

# FUNDAMENTALS

IMRF

ACTIVE MEMBER OVER 40 EDITION

SPRING / SUMMER 2023

## Annual Member Statements are Available for Your Review in Member Access

Your Member Statement is available online in Member Access. Please take a few moments to make sure your Member Statement is accurate. If there are any problems, it will be much easier to resolve them now than when you are ready to retire! Please be sure to review all pages of your statement, including your beneficiary information.



### What Information is in Your Statement?

Your annual Member Statement provides detailed information about the benefits available to you as an active IMRF member—retirement, disability, and survivor benefits. It includes your IMRF account activity for 2022 as well as an overview of past service, contributions, and employers.

Your Member Statement also includes your Member Identification Number. To protect your information, please use this number in place of your Social Security Number when contacting IMRF or completing paperwork.

To view your Member Statement in Member Access, login and click on **Member Statements** under **Quick Links** in the right column. ■

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*Member Statements are available online only. A Member Access account is required for viewing online Member Statements. If you do not have a Member Access account, go to [www.imrf.org/register](http://www.imrf.org/register).*

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# IMRF's Funded Status Remains Strong Despite Portfolio Decrease in FY 2022

As expected, based on market conditions, IMRF's investment portfolio is down at the end of fiscal year 2022. However, IMRF maintains its superior funded status, which is the key indicator of financial health for a public pension.

## Financial Update

At the close of the fiscal year, on December 31, 2022, IMRF's:

- portfolio was down about 12.8%, which translates to about \$7.6 billion.
- assets were about \$47.9 billion.
- actuarial funded status was about 98.0%.



Total Assets as of 12/31/2022

*These figures are preliminary estimates and are unaudited. IMRF will share final figures in its Fiscal Year 2022 Annual Comprehensive Financial Report.*

## Impact on IMRF Members

Although 2022 was a down year from an investment perspective, IMRF members, please be assured that investment return fluctuations do not impact your benefits. This means:

- **Member contribution rates stay the same regardless of investment losses or gains.**
- **Your future monthly pension payment amount is not impacted by market changes.**
- **Your VAC account will continue to earn a steady interest rate.**

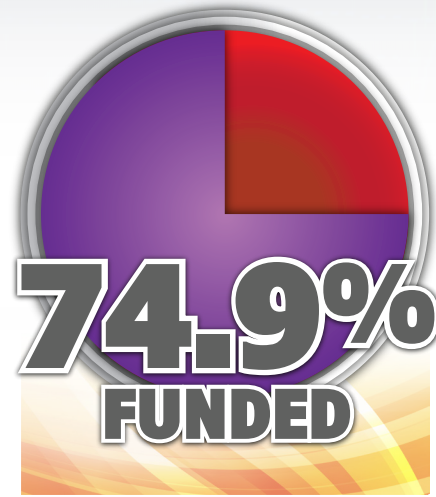
IMRF Voluntary Additional Contributions (VAC) earn interest that is credited to your account at the end of the year, based on the balance of the account at the beginning of the year. Currently, VAC accounts earn 7.25% interest per year. Even in down markets, your VAC account will continue to earn a steady interest rate. Although the annual interest rate is subject to change, VAC totals are not impacted by market changes in the way that 403(b) or 401(k) accounts are, making VAC a low-risk retirement savings option, which is particularly attractive in a volatile market.

# IMRF Maintains Superior Funded Status



IMRF's Actuarial Funded Status

VS



Typical U.S. Pension

*National Association of State Retirement Administrators*

Funded status is a key barometer of a pension plan's fiscal health. The typical U.S. pension plan is about 74.9% funded, according to the National Association of State Retirement Administrators. IMRF's 98.0% funded status means it has on hand today nearly all the money needed to pay the entirety of its pension obligations to all current retirees as well as all active workers.

To read more and watch a financial update video from IMRF Executive Director Brian Collins, go to [www.imrf.org/2023-update](http://www.imrf.org/2023-update). ■



*As an IMRF member, you can feel secure knowing that IMRF will deliver on all pension promises.*

## Market Outlook for 2023

Looking ahead to 2023, we expect continued market volatility due to high interest rates, persistent inflation, and economic fallout from the war in Ukraine.

The good news is that IMRF doesn't invest the way an individual does, with a target date in mind. We are long-term investors, with a long-term investment time horizon, which means we can weather market downturns.

"By sticking to our proven strategies, the fund will maintain its superior funded status," Collins said. ■

## IMRF Board of Trustees Elected 2023 Officers

IMRF's Board of Trustees elected their 2023 Board Officers.

Executive Trustee Tom Kuehne has served on the Board since 2013. He is the Finance Director/Treasurer for the Village of Arlington Heights.

Employee Trustee Peter Stefan has served on the Board since 2021 and is Finance Director/Treasurer for the Village of Lake in the Hills.

Annuitant Trustee Louis Kosiba has served on the Board since 2021. He is the retired Executive Director for IMRF. ■



## You Can Convert Eligible Unused, Unpaid Sick Days Into IMRF Service Credit

Number of Unused, Unpaid Sick Days	Additional Months of Service Credit
1-20	1
21-40	2
41-60	3
61-80	4
81-100	5
101-120	6
121-140	7
141-160	8
161-180	9
181-200	10
201-220	11
221-240	12

*The maximum amount of sick days you can convert to service credit is 240*

IMRF members are able to convert unused/unpaid sick time they have with their employer at the time they retire. These days can add service credit, which may increase your monthly pension payments.

Service credit is your total time under IMRF, stated in years and months, and it is used along with your Final Rate of Earnings (FRE) to determine the amount of your pension. The more service credit you have, the larger your pension amount will be.

*IMRF does not "pay out" on unused, unpaid sick days from your IMRF employer—they are converted to service credit.*

For more information on unused, unpaid sick days, go to [www.imrf.org](http://www.imrf.org) and hover over the **Members** tab in the gold bar towards the top of the page. In the drop down menu, choose your plan and click on it. Another drop down will appear below. In the column on the right, click **Unused, Unpaid Sick Days**. ■



2023-2025

# STRATEGIC PLAN



## Why Does IMRF's 2023-2025 Strategic Plan Matter to IMRF Members?

IMRF’s Strategic Plan is an actionable way to reach our goals. The strategic plan provides specific targets we can aspire to over the next three years and a process for continuous evaluation and course correction when needed.

The four areas of focus in the plan are: Financial Health, Customer Engagement, Workforce Engagement, and Operational Excellence. Each of the four key result areas impacts and helps bolster the other 3 key result areas, and all of them together benefit our members in multiple ways.

Workforce engagement strategies empower and educate IMRF staff enabling them to be more effective in carrying out the customer engagement and operational excellence strategies to best meet the needs of our members. Workforce engagement strategies also enable IMRF to attract and retain highly skilled, successful investment services and financial services staff members to execute the strategies that ensure the financial health of the organization, which in turn guarantees the secure future retirement of our members.

IMRF first implemented its formal strategic planning process in 2005. Strategic planning is ongoing, with a formal 12-step process that results in a re-examined and adjusted version of the strategic plan being released every 3 years.

For more information about IMRF’s 2023-2025 Strategic Plan, visit [www.imrf.org/2023-2025-strategic-plan](http://www.imrf.org/2023-2025-strategic-plan). ■



# PRE-RETIREMENT WORKSHOP WEBINARS

*Watch Anytime!*

## **Who Should Attend?**

- Vested members who want to learn about benefits.
- Members within five years of retirement.
- Spouses, partners, or others who assist with your retirement planning.

## **Workshop Topics Include:**

- How and when to file for retirement.
- How earnings and service affect your retirement benefit calculations.
- How to purchase past service credit.

## **Now Available on the IMRF Website—Watch Whenever it's Convenient for You!**

The Pre-retirement Workshop webinar is now available online, on-demand on the IMRF website. You can view this recently pre-recorded webinar at any time, when it is convenient for you. To watch the pre-recorded webinar, go to: [www.imrf.org/2022-Pre-Retirement](http://www.imrf.org/2022-Pre-Retirement). ■

## **New Members—Welcome to IMRF!**

Your IMRF membership is a major financial asset, so it is important to understand your account.

### **Your IMRF benefits include:**

- **Retirement benefits**  
With enough time and service credit, you can become eligible for an IMRF pension. You never outlive your IMRF pension—it is payable for life.
- **Disability benefits**  
Your IMRF benefits include disability protection. If you become disabled, IMRF provides two types of disability benefits: temporary, and total and permanent.
- **Death benefits**  
IMRF provides certain benefits to your beneficiaries if you pass away.



Also, as an IMRF member you are eligible for a unique and highly effective retirement savings program available to IMRF members only, called the **Voluntary Additional Contributions (VAC)** program. To learn more about your benefits and to get started on some important first steps, go to [www.imrf.org/new-member](http://www.imrf.org/new-member). ■

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# You Value Accuracy, Precision, Honesty, and Reliability, and IMRF Delivers!

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Some years back, IMRF surveyed our members and retirees to find out what you wanted and valued most from IMRF. The results showed that accuracy, precision, honesty, and reliability were at the top of your list.

IMRF values what our members and retirees value. Therefore, accuracy, precision, honesty, and reliability are priorities of our organization and are top-of-mind in everything we do.

IMRF's diligence in these areas has earned us top honors in financial reporting for the third year in a row. IMRF recently received the Government Finance Officers Association (GFOA) Triple Crown Award for its Annual Comprehensive Financial Report, Popular Annual Financial Report, and Budget. Visit [www.imrf.org/financial-reports](http://www.imrf.org/financial-reports) to view these documents. ■



*IMRF has never missed a pension payment,  
and we never will!*

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## Applying for Your IMRF Pension

The fastest way to apply for your pension is online, one month before you want to retire. If you are applying in April or May of 2023, follow these steps to apply online:

- 1** Sign in to your Member Access account.
- 2** Select the **My Account** tab at the top of the page.
- 3** Select **Secure Online Forms** in the right column of the drop down menu.
- 4** Select **Apply for an IMRF Pension**.

To apply online starting in June or after, visit [www.imrf.org](http://www.imrf.org) for instructions. You can also complete a paper copy of the **Application for IMRF Pension**, form 5.20, and mail or fax it to IMRF one month before you want to retire. Paper forms can be downloaded from [www.imrf.org/forms](http://www.imrf.org/forms). ■



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RETIREMENT FUND

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*Locally funded, financially sound.*

### IMRF 2023 Board of Trustees

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## FUNDAMENTALS

is published for IMRF members.

Maureen O’Brochta, Editor/Design, [mobrochta@imrf.org](mailto:mobrochta@imrf.org)  
Nick Kurz, Graphic Designer, [nkurz@imrf.org](mailto:nkurz@imrf.org)  
1-800-ASK-IMRF (275-4673) • [www.imrf.org](http://www.imrf.org)



## IMRF is hiring!

IMRF offers comprehensive benefits, professional development, and so much more! To view IMRF’s job board, go to [www.imrf.org](http://www.imrf.org), hover over the **About** **IMRF** tab, click **Employment at IMRF**, and then click **Career Opportunities**.