

BOARD POLICY

**02.04.14**  EARNINGS LIMITATION

Division 2: College Employees

**Adopted: 08/2017**

**Revised: 10/2020**

Reviewed: 11/2024

The Illinois Pension Code mandates employer contributions to the State Universities Retirement System (SURS) for any SURS participant who receives salary increases exceeding the state earnings-increase limit, on a full-time equivalent basis, in any year used in the final earnings rate (FRE) calculations. This is determined by SURS at the time the employee retires and takes an annuity with SURS under the traditional or portable plans (Tier I and Tier II retirements). This does not apply to participants in the SURS self-managed plan.

The applicable provision of the Illinois Pension Code is found at 40 ILCS 5/15-155, et.seq. The SURS earning-increase limit rule outlined by the pension code serves as a penalty to employers due to the mandatory contribution requirements outlined in that section. It is the policy of Joliet Junior College (College) to manage SURS participant compensation so as to avoid such a penalty.

The College may deny an employee with more than ten (10) years of State Universities Retirement System (SURS) eligible service credit any increases in compensation, assignments, or duties that could result in the college being subject to assessments by SURS pursuant to the state earnings-increase limit rule. In making this decision, the College will consider the benefit to students, programs, departments and the college.

College administrators and those responsible for negotiating labor relations agreements, salary increases, work assignments, retirement/separation agreements, etc., must be aware of the guidelines and implications of the state earnings-increase limit rule and the possible related financial obligations. Additionally, employees should assist in monitoring their compensation changes and engage in dialog with their manager/supervisor if they reasonably foresee a situation with their position or assignment that may cause the college to be subject to the assessments by SURS, under the state earnings-increase limit rule.

Related Institutional Procedures:

02.04.14.00 Earnings Limitation