**Section 1600.410 Twenty Percent Limitation on Final Rate of Earnings Increases**

a) Introduction. Public Act 90-65 added to Section 15-112 of the Code a limitation on increases in earnings for the period of time covered under the calculation of final rate of earnings. This Section is promulgated to provide guidance and interpretation to the staff of SURS in implementing Section 15-112. The 20% limitation on increases in earnings shall consider basic compensation only to the extent actually paid in exchange for services rendered.

b) All annual increases in earnings, as defined at Section 15-111 of the Code, by a participant during the period used in determining the final rate of earnings of 20% or less shall be deemed to be includable in the calculation of the final rate of earnings. No further inquiry shall be necessary by the staff of SURS.

c) Except as otherwise provided in subsection (d), in the event that there is an annual increase in earnings by a participant during the period used in determining the final rate of earnings of greater than 20%, any increase in excess of 20% shall be disregarded in calculating the final rate of earnings.

d) Regardless of subsection (c), the following shall not be subject to the 20% increase limitation:

1) a change in the percentage of time worked by the participant (except that time worked in excess of 100% per employer shall be subject to the limitation);

2) a change from a nine-month position to a 12-month position;

3) overloads or extensions, so long as the overload for which payment is received took place during the period used for calculating the final rate of earnings; and

4) supplemental contracts, so long as verifiable additional work is performed pursuant to the supplemental contract, such as the teaching of a course additional to the customary load, or performance of duties additional to, and not in replacement of, the participant's regular duties.

(Source: Amended at 32 Ill. Reg. 16515, effective September 25, 2008)