

## **Public Act 94-0004 – UPDATED INFORMATION:**

SURS Interpretation of Public Act 94-0004 has been presented to JCAR (Joint Committee of Administrative Rules) for consideration. Public opinion is now welcomed regarding the SURS interpretation of the Public Act.

Below is a summary of the SURS interpretation as well as a link to SURS where participants may submit comments and opinions.

### **SUMMARY:**

SURS proposes that Final Rate of Earnings (FRE) be defined as follows:

“Earnings”: An amount paid for personal services equal to the sum of basic compensation plus extra compensation for summer teaching, overtime or other extra service. For periods for which an employee receives service credit under subsection © of Section 15-113.1 or Section 15-113.2, (both of which refer to certain types of leaves of absence), “earnings” are equal to the basic compensation on which contributions are paid by the employee during such periods.

In simpler terms, SURS’ definition of FRE includes the following:

1. Basic compensation
2. All overtime and additional assignment compensation
3. Overloads and summer assignments for faculty
4. Increases due to promotional moves
5. Compensation for any extra service

FRE does not include the following:

1. Vacation pay out of up to 56 days at retirement

### **POTENTIAL PROBLEMS:**

1. A faculty member who may accept summer and overload assignments which increase earnings in excess of 6% over the previous year’s earnings.
2. Any employee who may be promoted and earn in excess of 6% over the previous year’s earnings.

### **WHAT CAN YOU DO?**

You may submit your own personal comments to SURS using the link provided in the next section. You may tailor a response using the optional templates provided at the end of this awareness notice, or you may compose your own response according to your personal interests and/or concerns.

## **HOW TO SUBMIT COMMENTS:**

Go to [www.surs.com](http://www.surs.com)

Click on



### **LATEST NEWS**

**SURS Announces New Executive Director**  
**Pending Rule Regarding Employer Contributions**  
**Benefit Summary Statement Mailing**  
**New Board Appointments**  
**Board Reappointment**

Then click on

***Employer Contributions for Benefit Increases Resulting from Earnings Increases Exceeding 6% – 1600.122***

Implementation of procedures for administering the changes associated with Public Act 94-4, specifically the billing of employers for benefit increases resulting from earnings increases in excess of 6% during the final rate of earnings.

**Submit Comments**

Then add your personal comments for consideration.

Again, PLEASE NOTE, THE DEADLINE FOR SUBMITTING YOUR COMMENTS IS JANUARY 31, 2006.

## **WATCH FOR MORE UPDATES:**

It is important to understand that your comments are directed only at SURS' interpretation and application of the Public Act, not the legislation itself. Although there are some pending House Bills regarding this legislation, many more are expected to surface in the near future that may more fully address the interests of future SURS annuitants and their benefits. You may expect more information to be released as it emerges, as well as when, and if, Illinois Central College and Board of Trustees decides to back any particular House Bill.

### **So be watching for further updates!**

For clarification of the information presented here, please contact Gina Zindt at 694-5447 or by email at [gzindt@icc.edu](mailto:gzindt@icc.edu)

For anyone interested in viewing the entire State Universities Retirement System Notice of Proposed Amendment to Public Act 94-0004, it can be found at the following link:

<http://www.surs.org/shepherd.surs?flk=Legal&shp=65>

## **OPTIONAL TEMPLATES FOR YOUR COMMENTS:**

Please feel free to modify these as you feel necessary in terms of your personal concerns.

“faculty paragraph”

In order to keep the negative financial impact on my college to a minimum, I am concerned, that as a faculty member, ICC may make compensation related policy decisions where I am not allowed to take overload assignments or summer teaching loads during my FRE. Since teaching loads are driven by the need for classes to best serve students and their educational needs, not being allowed to teach these additional classes is detrimental not only to my teaching discipline and retirement benefit, but also, and more importantly, detrimental to our students’ future. This is obviously an unintended consequence of the legislation.

“staff paragraph”

In order to keep the negative financial impact on my college to a minimum, I am concerned that as a non-faculty staff member my employer may make the decision to limit, or not permit, me to be promoted to a position at a higher rate of earnings. For example, if I apply for a position of authority, for which I am perfectly qualified, it would not be a prudent financial decision for the college to allow that promotion to take place during my FRE. Another example would be if I were a part-time employee who applied for, and was perfectly qualified for, a full-time position at a higher level of pay. Both of these scenarios would most likely generate an increase of greater than 6% increase, and if these situations are within the FRE, the college would most likely not allow these career moves to occur. These are obviously unintended consequences of the legislation.