



PRE-RETIREMENT WORKSHOP WEBINAR





COVID-19 and IMRF

IMRF is secure, agile, and proactive.

- Fully adapted to operational challenges posed by COVID-19
- Providing all key services to members and employers
- Pivoting staff between in-person and remote work



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Supplement Pre-Retirement Information Page

www.imrf.org

Member Workshops Online for 2021!
 For the health and safety of all involved, we will continue offering our Pre-Retirement and Glass Half Full Workshops online. They will be interactive webinars for IMRF members. You will have the opportunity to ask questions. These workshops are free to all IMRF members.

Pre-Retirement Workshop Webinar
Plan Your Retirement
 Pre-Retirement Workshops are intended for members within five years of retirement. We will address the steps you must take before and during the IMRF retirement application process.

PRE-RETIREMENT WORKSHOP ADDITIONAL INFORMATION PAGE
 Click here.



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Topics of the Day

- Learn about your benefits
- Encourage you to review your records
- Understand how your benefits are calculated
- Review steps to get your pension
- Learn what you need to do before you retire
- Learn what to expect after you retire



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Many Resources Available Online



A great tool for employees!

- **Pension calculations**
- Wage & service information
- Personal Benefit Review registration
- Beneficiary changes
- **Retirement & disability applications**
- Address updates



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Understanding Your Pension



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Enrollment in IMRF

- Enrollment is based on number of hours expected to be worked during a 12 month period.
- Each employer has a specific hourly standard.

600
HOUR STANDARD

OR

1,000
HOUR STANDARD



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OR



*Member participation began
prior to January 1, 2011*

*Member participation began
on or after January 1, 2011*



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How is Your Pension Funded?

The IMRF Pension Dollar
Pensions are a shared responsibility.
Every dollar paid

- Regular plan members pay 4.5% of their paycheck.
- Contributions are tax-deferred.



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What is Your IMRF Pension Amount Based On?



**Final Rate
of Earnings (FRE)**



**Years & Months
of Service**



**Age at
Retirement**



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How Do IMRF Employees Earn Service Credit?

- Working for an IMRF employer
 - Full-time
 - Part-time
- Being on IMRF disability
- Seasonal position
- Unused/unpaid sick time converted to service credit
 - can not be used to vest
- Purchasing service credit

- Military Service
- Reinstatement
- Retroactive
- Omitted
- SLEP Conversion
- Benefit Protection Leave
- Out of State



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Unused/Unpaid Sick Time

- Based on your employer's sick time policy, upon termination

| | |
|----------------|-----------------|
| 1-20 | 1 month |
| 21-40 | 2 months |
| 41-60 | 3 months |
| 61-80 | 4 months |
| 81-100 | 5 months |
| 101-120 | 6 months |

| | |
|----------------|------------------|
| 121-140 | 7 months |
| 141-160 | 8 months |
| 161-180 | 9 months |
| 181-200 | 10 months |
| 201-220 | 11 months |
| 221-240 | 12 months |

Did You Know?

- Full days are applied
- Pension effective date needs to be within 60 days of the IMRF termination date
- Final employer only, unless retiring from certain educational employers



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Regular Plan Benefits

Eligibility

- 8 years service
- Age 60 (unreduced)

Reduction if under age 60 or less than 35 years of service

- 0.25% per month
- Reduction is permanent
- Smallest reduction is applied
- Age 55 (earliest age)



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Regular Plan Benefits

Eligibility

- 10 years service
- Age 67 (unreduced)

Reduction if under age 67 or less than 35 years of service

- 0.5% per month
- Reduction is permanent
- Smallest reduction is applied
- Age 62 (earliest age)



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Pension Calculation



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Final Rate of Earnings



Average of your highest consecutive
***48 months**



Average of your highest consecutive
***96 months**

*** Over the last 10 years of earnings*



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Service Determines How Much of Your FRE is Replaced



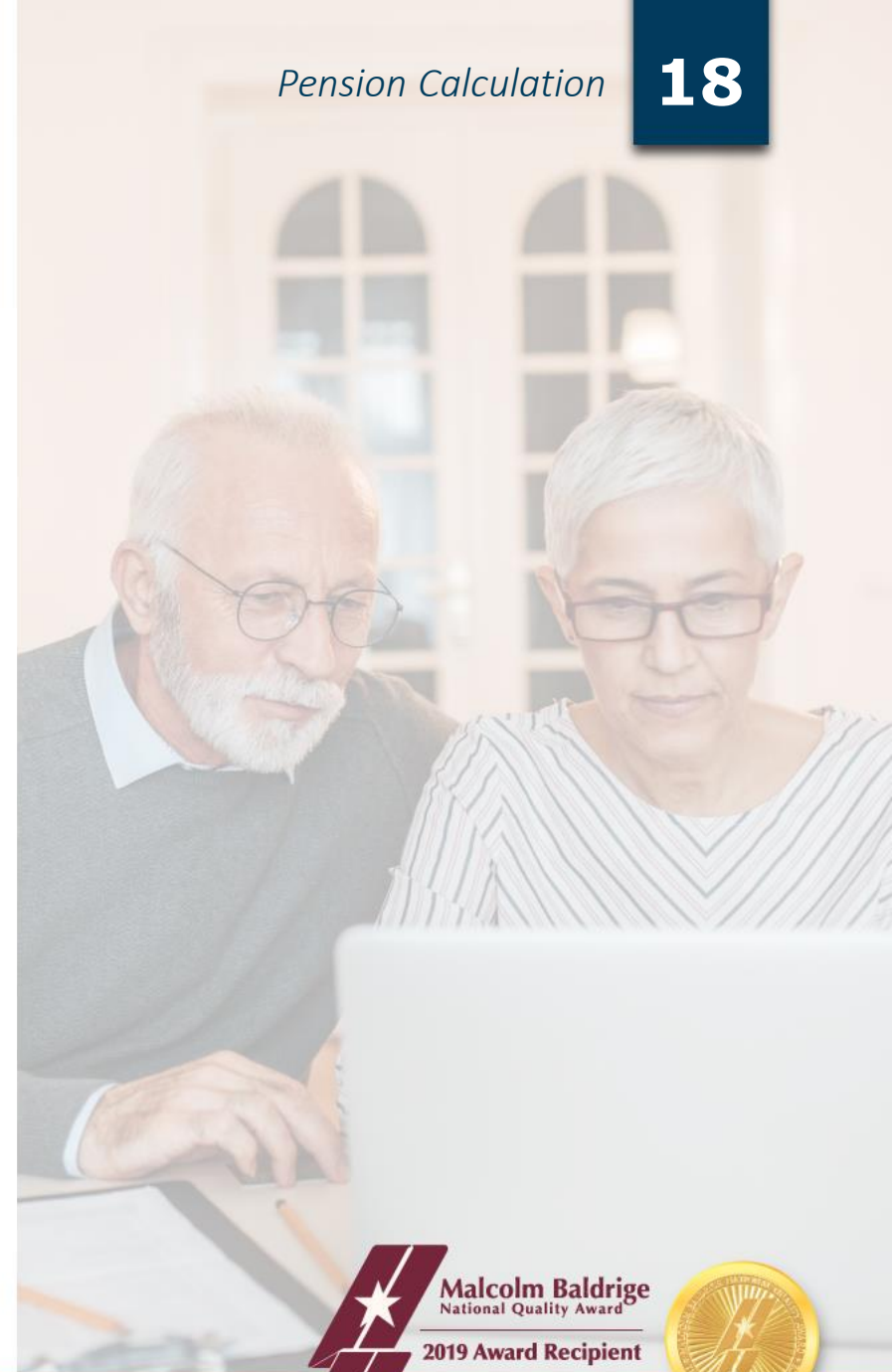
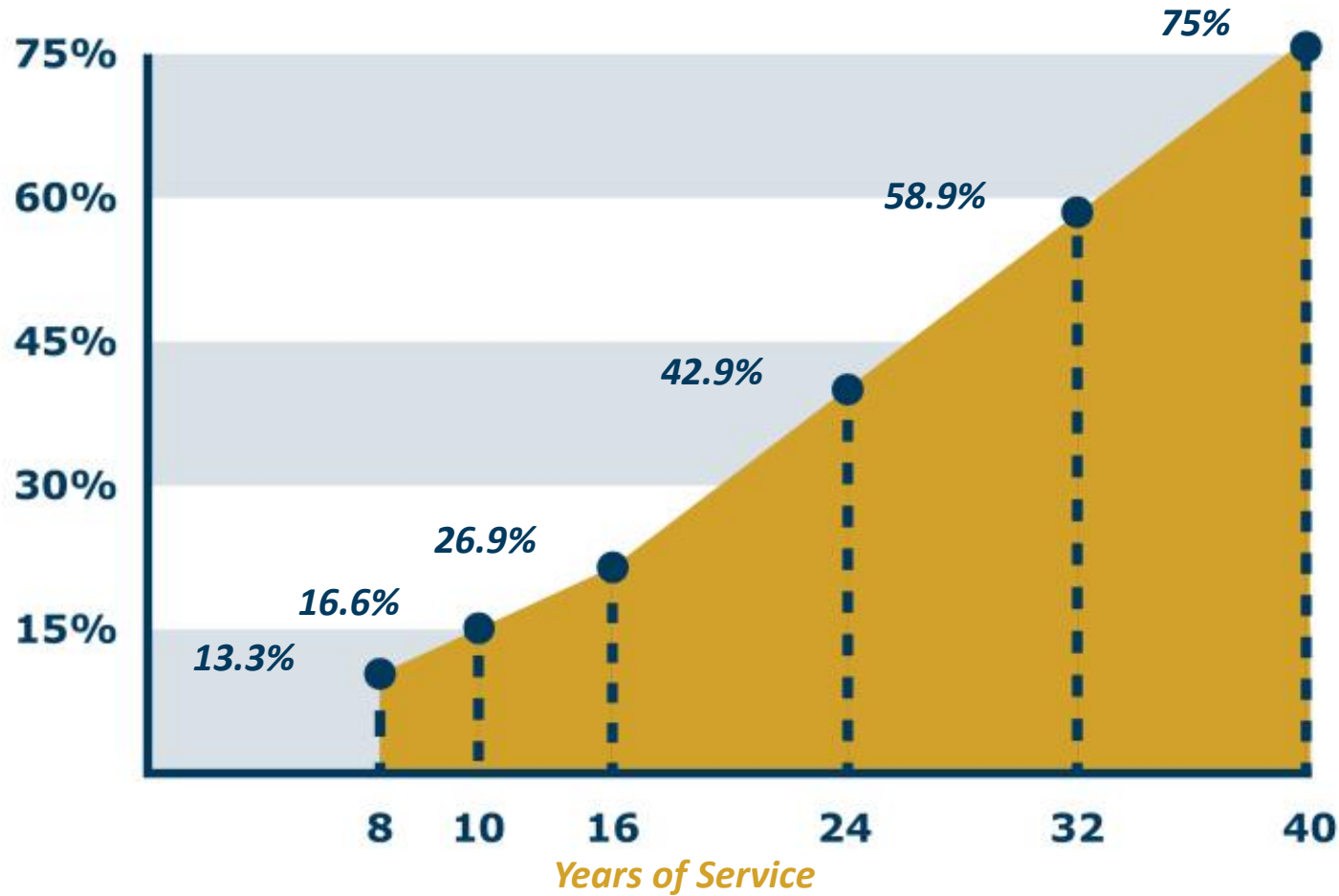
Each year and month of service is used in the calculation of your pension.



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Service and FRE % Comparison



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How Can You Get a Pension Estimate?



You can use the pension calculator.

Here's how to find it...

Text Size: A A | Home | Contact Us | Español Search: Search IMRF

Member Access Employer Access
 User Name: Username Password: Password SIGN IN
 Forgot Username Forgot Password Register

MY ACCOUNT MEMBERS RETIREES EMPLOYERS INVESTMENTS ABOUT IMRF FORMS AND PUBLICATIONS ARCHIVE

MEMBER ACCESS EMPLOYER ACCESS

- My IMRF
- Account
- Tools
- Profile

- Upload Document
- Secure Online Forms
- Change Direct Deposit Instructions
- Account Summary
- Payment History
- Voluntary Additional Contributions
- Apply for a Refund of Contributions
- Apply for an IMRF Pension
- IRS Withholding Calculator

- Home
- Wages and Contributions
- Payments
- Members

- Documents
- Web Account
- Contact Us

TOOLS TOOLS FOR MY ACCOUNT

These tools help you communicate with IMRF and make informed decisions about your benefits.

- Tools Summary
- Pension Calculator
- Refund Payment Calculator

- Find a Workshop
- Secure Message Center
- Upload Document
- Find an IMRF Employer



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Online Estimate – Member Access

The estimate you can print from the online calculator will look different than one we mail you, but it has the same information.

Pension Calculator

Pension Calculator

Scenario Results Projections Charts Help

Member Information

Birth Date: 08/12/1960 (59 YEARS)

Service Credit by Plan: REGULAR TIER 1: 17 YEARS 07 MONTHS

Total Service Credit: 17 YEARS 07 MONTHS

Current Vesting Status: YOU ARE VESTED FOR AN IMRF PENSION

Retirement Scenario

Age at Retirement: 59

Last Day of Work: (MM/DD/YYYY) 10/17/2019

Average Annual Wage Increase: (%) 0

Optional Service Enhancements

Unused, Unpaid Sick Days: (days) 0

Unused, Unpaid Sick Days Plan: REGULAR TIER 1

ERI Service Purchased: (months) N/A*

ERI Service Plan: N/A*

*Your employer does not have a current ERI Resolution on file.

Calc Reset



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Starting Your Retirement



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IMRF Retirement Checklist



RETIREMENT CHECKLIST

IMRF has identified critical junctures when you should take action to make sure that everything is in order when you retire. Resources that can help you as you make your way through these steps include www.imrf.org and IMRF Member Access. If you have additional questions, contact us at 1-800-ASK-IMRF (275-4673).

PRE-RETIREMENT BENCHMARKS



ANY AGE 2 YEARS PRIOR 1 YEAR PRIOR 3 MONTHS PRIOR 1 MONTH PRIOR BEGIN RECEIVING YOUR PENSION

VIEW THE CHECKLIST
Click here.



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Apply for Your Pension

■ Submit Pension Application

- 30 days in advance of your termination

■ Apply Online or Paper

■ Requires a Copy of Your:

- Birth certificate
- Marriage certificate or
- Divorce Decree



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Once You've Applied for the Pension - What's Next?

You will receive information about your upcoming retirement:

- It will be mailed about two weeks after your Pension Application is received.
- You will find answers to many common questions about your retirement process, along with information about topics like taxes and health insurance options after retirement.



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After You Retire

- Pension is *effective* on 1st of month following termination date
- 1st Payment is *typically issued* in the first half of the month following termination
- Thereafter – payment is deposited on 1st of the month
- An estimated pension is paid until IMRF receives final wages from employer



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November 16, 2018

Retirement Option Letter

MID: 912-0920

Dear Member:

We recently received your Application for Retirement Annuity. We have processed the application and you will begin receiving your IMRF pension under the Standard payment plan. Your benefit may increase if additional wages are reported.

Since you are under age 62, you are eligible to receive your pension under the Optional payment plan. Both the Standard pension and Optional pension are explained under "IMRF PENSION PAYMENT SELECTIONS" on the next page.

Please review the choices, sign and return the Selection form. You will receive your pension under the Standard payment plan unless you return your signed Selection form no later than 90 days from 11/15/2018.

After 90 days from 11/15/2018, you lose the ability to choose between the Standard and Optional pension payment plans.

IMPORTANT: If you select the Optional pension, you CANNOT change your mind at a later date. Once you select the Optional pension, your decision is irrevocable. You will NOT be able to revoke your choice and your survivors, after your death, will NOT be able to revoke your choice.

If you do nothing, IMRF will assume you wish to receive your pension under the Standard pension payment plan.

After final wages are reported by your employer, an "Option Letter" will be mailed to you.

**Under age 62:
Optional pension**

Spouse Refund

Voluntary Additional Contributions

Special Needs Annuity



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Optional Pension

Allows retirees take a larger pension until age 62, and then a reduced pension after.

Standard benefit

\$1,601



Optional benefit until age 62

\$2,176

After age 62

\$1,535

ONLY
available to members who retire prior to age 62.



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Spousal Refund Options

If you are not married at time of retirement...

- Lump sum payment - minus federal taxes
- Lifetime monthly annuity payments
- Rollover lump sum to a qualified retirement account



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Voluntary Additional Contribution Plan (VAC)

If you contributed to VAC program...

- **Lifetime monthly annuity payments**
 - requires minimum of \$4,500 balance at retirement
- **Lump sum payment (if selected)**
 - there will be a tax liability on the “taxable” portion unless that portion is rolled over.
- **Rollover to qualified retirement account**



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Special Needs Annuity

- Also known as Reversionary Annuity
- Reduce your pension to provide an additional annuity to someone else upon death
- Options based on tier and marital status
 - Set up at time of retirement
 - Irrevocable
 - One beneficiary
 - Call IMRF for estimate



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During Your Retirement



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Pension Increases



3% increase each January

- Based on original pension
- First year pro-rated

**Cost of Living
Adjustment**
— (COLA) —



Lesser of 3% or ½% of CPI URBAN

- 2021 increase is .70%
- After age 67



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Supplemental Pension Payment



How much is the payment?

- Varies each year
- Every July



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Taxes & Social Security

- Federal Tax
- State of Illinois does not currently tax pensions
- Moving to another state? Subject to tax in your state
- No reduction in SS or IMRF
- Section 218 agreement



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Considering Working After Retirement?

Don't rely on information from someone else. Call IMRF directly.

- You must call IMRF at 1-800-275-4673 before you can return to work!
- There could be a costly financial penalty.



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Considering Working After Retirement?



Important Changes

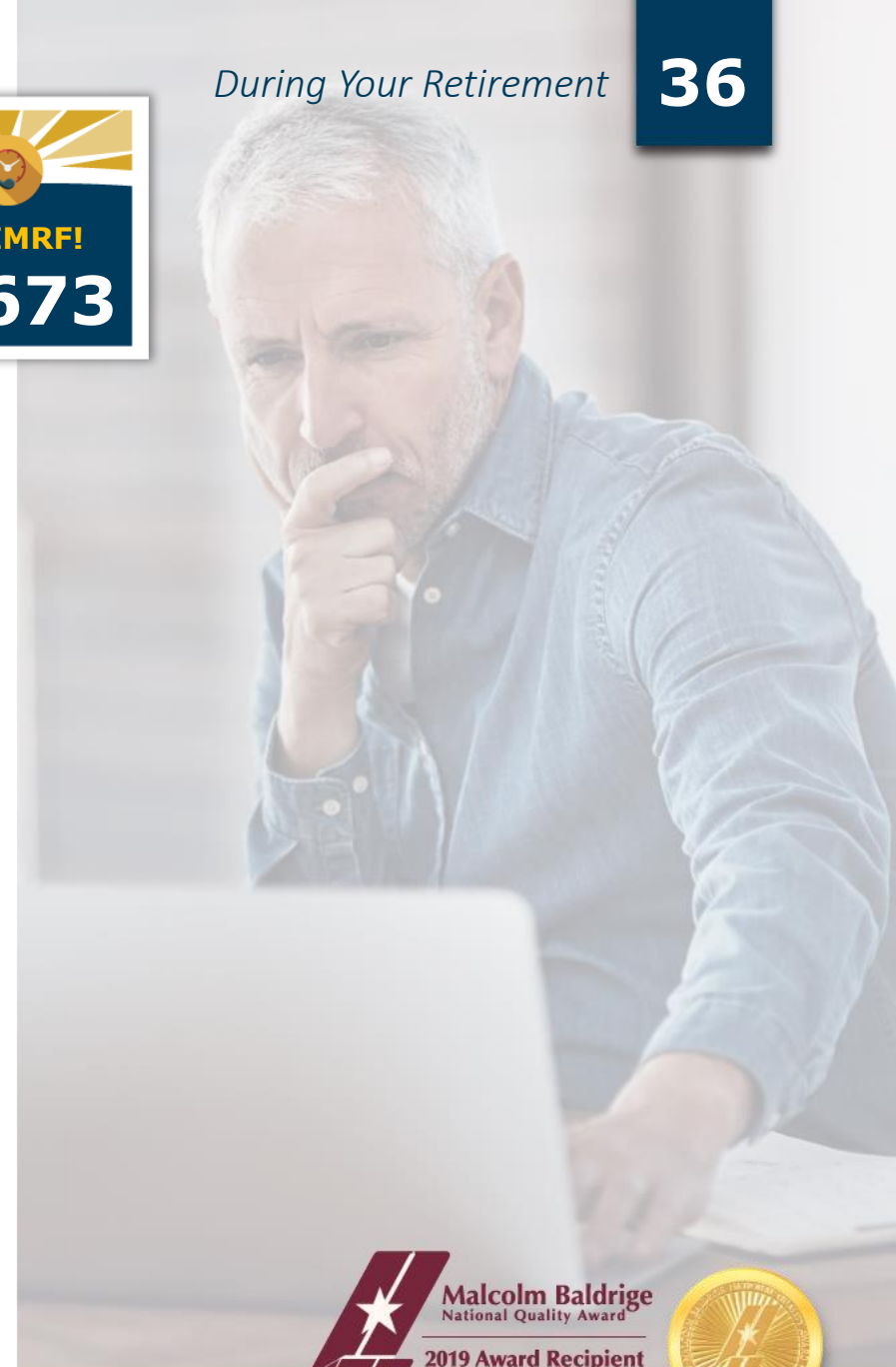
Separation of Service Requirement

To begin receiving pension payments, you **MUST**:

- Stop working for any IMRF employer in any capacity
- **Not** enter into any agreement or pre-arrangement to return to employment in any capacity with any IMRF employer prior to retirement.
- Must wait at least 60 days after your pension start date.



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Considering Working After Retirement?



Important Changes

Separation of Service Requirement

The requirements you **MUST** adhere to include:

- Do not return to work or make plans to return in any capacity.
- Must wait at least 60 days after your pension start date.

IF YOU VIOLATE THESE RULES, YOU WILL BE REQUIRED TO REPAY ANY PENSION PAYMENTS RECEIVED.



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Considering Working After Retirement?

Important Changes

Return to Work Rules

These rules apply after you meet the Separation of Service requirements to become retired.

A retiree who returns to work after 60 days in an IMRF Qualifying Position:

- **Is no longer immediately re-enrolled in IMRF with his or her pension stopped.**
- **Is only re-enrolled in IMRF once he or she has reached the hourly standard.**



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Considering Working After Retirement?

NEW!

Return to Work Rules

These rules apply after you meet the Separation of Service requirements to become retired.

Once the retiree has worked enough hours to reach the hourly standard, he or she must either:

- **Be enrolled in IMRF (and his or her pension will be suspended), or**
- **Stop working for his or her IMRF employer for the remainder of the 12-month.**

The 12-month period begins with first employment date with that employer after retirement.



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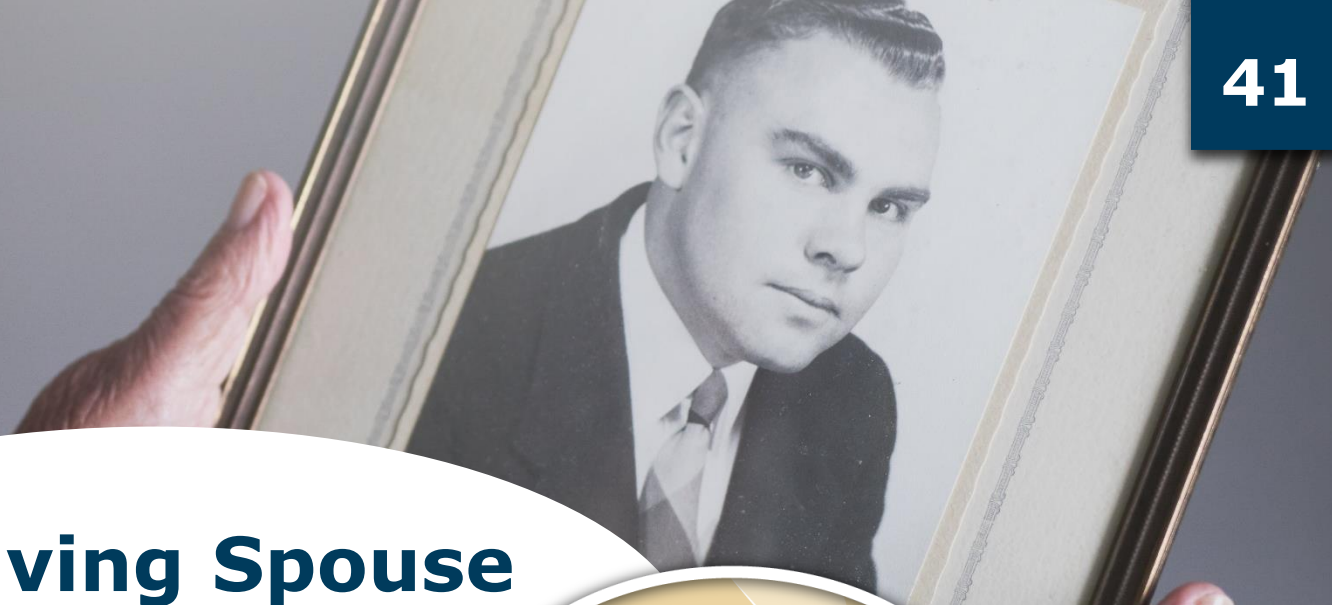
Health Insurance Continuation

- Ask your employer about your options.
- There are state and federal laws in place to help you bridge the gap between working and retirement.



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Surviving Spouse Pension



50%

of your benefit payment

OR



66%

of your benefit payment



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More Information Available on the Website About These Topics



Reciprocal Service



SLEP – Sheriff’s Law Enforcement Plan



Endorsed Insurance Plans



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What We've Covered Today

- Retirement benefits through IMRF
- How your benefits are calculated
- What you need to do before you retire
- What to expect after you retire



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Questions & Answers



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Thank you for joining us.

Any other questions?
Member Services Call Center
7:30am – 5:30pm, Monday – Friday
1-800-ASK-IMRF (275-4673)
www.imrf.org

Remember to sign up for



*Please complete the survey coming
to your email later today.*



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