

SURS 6% EARNINGS LIMITATIONS GUIDELINES

The following information is provided to clarify the State University Retirement System's 6% earnings limitation policy and any impact it may have for all College employees. Contact the HR Director, Gabe Springer, at 468-3700 if you have any questions or concerns.

Adjunct faculty and part-time staff alike are subject to the SURS 6% penalty based on total FTE earnings from the previous academic year to current. If current academic year FTE earnings exceed the prior year by more than 6%, a penalty is incurred. The academic year for adjunct faculty is defined as the academic year of the College, consistent with full-time faculty.

The Pension Code provides a global definition of "earnings" as "an amount paid for personal services equal to the sum of the basic compensation plus extra compensation for summer teaching, overtime or other extra service." (40 ILC 5/15-111). In the new provisions of Public Acts 094-0004 and 094-1057, the operative section refers to comparisons of the final rate of earnings. Earnings exceeding 6% may also become an issue when an adjunct faculty member works in another capacity at a different rate of pay (i.e., Student Success Center). The deans will need to monitor teaching assignments, overload pay, and any other additional assignments (grant work, SSC, etc.) to insure adjunct faculty who are within the time periods SURS has designated for calculating retirement benefits do not exceed the 6% earnings limitation. Adjunct faculty must notify their dean if they teach any classes for another division or have any other assignments in addition to those assigned by the Academic Affairs Division.

RETIREMENT SAVINGS PLANS (FORMERLY SELF-MANAGED PLAN):

Anyone enrolled in SURS' Retirement Savings Plan (RSP), formerly known as Self-Managed Plan (SMP), is exempt from the 6% earnings limitation.

Please Note:

Compensation for teaching or working at other SURS contributing institutions does not factor into 6% earnings limitations at L&C. SURS assesses employee earnings limitations separately for each institution and 6% earnings limitation penalties will be determined by year to year earnings comparisons paid by each individual institution, not in the aggregate for all SURS contributing institutions. Therefore any compensation earned at other SURS contributing institutions will not have to be taken into consideration by L&C for 6% earnings limitation purposes.