

**State Universities Retirement System (SURS)
Furlough and Voluntary Pay Reduction Contribution Programs**

Introduction: Western Illinois University implemented a furlough program, a voluntary temporary pay reduction program in FY2016, and a furlough program for administrative employees in FY2017.

In August 2016, PA 99-0897 was signed into law allowing employees affected by either furlough or voluntary pay reduction in FY2016 and/or FY2017 to establish service and earnings credit for periods of furlough or periods of voluntary pay reduction taken in lieu of furlough. On December 30, 2016, SURS sent an email to SURS participants about this program.

Q: How do I know if I am eligible to participate?

If you are a civil service or an administrative employee, you may be eligible to participate in the program. A civil service employee who participated in the FY16 furlough or voluntary pay reduction programs (April 1, 2016 through June 30 2016) is eligible to take part the SURS program. An administrative employee who participated in the FY16 furlough or voluntary pay reduction programs (April 1, 2016 through June 30, 2016) is eligible to take part as well as those administrative employees who participate in the FY17 furlough program (July 1, 2016 through June 30, 2017).

Q: How do I participate?

A: An affected employee can participate by completing “**PART 1 – EMPLOYEE SECTION**” of the appropriate application form, and returning the form to the Benefits Office no later than **Friday, November 30, 2018**. [SURS deadline for submission is **December 30, 2018**].

- Employees who chose a temporary voluntary pay reduction in lieu of furlough for FY2016 should complete the [Application to Make Voluntary Pay Reduction Contributions \(VPR\)](#).
- Employees who participated in a furlough program in FY2016 or FY2017 should complete the [Application to Make Furlough Contributions](#).
- After completing Part 1, forward the application to the Benefits Office. **The Benefits Office will complete “Part 2 – EMPLOYER SECTION” of the appropriate application form.**

Q: What is the process after the Benefits Office completes the Employer Section?

- The Benefits Office will submit the completed form and any necessary documentation to SURS.
- SURS will calculate the cost of the make-up contribution, the employer contribution, and any applicable interest, and will send a letter to the employee providing the cost information. The letter will include instructions for making payment.
- SURS will mail a receipt confirming the posting of contribution once full payment is received.

Q: Can I make payment via payroll deduction?

A: No

Q: Why might I elect to participate?

A: To establish service and earnings credit for periods of furlough or voluntary pay reduction taken in lieu of furlough.

Q: Am I required to participate?

A: No.

Q: What is the “cost”?

A: For an affected employee, the “cost” includes missed contributions (8% for staff, 9.5% for police), plus the amount specified as “employer contribution” (12.69% for FY2016, 12.53% for FY2017 for Traditional and Portable Plans; 7.6% for the Self-Managed Plan), plus applicable interest (7.25% for FY2017).

Q: What are “missed contributions”?

A: Missed contributions are lost wages due to participation in the furlough or voluntary pay reduction programs.

Q: How are “employer contributions” calculated?

A: The employer contribution due is based on the fiscal year’s employer normal cost rate, expressed as a percentage of payroll. SURS will notify affected employees who fill out a form what they will owe for employer contributions. For further information please see the SURS Fact sheets:

- [SURS Furlough Fact Sheet](#).
- [SURS Voluntary Pay Reduction Fact Sheet](#)

Q: Who pays the employer contribution?

A: If an employee chooses to participate, the employee pays the employer contribution.

Q: How is interest calculated?

A: If the employee makes up the SURS contributions within the same fiscal year as the furlough days or voluntary pay reduction were taken, no interest will be charged. If the employee makes payment after the fiscal year end, the amount due at the time of payment will include interest. Interest on the contributions will be compounded based on the SURS actuarially assumed rate of interest up through the date of payment. The rate for FY2017 is 7.25 percent.

Q: Who pays the interest?

A: If interest is applicable, the employee pays the interest.

Q: Can I make partial payments or pay in installments?

No, the amount billed by SURS must be paid in full.

Q. What is the deadline to participate?

A: "PART 1 – EMPLOYEE SECTION" must be received in the Benefits Office no later than Friday, November 30, 2018. SURS must receive a fully completed form for any applicable period(s) from the Benefits Office no later than December 30, 2018.

If you have any questions, please contact the Benefits Office at (309) 298-1953.