

June

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For Immediate  
Release

## Important Changes to SURS 6% Rule Effective 7/1/11

In July 2006, the State Universities Retirement System (SURS) began billing employers the present value of pension increases resulting from certain earnings increases in excess of 6% over the previous academic year's earnings when paid during the final rate of earnings period (a.k.a. "the 6% Rule").

Since 2006, SURS has recognized several exemptions to this rule. Certain exemptions are scheduled to expire July 1, 2011. The changes have financial implications and will be of interest to HR Offices, Budget Offices, Service Centers and employing units. This communication identifies the expiring exemptions as well as exemptions that are continuing.

Please be aware that pending legislation may extend the expiring exemptions; however, if the legislature does not act, the exemptions will end as planned.

\*Earnings No Longer Exempted as of July 1, 2011\*

Earnings paid after 7/1/11 not covered by a contract or collective bargaining agreement executed prior to 7/1/11:

1. Earnings increases paid 10 or more years from date of retirement annuity eligibility.
2. Overloads for academic instruction. (Includes faculty summer contracts)
3. Overtime necessary for educational mission.
4. Promotion to an existing position and filled for no less than one academic year that is:
  - a. To a higher civil service classification
  - b. To a tenure or tenure-track faculty position
  - c. To a position recommended by the Illinois Community College Board

\*Earnings Exempted as of July 1, 2011\*

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## Important Changes to SURS 6% Rule Effective 7/1/11 *(continued)*

### General Exemptions:

1. All earnings increases for Money Purchase retirements.
2. Payments upon termination of employment for up to 56 days of unused vacation.
3. Unused sick leave payments paid under a collective bargaining agreement.

Temporary Exemptions until 7/1/14 On Earnings paid after 7/1/11 per a contract or collective bargaining agreement executed on or after 6/1/05 and prior to 7/1/11:

1. Earnings increases paid 10 or more years from date of retirement annuity eligibility.
2. Overloads for academic instruction. (Includes faculty summer contracts)
3. Overtime necessary for educational mission.
4. Promotion to an existing position and filled for no less than one academic year that is:
  - a. To a higher civil service classification
  - b. To a tenure or tenure-track faculty position
  - c. To a position recommended by the Illinois Community College Board

Additional information about the SURS 6% rule may be found by visiting <https://hr.uillinois.edu/PolicyCompliance/Toolkit/GuidanceRes/SURS6Percent.cfm>

Questions about SURS 6% may be sent to [uihr@uillinois.edu](mailto:uihr@uillinois.edu).