



# Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook IL 60523-2337

Member Services Representatives 1-800-ASK-IMRF

www.imrf.org

## SPECIAL MEMORANDUM

**Number:** 319

**Date:** July 15, 2010

**To:** Authorized Agents of Counties

**Subject:** Public Act 96-0961, State Fiscal Year 2010 stipends for elected county officials

***Please share the following information  
with all elected officials who are eligible to receive stipends.***

---

### Executive Summary

If the State of Illinois does not fund the stipend for an elected office, the employer cannot report it. Thus, the stipend is not included in the salary used to calculate an IMRF pension.

Some elected officials, such as coroners, some supervisor of assessments and township assessors, treasurers, sheriffs, circuit clerks and auditors received a lesser amount or no stipend at all for fiscal year 2010.

Public Act 96-0961 allows elected county officials who were entitled to a state stipend between July 1, 2009, and June 30, 2010, but did not receive it (or did not receive all of it), to apply to IMRF to receive credit for the full rate of earnings normally associated with the stipend. This new law was effective July 2, 2010. Eligible members have six months after that date to apply.

If an Original ECO member plans to retire in 2010 or 2011, he or she may wish to consider opting out of ECO to freeze their final rate of earnings. An ECO member has until December 31, 2010, to terminate ECO and freeze his or her final earnings rate to include the FY 2010 stipend.

Purchasing the balance of a stipend and/or opting out of ECO is an important decision that can have financial implications for the member. Elected officials seeking more information should call 1-800-ASK-IMRF and ask to speak with a Representative who is trained in stipend and ECO issues. If one of these Representatives is not available, the elected official will be asked to leave his or her contact information in a separate voice mailbox.

---

Dear Authorized Agent:

If the State of Illinois does not fund the stipend for an elected office, the employer cannot report it. Thus, the stipend is not included in the salary used to calculate an IMRF pension.

If a member who participates in IMRF retires or terminates participation during a fiscal year (FY) in which the state did not fund any state stipend, the salary used to calculate the benefit does not include the stipend.

If the state funded the stipend at less than the full amount, the employer would report only the amount funded by the state. That reduced amount would be used to calculate any IMRF benefit.

#### **Legislation to allow purchase of the stipend**

County clerks/recorders have been paid the full stipend for FY 2010. However, other elected officials, such as coroners, some supervisor of assessments and township assessors, treasurers, sheriffs, circuit clerks and auditors received a lesser amount or no stipend at all for FY 2010.

Public Act 96-0961 allows elected county officials who were entitled to a state stipend between July 1, 2009, and June 30, 2010, but did not receive it (or did not receive all of it), to apply to IMRF to receive credit for the full rate of earnings normally associated with the stipend. This new law was effective July 2, 2010. Eligible members have six months after that date to apply.

The elected county official would be required to pay member contributions, employer normal cost (as determined by IMRF), plus interest and must apply within six months of the effective date of the bill.

Although purchasing the stipend will not increase the member's service credit, if the member is retiring soon, it would allow the stipend to be included in the member's final rate of earnings.

#### **Opting out of the original Elected County Official Plan**

(Elected county officials who joined ECO prior to January 26, 2000, participate in Original ECO. Original ECO pensions are calculated using the salary payable on the last day of ECO participation.)

Because of the uncertainty surrounding FY 2010 and FY 2011 stipends, if an ECO member plans to retire in 2010 or 2011, he or she may wish to consider opting out of ECO to freeze their final rate of earnings.

Like last year, IMRF is extending the deadline terminate ECO. An ECO member has until December 31, 2010, to terminate ECO and freeze his or her final earnings rate to include the FY 2010 stipend.

The ECO member would submit IMRF Form 6.28, "Revocation of Election to Participate in Elected County Official (ECO) Plan."

Please note: if an ECO member's decision to terminate ECO cannot be rescinded. **The elected official will not be eligible to elect to participate in the ECO plan at a future date, even if he or she participates in IMRF through a different employer.**

**Complex situations, contact IMRF for information**

We understand that purchasing the balance of a stipend and/or opting out of ECO is an important decision that can have financial implications for the member. For that reason, we have several Member Service Representatives who are trained in stipend and ECO issues.

Elected officials seeking more information should call 1-800-ASK-IMRF and ask to speak with a Representative who is trained in stipend and ECO issues.

If one of these Representatives is not available, the elected official will be asked to leave his or her contact information in a separate voice mailbox. We will return the official's call as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis W. Kosiba". The signature is fluid and cursive, with a large initial "L" and "K".

Louis W. Kosiba  
Executive Director