

FUNDAMENTALS

IMRF

RETIRED MEMBER EDITION

SPRING / SUMMER 2020

IMRF Service Delivery and COVID-19

At press time in mid-May, IMRF staff have been working from home for the past several weeks due to the COVID-19 coronavirus, which has substantially changed the day-to-day lives of all IMRF stakeholders. As an IMRF retiree, we want you to know that the organization has reacted swiftly and proactively to the pandemic.

PLEASE BE ASSURED:

1. IMRF has continued and will continue to deliver its critical business processes and services.

Although some services are being delivered differently, we will continue to deliver all critical services. At press time, IMRF's top business priorities include delivering promised benefit payments; processing new benefits applications, with a focus on processing disability and death benefit applications first; and managing new contributions from members and employers, as well as existing investments entrusted to the pension fund. Non-critical services, such as in-person educational workshops, have been suspended. We are in the process of developing online interactive Retiree Workshops, which will be available in August and September.

2. IMRF has sufficient resources to meet all benefit payment requirements.

A number of stakeholders have expressed concern about the state of the global economy and its impact on the IMRF investment portfolio. IMRF's investment portfolio has not been immune to the negative impact COVID-19 has had on the global economy. However, *IMRF is a long-term investor with a portfolio of more than \$44 billion at the start of 2020. We have planned for downturns in the market, and IMRF has sufficient resources to meet all benefit payment requirements.* In the first quarter of 2020, IMRF's investment portfolio was down 14.0% due to the pandemic, but we have already experienced a bit of a bounce back at the start of the second quarter. IMRF has confidence that in the long-term, the global economy will recover.

3. Online Member Access—including sending a Secure Message in Member Access—is the best way to do business with IMRF at this time.

For the health and safety of our staff, we are continuing to follow social distancing recommendations as part of our return to work plan, which means fewer staff will be in the call center at one time. Therefore, phone wait times may be longer than usual. The fastest way to do business or communicate with IMRF is through your online Member Access account. You can use Member Access to do almost anything you would need to, including:

- Sending IMRF an email (secure message)
- Sending IMRF documents
- Updating your address
- Changing your beneficiaries

If you do not have a Member Access account, you can create one online. You will need a Registration Key to do so. The Registration Key is 16 characters and can be found toward the end of the annual Statement of Benefits that IMRF mailed to you in November. You can also request a new Registration Key at www.imrf.org/register.

Thank you for your flexibility during this challenging time. ■

NEW! EMAIL NEWSLETTERS *See page 8*



Financial Update

IMRF had strong investment returns in 2019. Here are some of the financial highlights.



- Made 19.57% in investment returns in 2019, after portfolio management fees.
- Has about \$44.8 billion in assets.
- Is about 91% funded on an actuarial basis.

Changes in the market in the first quarter of 2020, due to the COVID-19 pandemic, caused IMRF’s investment portfolio to fall 14.0%. However, markets improved during April, when the IMRF portfolio grew 8.3% to \$41.7 billion.

“The market is still very volatile, so only time will tell what will happen,” said Brian Collins, IMRF Executive Director. “Relatively speaking, we are riding the storm fairly well.”

As a long-term investor, IMRF has planned for downturns in the market and has sufficient resources to meet all benefit payment requirements. IMRF has confidence that in the long-term, the global economy will recover.

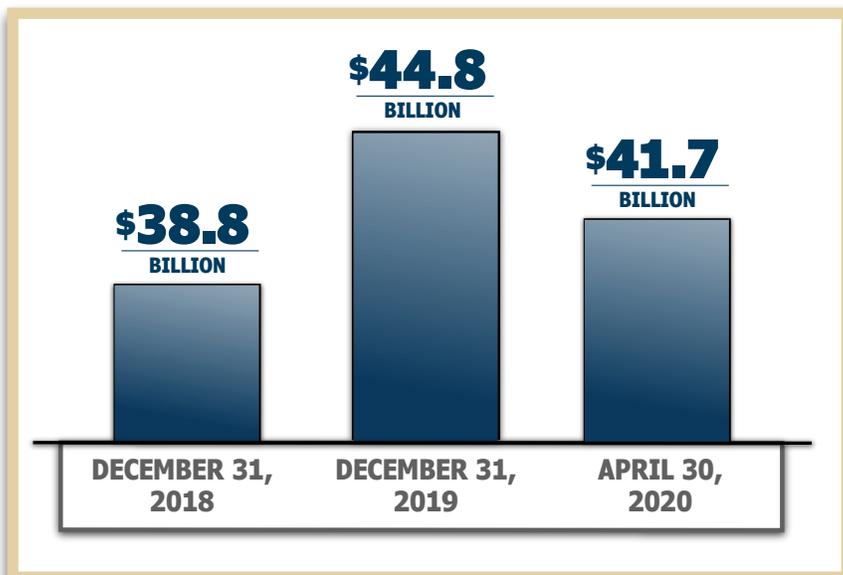
To read more and watch the video of IMRF Executive Director Brian Collins discussing the 2019 Investment Returns & Funded Status, go to www.imrf.org/2019update. You can also view IMRF’s 2019 Popular Annual Financial Report (PAFR) at www.imrf.org/pafr. ■

2019



IMRF is far and away the best funded statewide public pension in Illinois. This funding level ranks among the best in the nation.

IMRF INVESTMENT ASSETS



IMRF’s financial position remains strong. With a funded status well above 80% for the past 10 years, IMRF will continue to provide secure and stable pensions for thousands of public employees in Illinois long into the future.

Board of Trustees

Retirees Will Elect an Annuitant Trustee this Fall

This fall, IMRF retirees will elect an Annuitant Trustee to the IMRF Board of Trustees. The Trustee will serve a five-year term that will run January 1, 2021, through December 31, 2025.

According to Illinois law, the election will be held if two or more candidates are nominated for the position. If only one candidate is nominated, that candidate will be confirmed as Annuitant Trustee at the December 2020 Board meeting.

If the Annuitant Trustee election is held, ballots will be included with the Fall/Winter issue of *Fundamentals*. This packet will include instructions and the date when ballots must be returned to IMRF in order to be counted.

An eight-member Board of Trustees governs IMRF. It consists of four Executive Trustees, three Employee Trustees, and one Annuitant Trustee. This year's election will also fill two Employee Trustee vacancies and one Executive Trustee vacancy.

What Does it Take to be an Annuitant Trustee?

Serving on the IMRF Board of Trustees is first and foremost about trust. Trustees are fiduciaries responsible for the governance and oversight of IMRF. They are obligated to act solely for the benefit of IMRF retirees and beneficiaries.

IMRF retirees who wish to run for Annuitant Trustee must:

- Be receiving an IMRF pension on January 1, 2021. (This means if you plan to retire by December 31, 2020, you are eligible to run for this office);
- Gather at least 100 signatures of eligible IMRF retirees; and
- Have the required signatures submitted between August 1, 2020 and September 15, 2020.

Nominating petitions, procedures, and additional information on running for Annuitant Trustee will become available for download at www.imrf.org beginning June 30, 2020.

Trustees Elect 2020 Board Officers

At IMRF's Board of Trustees meeting held December 20, 2019, the Board certified the result of the 2019 Board Election, appointed an Annuitant Trustee, and elected 2020 Board Officers.

William Stafford Appointed Annuitant Trustee

The IMRF Board of Trustees appointed William Stafford as Annuitant Trustee, filling the vacancy created by the passing of Sharon U. Thompson. Stafford is a former IMRF Executive Trustee (2009-2015). Stafford's appointment runs through December 31, 2020, which is the end of Thompson's original term.

Natalie Copper Re-elected Employee Trustee

Natalie Copper, a School-Age Child Care Site Coordinator at Evanston School District 65, ran unopposed and was re-elected to the Board as Employee Trustee. Her new term will run from January 1, 2020 through December 31, 2024. Copper has served on the Board since 2010.

2020 Board Officers

The Board of Trustees elected its 2020 Board Officers (*see below*).

Executive Trustee David Miller has served on the Board since 2015. He is currently Executive Director of the North Shore Water Reclamation District. Employee Trustee Trudy Williams has served on the Board since 2016 and is Administrative Assistant for the Fulton County State's Attorney's Office.

2020 Board Officers



David Miller
President



Natalie Copper
Vice President



Trudy Williams
Secretary



Gwen Henry



Alex Wallace, Jr.



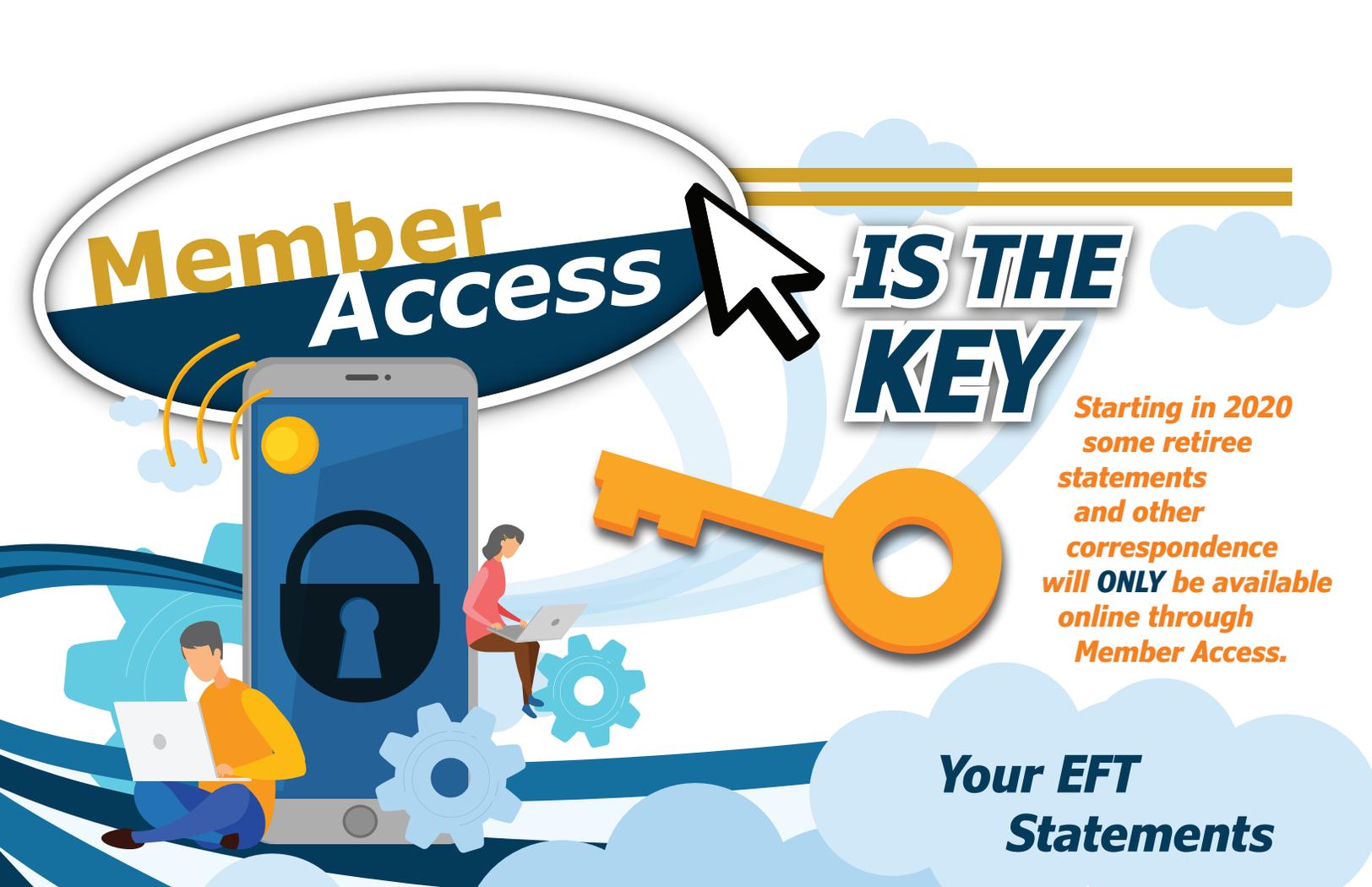
Tom Kuehne



Sue Stanish



William Stafford



Member Access

IS THE KEY

Starting in 2020 some retiree statements and other correspondence will **ONLY** be available online through Member Access.

Your Benefit Statements

Every November you will receive an IMRF Benefit Statement for the next year. You can view or download your Benefit Statement from Member Access quickly and easily! No more waiting for the statement to arrive in the mail. **Starting in 2020, Benefit Statements will be available online only.** To view your Benefit Statement, log into your Member Access account and click on **Benefit Statements** under **Quick Links**, on the right side of the screen.

Your 13th Payment Statements

One week after your regular July pension payment, you will receive a supplemental payment referred to as your 13th Payment. Your 13th Payment will be directly deposited into your checking or savings account. Your 13th Payment Statement will be available for viewing in Member Access. **This is the last year 13th payment statements will be mailed.**

Your EFT Statements

Electronic Funds Transfer (EFT) Statements are issued three times a year – January 1, December 31 and the 13th payment. They are available for viewing or downloading by clicking **EFT and Tax Statements** in the **Quick Links** section of your Member Access account. To view your EFT Statements and payment history, log into your Member Access account. **Starting September of 2020, EFT Statements will no longer be mailed.**

If you need to create a Member Access account, go to...
www.imrf.org/register

Member Access

You Benefit from a Baldrige Award-Winning Pension System

We are pleased to announce that IMRF is a recipient of the Malcolm Baldrige National Quality Award. A Presidential-level honor, the award recognizes exemplary U.S. organizations and businesses that demonstrate an unceasing drive for radical innovation, thoughtful leadership, and administrative improvement.

First Public Pension Fund in the Nation to Win

IMRF is the first public pension fund in the nation to receive our country's highest presidential honor for performance excellence. Not only are we in rare company among the best of the best in the nation, but this award shows that we are leading the way for excellence in the public pension industry. Of the more than 7.6 million U.S. businesses, less than 1% have received this distinction, with only 115 total winners over the last three decades.

How This Award Benefits You

Over the last 10 years, IMRF has analyzed, evaluated, and improved the organization in many ways, using the Baldrige Criteria for Performance Excellence as a guide. Some of these improvements include expanding our customer feedback and surveying program, benchmarking our performance against peers from both the public and private sectors, and redesigning the organization's strategic-planning process and leadership system. These improvements ultimately benefit our members and employers. This continual striving has led to unsurpassed accuracy and efficiency within our organization as well as consistently high-quality, cost-effective customer service.

To learn more about the award and to see a video of Executive Director Brian Collins explaining the significance of this award, please visit www.imrf.org/baldrige. ■



2019 AWARD RECIPIENT
MALCOLM BALDRIGE
NATIONAL QUALITY AWARD

“Using the Baldrige Criteria for Performance Excellence has helped us greatly improve the way we serve our members and employers.”

— *Brian Collins,*
IMRF Executive Director



2020-2022

STRATEGIC PLAN



IMRF’s Strategic Plan guides the organization in reaching its vision and fulfilling its mission.

IMRF’s Vision

To provide the highest quality retirement services to our members, their beneficiaries and employers.

IMRF’s Mission

To efficiently and impartially develop, implement, and administer programs that provide income protection to members and their beneficiaries on behalf of participating employers in a prudent manner.

New to the 2020-2022 Strategic Plan, we added the goal to become a more web-centric organization. The benefits of this are three-fold. Moving toward a web-centric customer service model will:

- Provide higher quality and more timely service to members.
- Save money on printing and mailing costs, increasing available money in the pension fund.
- Use less paper, making us better stewards of our environment.

To achieve this web-centric goal, we have already begun transitioning from print newsletters to email newsletters. We will also no longer print and mail Member Statements, Annuitant Statements, or EFT Statements after September 2020. These will all be available online in your secure Member Access account.

Our Strategic Objectives force us to think strategically about how we can achieve and/or maintain excellence in each of the key areas of value to our stakeholders. They provide a target we can aspire to over the three years of this Strategic Plan. As a Baldrige Award recipient organization, we have set our overarching strategic objectives to achieve a top 10% ranking in each Key Result Area. We believe this high level of performance is how we should benchmark ourselves. This is consistent with our Values, and provides a means to assess progress toward realization of our Vision.

To read more about the 2020-2022 Strategic Plan, please go to www.imrf.org/strategicplan.

Retiree Workshops Online for 2020!

For the health and safety of all involved, we will be offering the 2020 Retiree Workshops online. They will be interactive webinars for IMRF retirees only, and you will have the opportunity to ask questions. The Retiree Workshops are free to IMRF retirees!



2020 Lifestyle Workshop Series -

Discover Brain Health

Sessions from 10:00 am - 11:30 am (Central Time)

Join in to learn more about memory, strategies to lessen everyday forgetfulness, and how you can keep your brain healthy and strong throughout your life. Each session stands alone so you can choose to attend any or all of the offerings. We look forward to seeing you there!



Hold That Thought

This workshop will look at the memory process and what researchers say contributes to brain health, as well as strategies for helping with everyday forgetfulness.



Fit Wits

This session focuses on learning about how the brain works and lifestyle factors that may increase the chance of cognitive decline.



Understanding Alzheimer's Disease

This session will help you learn more about Alzheimer's disease and areas affected by the disease process.



Head Strong

By attending this session, you will learn more about what you can do to keep your brain healthy and engaged.



Communication Challenges and Strategies for Interacting with People with Dementia

Come and learn about common communication problems caused by Alzheimer's disease and other dementias and strategies for better interactions and visits.

- Facilitated by the educators of the University of Illinois Extension Office
- About 90 minutes, depending on participation
- Registration is required
- Free of charge!
- To register: <http://go.illinois.edu/imrf>

All Online Workshops are...

FREE

for IMRF Retirees

2020 Financial Literacy Workshops - Recognizing and Preventing Financial Fraud

Learn how to protect yourself against fraud. Hear about some of the recent major fraud cases being reported by the Federal Trade Commission (FTC) and the Consumer Financial Protection Bureau (CFPB), and learn steps to avoid becoming a victim of fraud. Discover effective ways to protect your private information.

September

SEPT 10 Thursday, 10:00 am - 11:00 am

SEPT 15 Tuesday, 2:00 pm - 3:00 pm

SEPT 18 Friday, 10:00 am - 11:00 am

SEPT 23 Wednesday, 2:00 pm - 3:00 pm

This workshop is:

- Facilitated by financial educator Karen Chan
- About 60 minutes long, depending on participation
- Registration is required
- Free of charge!

Look for details and register at www.imrf.org/retiree-workshops. We look forward to seeing you there! ■





IMRF

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

PRESORTED STANDARD
U.S. POSTAGE PAID
ILL MUNICIPAL
RETIREMENT FUND

Locally funded, financially sound.

IMRF 2020 Board of Trustees

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Executive Trustee
North Shore Water
Reclamation District

Natalie Copper
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Oswego Community Unit
School District 308

FUNDAMENTALS

is published for IMRF retirees.

Maureen O'Brochta, Editor, mobrochta@imrf.org
Nick Kurz, Graphic Designer, nkurz@imrf.org

New! Email Newsletters

In 2020, we will send two issues of the *Fundamentals* newsletter by mail, and we will also send a few shorter issues by email. This will allow for more timely news and announcements, quick reference links to online tools, and additional opportunities to provide helpful information and instructions.



The next print newsletter for retirees will be sent in November.

Email newsletters for retirees were sent in January and February 2020. Additional email newsletters will be sent in June, August, and September. If you did not receive the first two email newsletters, please go to www.imrf.org, sign up for a Member Access account, and provide your email address. ■