

REMINDER

A monthly guide about IMRF topics of interest.

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The definition of IMRF earnings

Generally, an employee's wages are reported to IMRF when *paid*, not earned. For IMRF earnings purposes, compensation falls under one basic rule:

Most forms of compensation paid — from the start of a member's employment through the first calendar month after the end of employment — are included as IMRF earnings.

Definition of earnings

Earnings do not include compensation in excess of \$265,000 in 2016 for IMRF members participating in **Regular Plan Tier 1** and **SLEP Tier 1**. However, this limit does not apply to members who began IMRF participation before 1996.

Meanwhile, earnings for members participating in **Regular Plan Tier 2** and **SLEP Tier 2**, do not include compensation in excess of \$111,571.63 in 2016. For SLEP Tier 2 members, overtime pay is not considered IMRF earnings.

Common considerations

A few forms of compensation often raise questions. Some common considerations include:

1. Compensation considered IMRF earnings, such as:
 - The value of personal use of employer-provider automobiles.
 - Workers' compensation benefits, only when supplemented by the employer.
 - Bonuses and awards.
2. Compensation **not** considered IMRF earnings include:
 - Workers' compensation benefits **not** supplemented by the employer.
 - Employer contributions to a Retirement Health Savings Plan.
3. If there is a resolution on file with IMRF, the following are considered IMRF earnings:
 - Certain Section 125 Cafeteria Plan contributions.
 - Taxable expense allowances, such as payments for uniforms and clothing.
 - Member contributions to a Retirement Health Savings Plan.

For more information

A comprehensive list of IMRF earnings may be reviewed in [Section 3.96 A, Earnings Definition](#), of IMRF's *Manual for Authorized Agents*. To further verify if a particular form of compensation is reportable to IMRF, contact a Member Services Representative using IMRF's *exclusive, employer-only phone number: 1-800-728-7971*.

