

FUNDAMENTALS

IMRF

ACTIVE MEMBER UNDER 40 EDITION

SPRING / SUMMER 2020

IMRF Service Delivery and COVID-19

At press time in June, IMRF staff have been working from home for the past few months due to the COVID-19 coronavirus, which has substantially changed the day-to-day lives of all IMRF stakeholders. As an IMRF member, 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.

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. However, markets improved during April, when the IMRF portfolio grew 8.3% to \$41.7 billion. 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:

- Communicating with IMRF by Secure Message
- Uploading documents to IMRF
- 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 February or March. 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 4



2020 Employee Trustee Election

This fall, active IMRF members will elect two Employee Trustees to the IMRF Board of Trustees. The Trustees 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 more than two candidates are nominated for the two positions. If only two candidates are nominated, those candidates will be confirmed as Employee Trustees at the December 2020 Board meeting.

If the Employee Trustee election is held, ballot packets with instructions will be included with the Fall/Winter issue of *Fundamentals*. Ballots must be returned to IMRF by December 4, 2020 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 one Annuitant Trustee vacancy and one Executive Trustee vacancy.

What Does it Take to be an Employee 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 members and beneficiaries.

Active members who wish to run for Employee Trustee must:

- Be vested in IMRF as of December 31, 2020;
- Gather at least 350 signatures of those who participated in IMRF during July 2020; and
- Have the required signatures submitted between August 1, 2020, and September 15, 2020.

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

Board Update

At IMRF’s Board of Trustees meeting held December 20, 2019, the result of the 2019 Board Election was certified, and a new Annuitant Trustee was appointed. Board Officers for 2020 were also elected.

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.



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.



2020 Board Officers

President - David Miller

Vice President - Natalie Copper

Secretary - Trudy Williams

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. ■

2020-2022 Strategic Plan

IMRF’s Strategic Plan guides the organization in reaching its vision:
To provide the highest quality retirement services to our members, their beneficiaries, and employers.

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



Why Reviewing Your Member Statement is Important

Member Statements are available online in Member Access and were also mailed to members' homes in February or March.

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 the front and back pages of your statement, along with 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 2019 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 calling or completing paperwork for IMRF.

Please note: Starting in 2021, Member Statements will be available online only and will no longer be mailed. A Member Access account will be required for viewing online Member Statements.

The Member Statement mailed to you in February/March contains a registration key you can use to create an online Member Access account, if you do not already have one. To view your Member Statement, login to Member Access and click on Member Statements under Quick Links, in the column on the right side of the page. ■

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.

Financial Update

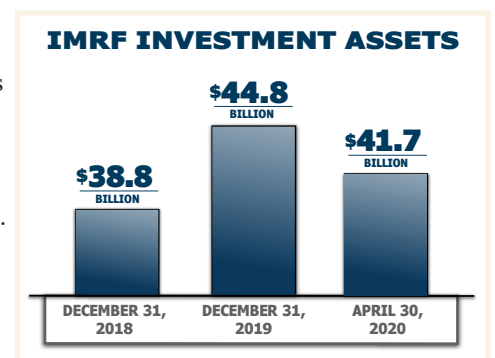
IMRF had strong investment returns in 2019. Here are some of the financial highlights. IMRF:

- **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 and 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. ■

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. ■



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IMRF 2020 Board of Trustees

BOARD OFFICERS

David Miller
President
Executive Trustee
North Shore Water
Reclamation District

Natalie Copper
Vice President
Employee Trustee
Evanston School
District 65

Trudy Williams
Secretary
Employee Trustee
Fulton County State's
Attorney's Office

Gwen Henry
Executive Trustee
DuPage County

Tom Kuehne
Executive Trustee
Village of Arlington Heights

William Stafford
Annuitant Trustee
(Formerly) Evanston
Township High School
District 202

Sue Stanish
Executive Trustee
Naperville Park District

Alex Wallace, Jr.
Employee Trustee
Oswego Community Unit
School District 308

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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 members under 40 will be sent in November or December, depending on whether a Trustee Election is held.

Email newsletters for members under 40 were sent in January, February, and June 2020. Additional email newsletters will be sent in July and September. If you did not receive the first few email newsletters, please go to www.imrf.org, sign up for a Member Access account, and provide your email address. ■