

REMINDER

A monthly guide about IMRF topics of interest.

Know the Requirements of Pension Impact Statements

ROUTE TO:

- Authorized Agent
- Asst. to AA
- Personnel/HR
- Data Processing
- Payroll Dept.
- Accounting/Finance
- Other

Before an IMRF employer can increase the earnings of an officer, executive, or manager by 12% or more, the employer must request a written “Pension Impact Statement” from IMRF, according to Public Act 97-0609 (40 ILCS 5/7-225). The Pension Impact Statement will provide employers:

- The effect the earnings increase could have on the member’s pension.
- The estimated additional payment (also known as the Accelerated Payment or AP) the employer will be required to pay either: 1) in full within 90 days of receipt of an AP invoice (after the member retires), with no interest, or 2) within three years of the invoice date, at 7.5% interest.
- The estimated total additional pension liability to employer.

To request a Pension Impact Statement, visit IMRF’s website to download [IMRF Form 3.22 \(Request for Pension Impact Statement\)](#). Complete the form and submit; IMRF will issue an invoice for the required \$25 cost to the employer.

Once the employer receives the Pension Impact Statement from IMRF, *the individual approving the salary increase* must sign and return the statement to IMRF.

Exempted earnings increases

Certain earnings increases greater than 12% are exempted from the Pension Impact Statement. Exemptions include:

- Increases for members who are more than 10 years from retirement eligibility.
- Increases resulting from standard employment promotions resulting in increased responsibility and workload.
- Increases resulting from an increase in the number of hours required to be worked.

To learn more ...

For more information on Pension Impact Statements and Public Act 97-0609 (40 ILCS 5/7-225), please refer to [General Memorandum 620](#) archived on IMRF’s website, www.imrf.org. For questions, contact IMRF using the exclusive *Employer-only* phone, 1-800-728-7971.

Employer Access, current forms, booklets, legislative information and more is available at www.imrf.org.

Mailing address: 2211 York Road, Suite 500, Oak Brook, IL 60523-2337

Member-only Phone: 1-800-ASK-IMRF (275-4673) Monday - Friday, 7:30 AM-5:30 PM (CST)

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