

REMINDER

A monthly guide about IMRF topics of interest.

Know the requirements of Pension Impact Statements

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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 with:

- 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, payable through EFT (Electronic Funds Transfer).

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

Exemptions from the Pension Impact Statement

Certain IMRF earnings increases *greater* than 12% are exempt from the Pension Impact Statement.

Exemptions include increases:

- For members who are more than 10 years from retirement eligibility.
- Resulting from standard employment promotions leading to increased responsibility and workload.
- 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](#) and the [Pension Spiking and The Accelerated Payment Webinar Resources](#), which includes content on Pension Impact Statements. Both are archived on IMRF’s website, www.imrf.org. For further 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 Number: 1-800-ASK-IMRF (275-4673)

Employer-only Phone Number: 1-800-728-7971 *Monday - Friday, 7:30 AM—5:30 PM (CST)*