Box 19253
Springfield, IL 62794-9253
800-877-7896
Fax 217-787-2269

State Universities Retirement System

1901 Fox Drive,
P. O. Box 2710
Champaign, IL 61825-2710
1-800-275-7877
Fax 217-378-9800



RETIREMENT SYSTEMS RECIPROCAL — ACT —

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The Reciprocal Act ensures continuous pension credit for public employment in Illinois. Pension credits of more than one year in any reciprocal system may be used to meet qualifications for retirement or survivor benefits. Reciprocity does not apply to any other retirement system benefit in all reciprocal systems. The Illinois Reciprocal Systems have published this brochure to provide members with uniform information about the Reciprocal Act.

System Reciprocity

The Reciprocal Act does not override or change any provisions of the individual systems. Specific requirements for each system must be met before reciprocity can be applied.

The use of reciprocity is optional. A member with reciprocal time may retire independently under each system. If a member elects to use the provisions of the Reciprocal Act, the systems will exchange information regarding service credits, earnings, and other pertinent data to determine benefits payable.

Pension Credit Requirements

A member establishes pension credits by participating in one of the reciprocal systems. Credit established in all systems shall be considered under the Reciprocal Act except the following:

1. Credit of less than one year in any system.
2. Credits that have been forfeited by accepting a refund, unless reinstated.
3. Credits that have been applied toward a retirement pension.

For a system to pay benefits under reciprocity, a member's combined service credits must meet each system's service credit

requirements. For example, if a system requires ten years of service credit and a member has combined reciprocal service of eight years, the system would not pay benefits.

If a member has been granted service credit by more than one system for the same period of time, each system will reduce the credit proportionately if benefits are paid under reciprocity.

Applying for Benefits

A member applying for benefits under the Reciprocal Act should:

1. Request an application from each employing system at least 60 days before their planned retirement date.
2. Return the completed application forms to each system and ask them to apply the reciprocity provisions.

Reciprocity Benefits

The maximum combined benefit payable under reciprocity is the highest monthly benefit payable if all service credit had been established in one system.

Each system pays its benefit directly to the annuitant. Annual increases in pension benefits are made in accordance with each system's statutes.

Computation of Benefits

To determine a member's pension amount, each system looks at *combined* service credits and earnings, and pays their share of the pension accordingly. *The following examples illustrate the advantage of reciprocity.*

Example #1

A member participated in System A for seven years and in System B for four years. The final average earnings in System A were \$1,600 per month and \$2,000 per month in System B.

System A and B both use a flat rate formula of 2.2% per year, and final average earnings based on the highest 48 consecutive months of earnings.

The eligibility requirements for a pension in each system are:

System A: Age 60 with eight years of service.

System B: Age 60 with ten years of service.

Without reciprocity the member does not have sufficient service credit in either system to receive a pension. However, under reciprocity the member's combined service credit equals 11 years, which qualifies the member for a proportional pension from each system.

The highest final average earnings, \$2,000 per month, is also used by both systems in computing their proportional shares. Computation of final average salary and service credit is based on the laws of each system.

Each system bases its proportional share on the service credits established in its system, and pays a combined total pension of \$484 per month.

Example #2

A member has established 12 years of service with System A and 20 years of service with System B. The final average earnings were \$1,600 per month in System A and \$2,400 per month in System B. Both systems require eight years of service credit for pension qualification.

System A has a flat rate formula of 1.67% for each year of service. System B has a step rate formula of 1.67% for each year of the first 15 years and 2% for each year over 15. Without reciprocity, the pensions from both systems would result in a combined benefit of \$1,161.84 per month.

However, if a member chooses reciprocity, the pension from the two systems would be based on the highest final average earnings, \$2,400 per month, and the benefit would be computed on the following combined service.

System A: 12 years x 1.67% = 20.04%
20.04% x \$2,400 = \$480.96 per month

System B: 3 years x 1.67% = 5.01%
17 years x 2.0% = 34.00%
39.01%

39.01% x \$2,400 = \$936.24 per month

The total pension from both systems would be \$1,417.20 per month. *The pensions paid by each system using reciprocity are greater than the pensions paid by each system separately.*