

2010 Illinois Municipal Retirement Fund

Comprehensive Annual Financial Report

For the year ending December 31, 2010



Staying on course,
in a changing landscape.

2010

Illinois Municipal Retirement Fund

Comprehensive Annual Financial Report

For the year ending December 31, 2010.

IMRF Mission Statement

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.

Prepared By

The Finance Department of the
Illinois Municipal Retirement Fund
2211 York Road Suite 500
Oak Brook, IL 60523-2337
www.imrf.org
1-800-ASK-IMRF

Louis W. Kosiba

Executive Director

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2011 Board of Trustees



Marvin R. Shoop, Jr.
Employee Trustee
City of Peoria

January 1, 2011 -
December 31, 2015

2011 President



Gwen Henry
Executive Trustee
DuPage County
Treasurer

January 1, 2011 -
December 31, 2015

2011 Vice-President



William Stafford
Executive Trustee
Evanston High School
District 202

January 1, 2009 -
December 31, 2013

2011 Secretary



Natalie Copper
Employee Trustee
Evanston School
District 65

January 1, 2010 -
December 31, 2014



Ruth E. Fakis
Executive Trustee
Prairie Trails Public
Library District

January 1, 2008 -
December 31, 2012



John Piechocinski
Employee Trustee
Plainfield Community
Consolidated School
District 202

January 1, 2011 -
December 31, 2015



Martha H. Rademacher
Executive Trustee
Park District Risk
Management Agency

January 1, 2007 -
December 31, 2011

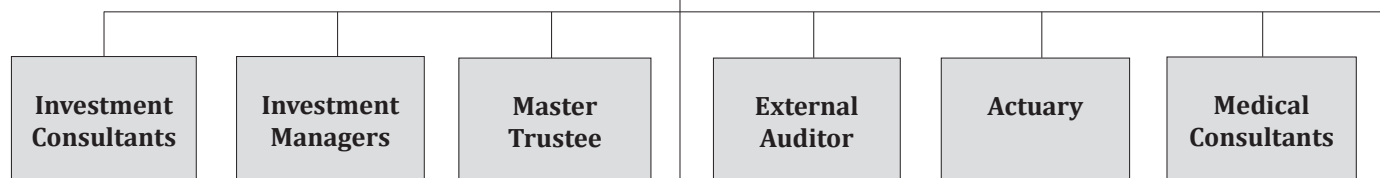


Sharon U. Thompson
Annuitant Trustee
(formerly)
Lee County

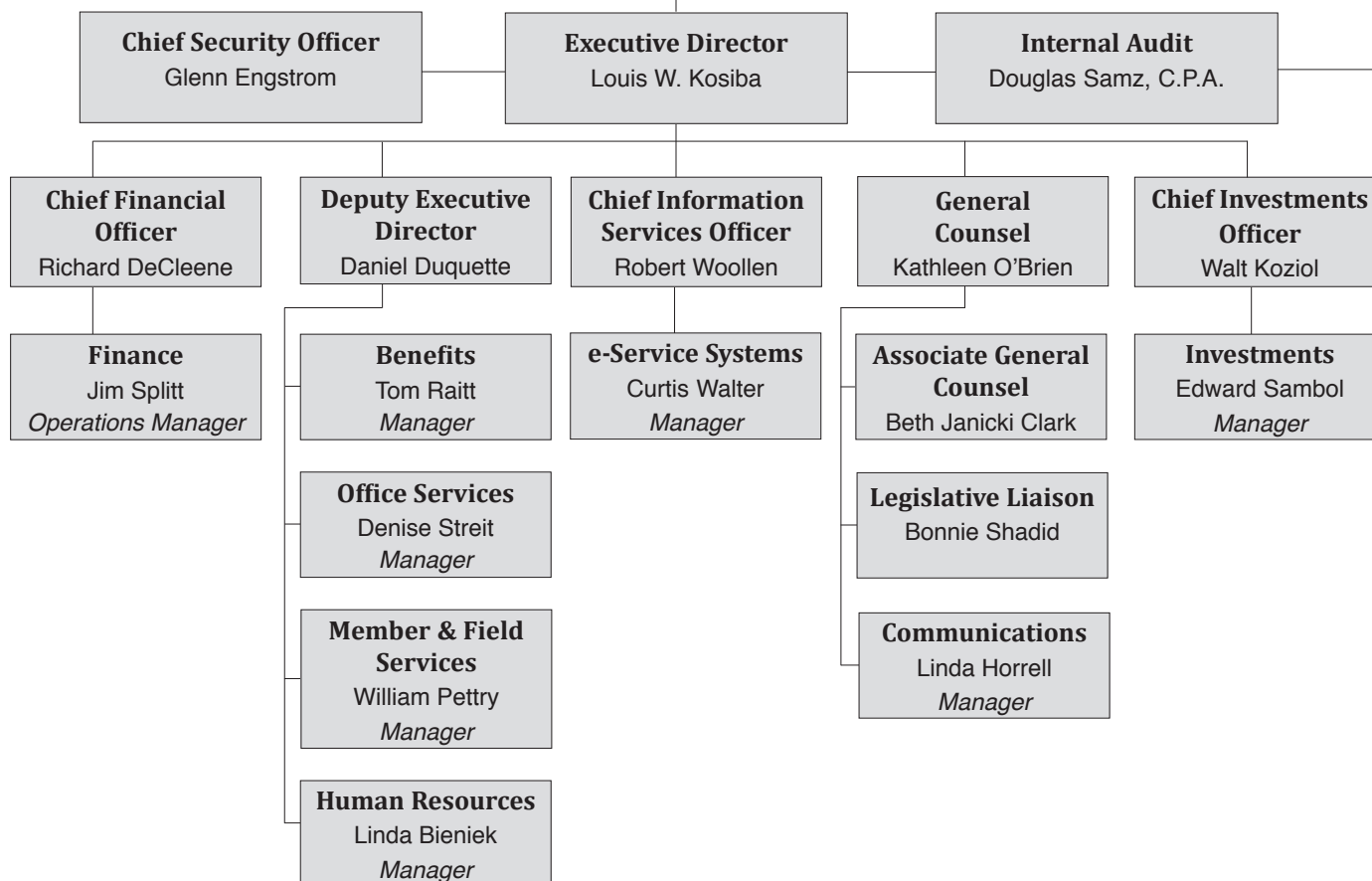
January 1, 2011 -
December 31, 2015

BOARD OF TRUSTEES

CONSULTANTS



STAFF



Consultants - Investment Consultants are listed on page 44

Actuary

Gabriel, Roeder,
Smith & Company
Brian B. Murphy,
F.S.A.
Mark Buis, F.S.A.
Southfield, Michigan

Independent Auditors

KPMG LLP
Kurt Gabouer
Julie Barrientos
Chicago, Illinois

Commercial Bank

Northern Trust
Richard Deeter,
Vice President
Chicago, Illinois

Independent Fiduciary Counsel

Seyfarth Shaw
Attorneys LLP
Lawrence Moss
Chicago, Illinois

Medical Consultants

Marianjoy Medical Group
Wheaton, Illinois
Leonard Kessler, M.D.
Highland Park, Illinois
Northwest Psychiatric,
S.C.
Buffalo Grove, Illinois

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Illinois Municipal Retirement Fund

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director



Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook IL 60523-2337
 Member Services Representatives 1-800-ASK-IMRF (1-800-275-4673)
www.imrf.org

May 20, 2011

Board of Trustees
 Illinois Municipal Retirement Fund
 Oak Brook, Illinois 60523-2337

Formal Transmittal

We are pleased to submit the Comprehensive Annual Financial Report of the Illinois Municipal Retirement Fund (IMRF) for the year ended December 31, 2010. The management of IMRF is responsible for the compilation and accuracy of the financial, investment, actuarial and statistical information contained in this report. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of IMRF.

In developing and evaluating IMRF's accounting system, we consider the adequacy of internal accounting controls. We design these controls to provide reasonable assurance regarding the safekeeping of assets and the reliability of financial records. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

IMRF employs the services of an outside certified public accountant to function as the Internal Auditor. He is aided by two full-time assistants on staff. We use a detailed internal audit program that encompasses examination of internal controls and employer compliance as well as the Fund's financial transactions and records. IMRF also engages an independent accounting firm annually to review and test internal controls over our information systems.

The internal audit function reports directly to the Executive Director and the Board of Trustees. The Board of Trustees has established an Audit Committee, consisting entirely of Board members. Annually, the Internal Auditor presents his report to the Audit Committee covering the results of internal audit procedures performed. The Internal Auditor may also meet with the committee on an as-needed basis. Again this year the Internal Auditor reported that IMRF's system of internal controls appears adequate and is being adhered to in the areas tested.

The Illinois Pension Code requires an annual audit of the financial statements of the Plan by independent certified public accountants selected by the Board of Trustees and approved by the State Auditor General. We satisfied this requirement and the independent accountants' unqualified report on IMRF's 2010 Financial Statements is included in this report. The independent accountants meet at least twice a year with the Audit Committee—once to report on the planned scope of their audit and a second time to report on its results.

Profile of IMRF

IMRF is the administrator of an agent multiple-employer public employee retirement system. The Illinois State Legislature established IMRF in 1939. We began operations in 1941 in order to provide retirement, death and disability benefits to employees of local units of government in Illinois. Members, employers and annuitants elect eight trustees who govern IMRF. IMRF is separate and apart from the Illinois state government and is not included in the state's financial statements. IMRF now serves 2,963 different employers, 176,703 participating members and 97,281 benefit recipients. The Illinois Pension Code requires IMRF to provide its financial statements to participating employers and to any participating member who requests them.

Economic Conditions

Summary of Financial Information

The following table summarizes additions and deductions to the Plan's net assets for 2010 and 2009.

	<u>2010</u> <u>(millions)</u>	<u>2009</u> <u>(millions)</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Additions	\$4,072	\$5,408	\$(1,336)	(25%)
Deductions	1,233	1,127	106	9%
Net Change	<u>\$2,839</u>	<u>\$4,281</u>	<u>\$(1,442)</u>	<u>(34%)</u>

The reduction in Additions between 2010 and 2009 is primarily due to a \$1,447 million decrease in investment income. The financial markets in 2009 with the aid of the unprecedented government stimulus program rebounded sharply from the historic losses of 2008 which were impacted by the collapse of the housing sector, credit crisis, and the overall slowdown in the global economy. While IMRF's investment portfolio in 2010 returned an impressive 13.6 percent, the increase was significantly less than the dramatic 24.5 percent return in 2009. The increase in Deductions is primarily due to increased benefit payments caused by an increase in the number of benefit recipients from 93,298 to 97,281. For a full understanding of IMRF's financial results, the reader is urged to review the Financial Section of this report that contains the auditors' report, management's discussion and analysis, the financial statements and other supplemental information. Management's discussion and analysis provides a narrative introduction, overview and analysis of the financial statements and complements this transmittal letter.

Funding

IMRF's actuary uses a five-year smoothed market-related value with a 20 percent corridor to determine the actuarial value of assets. The smoothing is intended to prevent extreme volatility in employer contribution rates due to short-term fluctuations in the investment markets. For the December 31, 2010 valuation, the actuarial value of assets was \$24.2 billion. The aggregate actuarial liability for all IMRF employers was \$29.1 billion. The actuarial funding ratio is currently 83.3 percent. The 83.3 percent funding ratio is a slight increase from the 2009 actuarial funding ratio of 83.2 percent. The preceding ratios are for the Fund as a whole. Under the Illinois Pension Code, each employer funds the pensions for its own employees. Funding ratios for individual employers and individual plans vary widely. IMRF members can look with a sense of security to the net asset base since these assets are irrevocably committed to the payment of their pensions when they retire. The actuary has determined that the present net asset base, expected future contributions and investment earnings thereon are sufficient to provide for full payment of future benefits under the level payroll percentage method of funding. The Actuarial Section contains the actuary's letter and further information on IMRF's funding.

Investments

The investment portfolio is a major contributor to the Fund. 2010 investment results were a gain of \$2,977 million and represented 73.1 percent of Plan Additions for the year. In the five years—2010 through 2006—investment income represented the following percentage of Additions to plan net assets:

<u>Year</u>	<u>Percentage of Plan Additions</u>
2010	73.1%
2009	81.8%
2008	(118.3)%
2007	66.7%
2006	75.1%

The Investment Section of this report contains a summary of the portfolio.

Currently, 66 professional investment management firms, handling 80 separate accounts, manage the investment portfolio. These firms make investment decisions under the prudent man rule authorized by Article 1 of the Illinois Pension Code and by investment policy guidelines adopted by the Board of Trustees. The Board employs an investment consultant to monitor and evaluate the investment management firms' performance, to aid in the selection of investment management firms and to assist in the development

of investment policy. Our uppermost goal is to optimize the long-term total return of the Fund's investments through a policy of diversification within a parameter of prudent risk as measured on the total portfolio.

The Investment Section contains a summary of IMRF's investment performance, the Investment Consultant's report, the Master Trustee's report and a summary of the investment objectives and policies.

Current and Future Developments

a. Board of Trustees

John Piechocinski, Head Custodian for Plainfield Community Consolidated School District 202, was elected as an employee trustee. His five-year term began January 1, 2011.

b. Legislative Activity

On April 14, 2010, the Governor signed Public Act 96-0889 which created a second tier of IMRF benefits for regular and elected county official members who are first enrolled in IMRF on or after January 1, 2011. The new law does not affect members currently participating in IMRF or members who participated in IMRF or a reciprocal system prior to January 1, 2011. The major changes are summarized in the Actuarial section under "Changes in Plan Provisions" on page 71.

On December 30, 2010, the Governor signed Public Act 96-1495 which created a second tier of IMRF benefits for sheriff's law enforcement plan members who are first enrolled in IMRF on or after January 1, 2011. The new law does not affect members currently participating in the sheriff's law enforcement plan prior to January 1, 2011. The major changes are summarized in the Actuarial section under "Changes in Plan Provisions" on page 71.

c. Systems Development

IMRF's major system development efforts in 2010 focused on:

- Providing comprehensive, online access to in-depth investments information to improve transparency of investment activities.
- Reengineering past service payment processing to improve internal efficiency and dramatically speed turnaround times.
- Implementing support across all applications and platforms for legislation establishing a new benefit tier impacting members who first join one of the Illinois pension systems after December 31, 2010.

IMRF's major 2011 system development priorities focus on:

- Expanding our Member Access website self-service options including changing beneficiaries, comparing multiple pension estimates, and applying for benefits.
- Modernizing our correspondence generation process to more effectively deliver our key messages and to better support electronic delivery and archiving.
- Developing a long-term strategy for the overall modernization of our enterprise pension administration system.

d. Investment Activities

The Board of Trustees, its consultant and IMRF staff review the investment asset allocation annually. In February of 2011, the strategic targets for the asset classes used by IMRF, which were adopted in 2008, were reconfirmed and are as follows:

<u>Asset Class</u>	<u>Target</u>
US Equities	38%
Non-US Equities	20%
Fixed Income	29%
Real Estate	6%
Alternative Investments	6%
Cash	1%

Major investment activities last year and through April 30, 2011, were as follows:

- Committed cash to the INVESCO Core Real Estate USA Fund for a core real estate investment.
- Committed cash to the Cornerstone Patriot Fund for a core real estate investment.
- Withdrew from the Morgan Stanley Prime Property core real estate fund.
- Terminated the AXA Rosenberg international small-cap equity portfolio.
- Retained William Blair to manage an international small-cap equity portfolio.
- Retained Ariel Investments to manage a domestic micro-cap value equity portfolio.
- Retained Ativo Capital Management to manage a domestic micro-cap equity portfolio.
- Terminated the CopperRock domestic small-cap growth equity portfolio.

e. Strategic Plan

The IMRF Board of Trustees and staff expanded our strategic planning process in 2010 to include elements of the Baldrige Criteria for Performance Excellence to ensure we align our objectives, processes, and resources with our Vision. Our 2011 - 2013 IMRF Strategic Plan includes Strategic Objectives for each of our five Key Result Areas:

- Financial Health and Sustainability
- Investment Returns
- Customer Satisfaction
- Employee Engagement
- Service and Operational Excellence

To clarify our Vision, we used the Baldrige framework which offers a blueprint for organizations striving to become the best. Baldrige recipient organizations often set their overarching strategic objectives to achieve a top decile ranking in each key area of importance to their stakeholders. We are following that same path, as our Strategic Objectives challenge us to achieve top 10% performance for most key result areas. These objectives are supported by a set of key strategies critical to the success of our plan. Our Strategic Plan provides the Fund with a road map for meeting the challenges and opportunities in providing the highest quality retirement services to our members, their beneficiaries, and employers in a cost-effective manner. It guides our efforts to continuously improve our service to our employers, members, and the taxpayers of Illinois.

f. Defined Benefit Administration Benchmarking Analysis

CEM Benchmarking Inc. conducts an annual Defined Benefit Administration Benchmarking Study for public pension systems. IMRF has participated in this benchmarking program since 2001. This program provides insight into benefit administration costs, customer service levels, and industry best practices. IMRF again received high service level scores and was ranked at or near the top in both our peer group and in the total universe of the 73 participating retirement systems. Though IMRF received high marks for our excellent customer service, the real value of the study is identifying areas for further improvement. We will continue our participation in this benchmarking program, as it is an important part of our Continuous Process Improvement Program.

Reports to Membership

IMRF issued a variety of reports covering 2009 and 2010 activity. We provide employer statements every month. We begin mailing member statements in February. We will send a summary of the annual report to members and annuitants in the summer issues of *Fundamentals*. We will advise Authorized Agents in June that this report, as well as our Popular Annual Financial Report, is available on our website, imrf.org.

Awards and Acknowledgements

Awards

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Illinois Municipal Retirement Fund for its comprehensive annual financial report for the year ended December 31, 2009. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. IMRF has received a Certificate of Achievement for the last 30 consecutive years (fiscal years 1980-2009). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will be submitting it to the GFOA.

IMRF also received a Certificate of Achievement for Excellence in Financial Reporting for its popular annual financial report for the year ended December 31, 2009.

In 2010 in recognition of meeting professional standards for plan administration and funding as set forth in the Public Pension Standards, IMRF was given awards for plan funding and administration by the Public Pension Coordinating Council, a confederation of the National Association of Retirement Administrators, the National Conference on Public Employee Retirement Systems and the National Council on Teacher Retirement.

Each year, the editors of PLANSPONSOR magazine recognize retirement plan sponsors that demonstrate leadership in providing a more secure retirement for workers. IMRF was selected as a 2011 finalist for the Public Sector Plan Sponsor of the Year.

Acknowledgements

The production of this report reflects the combined effort of the IMRF staff under the leadership of the Board of Trustees and the Executive Director, Louis W. Kosiba. The Finance Department, under the direction of Richard DeCleene, compiled the report. We believe this report provides complete and reliable information for making management decisions, for determining compliance with legal provisions and for determining responsible stewardship for the assets contributed by the members and their employers.

We make this report available to the Authorized Agents for all participating units of government. They form the link between IMRF and its membership. Their cooperation, for which we are thankful, contributes significantly to the success of IMRF. We hope they will find this report both informative and helpful.

Respectfully submitted,

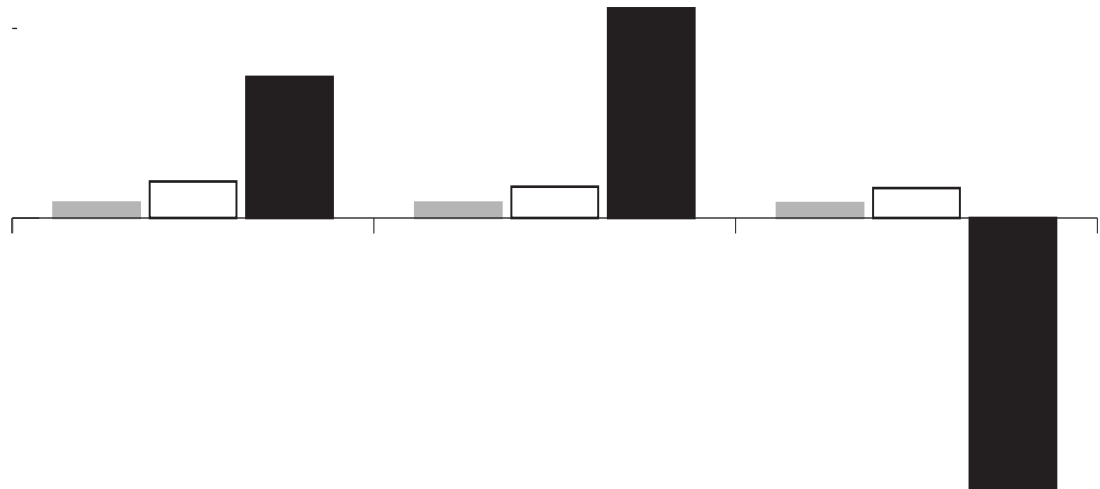


Louis W. Kosiba
Executive Director



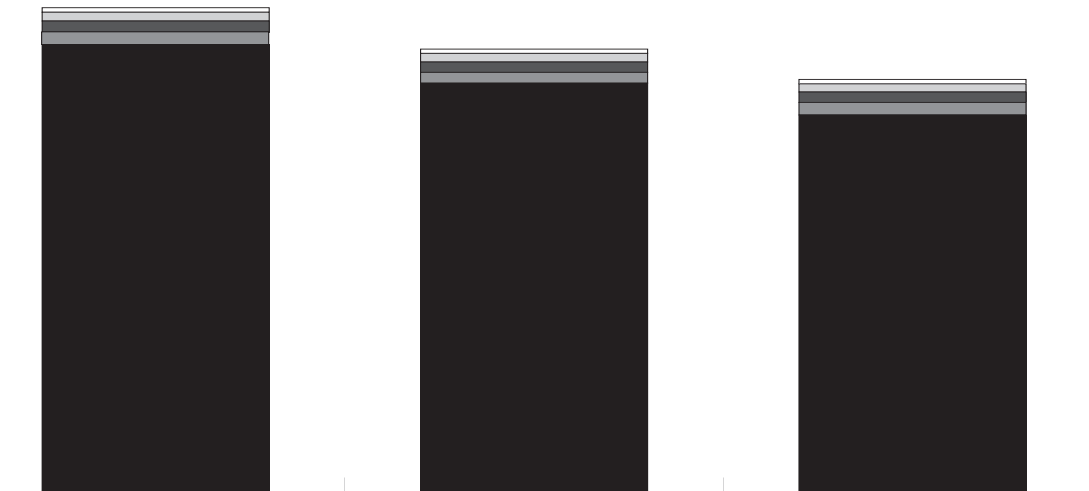
Richard J. DeCleene
Chief Financial Officer

Revenues by Source



	<u>2010</u>	<u>2009</u>	<u>2008</u>
Members	\$ 324,901,985	\$ 324,070,795	\$ 314,019,939
Employers	770,142,278	660,399,408	631,147,476
Investments	2,976,556,349	4,423,559,889	(6,096,462,011)
	<u>\$4,071,600,612</u>	<u>\$ 5,408,030,092</u>	<u>\$(5,151,294,596)</u>

Expenses by Type



	<u>2010</u>	<u>2009</u>	<u>2008</u>
Annuities	\$1,138,512,044	\$1,040,633,287	\$ 959,694,219
Refunds	32,201,577	27,426,079	31,926,120
Death	28,026,365	26,359,020	26,488,716
Administrative	22,318,493	21,967,308	20,727,536
Disability	11,492,125	10,860,146	11,309,206
	<u>\$1,232,550,604</u>	<u>\$1,127,245,840</u>	<u>\$1,050,145,797</u>

Financial


2010

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**IMRF—AN EXAMPLE OF A SUSTAINABLE
PUBLIC PENSION PLAN**

As of December 31, 2010 IMRF was
86.3% funded, on a market basis—
on track to regain our 100% funded status.





KPMG LLP
303 East Wacker Drive
Chicago, IL 60601-5212

Independent Auditors' Report

**The Board of Trustees
Illinois Municipal Retirement Fund:**

We have audited the accompanying statements of plan net assets of the Illinois Municipal Retirement Fund (Fund) as of December 31, 2010 and 2009, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Illinois Municipal Retirement Fund as of December 31, 2010 and 2009, and the changes in its net assets for the years then ended in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis and the schedules of funding progress and employer contributions on pages 15 through 19 and page 38, respectively, are not a required part of the basic financial statements but are supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the Fund's basic financial statements taken as a whole. The supplementary information on page 39, the introductory section, the investments section, the actuarial section, and the statistical section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information on page 39 has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section, investments section, actuarial section, and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP

May 20, 2011

KPMG LLP is a Delaware limited liability partnership,
the U.S. member firm of KPMG International Cooperative
("KPMG International"), a Swiss entity.

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) of the Illinois Municipal Retirement Fund's (IMRF) financial performance provides an introduction to the financial statements of IMRF for the years ended December 31, 2010 and 2009. Since the MD&A is designed to focus on current activities, resulting changes and current known facts, please read it in conjunction with the transmittal letter (pages 7-11), the financial statements, required supplementary information and supplementary information.

Required Financial Statements

IMRF, an agent multiple-employer public employee retirement system, prepares its financial statements on an accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The Statement of Plan Net Assets includes all of IMRF's assets and liabilities and provides information about the nature and amount of investments available to satisfy the pension benefits of the Plan. All additions to and deductions from the net assets held in trust for pension benefits are accounted for in the Statement of Changes in Plan Net Assets. This statement measures IMRF's success over the past year in increasing the net assets available for pension benefits.

Financial Analysis of IMRF

While the Statement of Plan Net Assets and Statement of Changes in Plan Net Assets measure the value of plan net assets and the changes to them, another important factor needs to be considered in order to determine the financial health of IMRF. That additional factor is the plan's funded status. In 2010, contributions of \$1,095 million and investment income of \$2,977 million exceeded deductions to net assets of \$1,233 million by \$2,839 million. This net increase brought the Plan's net asset base to \$25.1 billion. For 2010 actuarial calculations, IMRF's actuary used a five-year smoothed market-related value with a 20 percent corridor to determine the actuarial value of assets. The smoothing is designed to prevent extreme volatility in employer contribution rates due to short-term fluctuations in the investment markets. For the December 31, 2010 valuation, the actuarial value of assets was \$24.2 billion. The aggregate actuarial liability for all IMRF employers was \$29.1 billion. On an actuarial basis, the assets held currently fund 83.3 percent of this liability. This is an increase from the funding ratio of 83.2 percent for 2009. The 13.6 percent and 24.5 percent investment returns in 2010 and 2009, respectively, reversed the trend of lower funding ratios due to the 2008 investment losses that are being recognized over a five-year period for actuarial purposes. For actuarial purposes IMRF's 2010 return was only 7.1 percent due to the five-year smoothing as compared to the actuarial assumption of 7.5 percent. If the market value of assets is used (i.e., no actuarial smoothing), the funding ratio is 86.3 percent as of December 31, 2010, an increase from 81.6 percent as of December 31, 2009. The reason for the significant increase in the market funding ratio is the 13.6 percent investment return in 2010. As of December 31, 2010, IMRF's market-based funding value was more than the actuarial funding value since there were \$881 million of unrecognized investments gains which will be reflected in the 2011 through 2014 period in keeping with the five-year smoothing discussed above.

Plan Net Assets

To begin the financial analysis, summarized comparisons of IMRF's Plan Net Assets for 2010 versus 2009 and 2009 versus 2008 are presented below.

Condensed Statements of Plan Net Assets

(In millions)

	2010	2009	Dollar Change	Percent Change
Cash and cash equivalents	\$ 25	\$ 26	\$ (1)	(4)%
Receivables and prepaids	443	292	151	52
Investments	25,547	22,348	3,199	14
Invested securities lending cash collateral	2,082	2,092	(10)	--
Capital assets, net	4	3	1	33
<i>Total assets</i>	<u>28,101</u>	<u>24,761</u>	<u>3,340</u>	13
Liabilities	2,959	2,458	501	20
<i>Total plan net assets</i>	<u>\$ 25,142</u>	<u>\$ 22,303</u>	<u>\$ 2,839</u>	13%

As the previous table shows, plan net assets increased by \$2,839 million (13 percent) in 2010. This increase reflects the strong investment returns in 2010 which continued the recovery which began in 2009.

The following table presents the investment allocation as of year-end 2010 and 2009 as compared to IMRF's target allocation.

	<u>2010</u>	<u>Target</u>	<u>2009</u>
Fixed income	30.1%	29.0%	30.4%
Stocks	61.9	58.0	60.7
Real estate	1.8	6.0	1.8
Alternative	3.8	6.0	4.1
Short-term	2.4	1.0	3.0

The actual investment allocation targets at year-end 2010 vary from the current target allocations because of the increase in equity securities in the latter portion of 2010. The variance in the real estate allocation is due to the fact that IMRF is in the process of recapitalizing its real estate portfolio and actual investments trail commitments. The current target allocations were reconfirmed in a February 2011 study. IMRF continuously monitors its actual investment allocations in relation to its targets and rebalances as appropriate.

The increase in receivables and prepaids in 2010 is largely due to the increase in the receivable from brokers for unsettled trades at year-end due to a larger number of trades outstanding at year-end 2010 compared to 2009. The increase in liabilities in 2010 is due primarily to the increase in payables to brokers for unsettled trades at year-end 2010.

Condensed Statements of Plan Net Assets

(In millions)

	<u>2009</u>	<u>2008</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Cash and cash equivalents	\$ 26	\$ 27	\$ (1)	(4)%
Receivables and prepaids	292	1,062	(770)	(73)
Investments	22,348	18,413	3,935	21
Invested securities lending				
cash collateral	2,092	1,353	739	55
Capital assets, net	3	2	1	50
<i>Total assets</i>	<u>24,761</u>	<u>20,857</u>	<u>3,904</u>	<u>19</u>
Liabilities	<u>2,458</u>	<u>2,835</u>	<u>(377)</u>	<u>(13)</u>
<i>Total plan net assets</i>	<u>\$22,303</u>	<u>\$18,022</u>	<u>\$4,281</u>	<u>24%</u>

As the previous table shows, plan net assets increased by \$4,281 million (24 percent) in 2009. This increase reflects the dramatic rebound in investment returns in 2009 which were aided by financial stimulus programs which were responding to the impact of the housing collapse, credit crisis and the downturn in the global economy which dramatically impacted 2008.

The decrease in receivables and prepaids in 2009 is largely due to the decrease in the receivable from brokers for unsettled trades at year-end due to fewer trades outstanding at year-end 2009 compared to 2008. The decrease in liabilities in 2009 is due primarily to the reduction in payables to brokers for unsettled trades at year-end 2009. This significant reduction was partially offset by the increase in securities lending cash collateral in 2009 compared to 2008 due to an increase in the volume of securities lending transactions as compared to the prior year.

Changes in Plan Net Assets

Summarized comparisons of IMRF's Changes in Plan Net Assets for 2010 versus 2009 and 2009 versus 2008 are presented below.

Condensed Statements of Changes in Plan Net Assets*(In millions)*

	<u>2010</u>	<u>2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Additions				
Member contributions	\$ 325	\$ 324	\$ 1	--%
Employer contributions	770	660	110	17
Net investment gain (loss)	<u>2,977</u>	<u>4,424</u>	<u>(1,447)</u>	(33)
<i>Total additions</i>	<u>4,072</u>	<u>5,408</u>	<u>(1,336)</u>	(25)
Deductions				
Benefits	1,179	1,078	101	9
Refunds	32	27	5	19
Administrative expenses	22	22	--	--
<i>Total deductions</i>	<u>1,233</u>	<u>1,127</u>	<u>106</u>	9
<i>Net increase (decrease) in plan net assets</i>	<u>\$ 2,839</u>	<u>\$ 4,281</u>	<u>\$(1,442)</u>	(34)

Additions

Additions needed to fund benefits are accumulated through contributions and returns on invested funds. Contributions for 2010 totaled \$1,095 million which was 11.3 percent more than 2009. The slight increase in member contributions is due to higher payments by members to reinstate past service which offset a \$1.3 million decrease in normal member contributions. Member contributions decreased due to a drop in covered payroll caused by a 2.6 percent decrease in active members due to reductions in employees at IMRF-sponsoring employers. The member contribution rate remained at 4.5 percent of earnings for Regular members and 7.5 percent for Sheriff's Law Enforcement Personnel (SLEP) and the optional Elected County Officials (ECO) members. Employer contributions increased 16.7 percent. This increase was driven primarily by the increase in the composite average employer contribution rate from 9.62 percent in 2009 to 11.26 percent in 2010. The 2010 rates are the first rates which reflect the dramatic investment losses that were incurred in 2008. For rate setting purposes there is a two year lag between the date that data is used to compute employer contribution rates and the effective date of those rates.

Investment gains for 2010 were a very strong 13.6 percent but significantly less than the 24.5 percent return in 2009, which was aided by the unprecedented stimulus efforts by the federal government. The \$2,977 million investment gain in 2010 represents a \$1,447 million decrease from the \$4,424 million gain in 2009. IMRF's 2010 total investment portfolio return reflected the continued recovery from the housing decline, credit crisis and dramatic slow down in the global economy in 2008.

In 2010, IMRF had net appreciation in the value of investments of \$2,552 million, a \$1,446 million decrease from the \$3,998 million of appreciation recorded in 2009. Interest, dividends and equity fund income totaled \$479 million, an increase from the \$468 million in 2009. Securities lending income net of related expenses was \$7.1 million for 2010, a decrease of \$2.8 million from 2009. Direct investment expenses increased to \$61.2 million in 2010 from \$52.5 million in 2009 and reflect the growth in the size of the IMRF investment portfolio.

The total rate of return for the portfolio in 2010 was 13.6 percent compared to a 24.5 percent in 2009. IMRF's U.S. stock portfolio returned 18.9 percent compared to 17.5 percent for the Dow Jones Total Stock Market Index. The fixed income portfolio returned 8.6 percent compared to 6.5 percent for the Barclays Aggregate Bond Index. Our international stock portfolio returned 13.0 percent compared to 11.2 percent for the MSCI All-Country World Free ex-US Index. The real estate portfolio returned 6.0 percent compared

to 13.1 percent for the NCREIF Property Index. The alternative investment portfolio returned 9.8 percent versus a target return of 9 percent.

When comparing returns it is important to remember that as a pension fund, IMRF's investment program has a very long time horizon. Some of the longer-term results for the total fund for the period ending December 31, 2010 are:

<u>Period</u>	<u>Annualized returns</u>
Three years	2.1% per year
Five years	5.6% per year
Ten years	5.4% per year
Since 1/1/95	8.7% per year

Deductions

The expenses paid by IMRF include benefit payments, refunds, and administrative expenses. Expenses for 2010 totaled \$1,233 million, an increase of \$106 million over 2009. The increase in benefit payments to members and beneficiaries resulted primarily from growth in the number of annuitants to 97,281 in 2010 from 93,298 in 2009 as well as an increase in the amount of the average benefit.

Condensed Statements of Changes in Plan Net Assets

(In millions)

	<u>2009</u>	<u>2008</u>	<u>Dollar Change</u>	<u>Percent Change</u>
Additions				
Member contributions	\$ 324	\$ 314	\$ 10	3%
Employer contributions	660	631	29	5
Net investment gain (loss)	4,424	(6,096)	10,520	NM
<i>Total additions</i>	<u>5,408</u>	<u>(5,151)</u>	<u>10,559</u>	NM
Deductions				
Benefits	1,078	997	81	8
Refunds	27	32	(5)	(16)
Administrative expenses	22	21	1	5
<i>Total deductions</i>	<u>1,127</u>	<u>1,050</u>	<u>77</u>	7
<i>Net increase (decrease) in plan net assets</i>	<u>\$4,281</u>	<u>\$(6,201)</u>	<u>\$10,482</u>	NM

Additions

Additions needed to fund benefits are accumulated through contributions and returns on invested funds. Contributions for 2009 totaled \$984 million which was 4.1 percent more than 2008. The increase in member contributions is due to an increase in total member earnings to \$6,462 million from \$6,259 million in 2008. The member contribution rate remained at 4.5 percent of earnings for Regular members and 7.5 percent for Sheriff's Law Enforcement Personnel (SLEP) and the optional Elected County Officials (ECO) members. The increase in employer contributions is the net effect of several factors. Member earnings increased overall by 3.2 percent. This increase in member earnings caused employer contributions to increase. In addition, employers increased voluntary reserve contributions by \$18 million over the prior year. On the other hand, the composite average employer rate for all plans decreased to 9.62 percent of payroll in 2009 from 10.08 percent in 2008. This decrease in the composite average employer rate is due to the improvement in the Fund's overall actuarial funded status as of year-end 2007 as compared to 2006. (There is a two year lag between the date that data is used to compute employer contribution rates and the effective date of those rates.) The impact of the growth in member earnings and additional reserve contributions more than offset the decrease in the average employer rate.

Investment gains for 2009 were 24.5 percent and contrasted sharply with the 2008 loss of 24.8 percent. The \$4,424 million investment gain in 2009 represents a \$10,520 million change from the \$6,096 million loss in 2008. IMRF's 2009 total investment portfolio return reflected the sharp rebound from the impact of the housing decline, credit crisis and dramatic slow down in the global economy in 2008.

In 2009, IMRF had net appreciation in the value of investments of \$3,998 million, a \$10,632 million change from the \$6,634 million of depreciation recorded in 2008. Interest, dividends and equity fund income totaled \$468 million, a decrease from the \$571 million in 2008. Securities lending income net of related expenses was \$9.9 million for 2009, a decrease of \$11.7 million from 2008. Direct investment expenses decreased to \$52.5 million in 2009 from \$54.9 million in 2008.

Deductions

The expenses paid by IMRF include benefit payments, refunds, and administrative expenses. Expenses for 2009 totaled \$1,127 million, an increase of \$77 million over 2008. The increase in benefit payments to members and beneficiaries resulted primarily from growth in the number of annuitants to 93,298 in 2009 from 90,170 in 2008 as well as an increase in the amount of the average benefit.



Statements of Plan Net Assets

	As of December 31	
	2010	2009
Assets		
Cash and cash equivalents	\$24,603,336	\$26,192,073
Receivables and prepaid expenses		
Contributions	78,771,753	68,876,545
Investment income	71,608,783	65,821,503
Receivables from brokers for unsettled trades	209,131,653	79,848,442
Prepaid expenses	83,861,956	76,878,718
<i>Total receivables and prepaid expenses</i>	<u>443,374,145</u>	<u>291,425,208</u>
Investments, at fair value		
Fixed income	7,685,594,385	6,796,987,189
Stocks	15,817,032,612	13,569,074,041
Short-term investments	613,513,045	662,322,453
Real estate	466,633,844	413,076,373
Alternative investments	964,167,120	906,194,138
<i>Total investments</i>	<u>25,546,941,006</u>	<u>22,347,654,194</u>
Invested securities lending cash collateral	<u>2,082,092,898</u>	<u>2,092,218,260</u>
Capital assets		
Equipment, at cost	8,279,339	7,157,943
Accumulated depreciation	(4,709,718)	(4,080,810)
<i>Total capital assets, net</i>	<u>3,569,621</u>	<u>3,077,133</u>
Total assets	<u>28,100,581,006</u>	<u>24,760,566,868</u>
Liabilities		
Accrued expenses and benefits payable	27,568,089	26,858,937
Securities lending cash collateral	2,082,092,898	2,092,218,260
Payables to brokers for unsettled trades	849,031,236	338,650,896
<i>Total liabilities</i>	<u>2,958,692,223</u>	<u>2,457,728,093</u>
Net assets held in trust for pension benefits	<u>\$25,141,888,783</u>	<u>\$22,302,838,775</u>

The accompanying notes are an integral part of the financial statements.

Statements of Changes in Plan Net Assets

	Years Ended December 31	
	2010	2009
Additions		
Contributions		
Members for retirement coverage	\$ 324,901,985	\$ 324,070,795
Employers for benefit plan coverage	770,142,278	660,399,408
<i>Total contributions</i>	<u>1,095,044,263</u>	<u>984,470,203</u>
Investment Income		
From investing activities		
Interest	266,494,258	281,119,309
Dividends	168,336,993	149,306,299
Equity fund income, net	44,055,963	37,765,665
Net appreciation in fair value of investments	<u>2,551,681,950</u>	<u>3,997,908,949</u>
Investment activity gain	<u>3,030,569,164</u>	<u>4,466,100,222</u>
Less: Direct investment expense	<u>(61,157,255)</u>	<u>(52,475,158)</u>
<i>Net investment activity gain</i>	<u>2,969,411,909</u>	<u>4,413,625,064</u>
From security lending activity		
Securities lending income	8,447,568	10,847,349
Securities lending management fees	(792,069)	(896,226)
Securities lending borrower rebates	<u>(518,091)</u>	<u>(25,446)</u>
Net securities lending activity income	<u>7,137,408</u>	<u>9,925,677</u>
<i>Total investment gain</i>	<u>2,976,549,317</u>	<u>4,423,550,741</u>
Other	7,032	9,148
<i>Total additions</i>	<u>4,071,600,612</u>	<u>5,408,030,092</u>
Deductions		
Annuities	1,138,512,044	1,040,633,287
Disability benefits	11,492,125	10,860,146
Death benefits	28,026,365	26,359,020
Refunds	32,201,577	27,426,079
Administrative expenses	<u>22,318,493</u>	<u>21,967,308</u>
<i>Total deductions</i>	<u>1,232,550,604</u>	<u>1,127,245,840</u>
Net increase	2,839,050,008	4,280,784,252
Net assets held in trust for pension benefits		
<i>Beginning of year</i>	<u>22,302,838,775</u>	<u>18,022,054,523</u>
<i>End of year</i>	<u>\$25,141,888,783</u>	<u>\$22,302,838,775</u>

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

December 31, 2010 and 2009

A. Plan Description

The Illinois Municipal Retirement Fund (IMRF or the “Fund”) is the administrator of an agent multiple-employer public employee retirement system. The Illinois State Legislature established IMRF to provide employees of local governments and school districts a sound and efficient retirement system. Members, employers and annuitants elect eight trustees who govern IMRF. State law authorizes the Board to make investments, pay benefits, set employer contribution rates, hire staff and consultants, and perform all necessary functions to carry out the provisions of the Illinois Pension Code. Benefit and contribution provisions are established by state law and may be amended only by the Illinois General Assembly. IMRF is administered in accordance with Illinois statutes. The statutes do not provide for termination of the plan under any circumstances.

IMRF is separate and apart from the Illinois state government and is not included in the state’s financial statements. However, the Illinois Pension Code designates the State Treasurer ex-officio treasurer of IMRF and requires the Auditor General to approve appointment of independent public accountants.

1. Employers	2010	2009
Participating employers	<u>2,963</u>	<u>2,950</u>

The Illinois Pension Code specifies the units of government required to participate in IMRF and the units that may elect to join. Participation by the following units of government is mandatory:

- All counties except Cook,
- All school districts except Chicago and,
- All cities, villages and incorporated towns with a population over 5,000, other than Chicago, which do not provide Social Security or equivalent coverage for their employees before they reach a population of 5,000.

Other units of government with general taxing powers, such as townships and special districts, may elect to join. Participating instrumentalities, which include units of government without general taxing powers and not-for-profit organizations, associations, or cooperatives authorized by state statute, may participate. They must meet financial stability requirements. Units that elect to join the system may not under any circumstances terminate their participating employer status as long as they are in existence.

2. Members	2010	2009
Retirees and beneficiaries currently receiving benefits	<u>97,281</u>	<u>93,298</u>
Terminated members entitled to benefits but not yet receiving them	<u>11,988</u>	<u>11,703</u>
Terminated members—non-vested	<u>103,291</u>	<u>100,445</u>
Current members:		
Non-vested	86,908	92,556
Vested	<u>89,795</u>	<u>88,824</u>
Total current members	<u>176,703</u>	<u>181,380</u>
<i>Grand Total</i>	<u><u>389,263</u></u>	<u><u>386,826</u></u>

Employers must enroll employees in IMRF if the employees’ positions meet the qualifications for IMRF membership. There are some exceptions. City hospital employees and elected officials have the option to participate. IMRF does not cover individuals in certificated teaching positions covered by the Illinois Teachers’ Retirement System. Also, IMRF does not generally cover individuals performing police or fire protection duties for employers with local police and fire pension funds. Certain police chiefs may choose to participate as Sheriffs’ Law Enforcement Personnel (SLEP) members.

3. Contributions

The member contribution rates—4.5 percent for regular members, 7.5 percent for SLEP members and Elected County Officials Plan (ECO) members—are set by statute. The statutes require each participating employer to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Employer contributions for disability benefits, death benefits and the supplemental retirement benefits are pooled. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute. Costs of administering the plan are financed by investment income.

4. Benefit Provisions

Benefits are established by statute and may only be changed by the General Assembly. The benefit provisions in effect on the member's date of termination determine a member's benefit. The following is a summary of the IMRF benefit provisions as of December 31, 2010 and 2009. The ECO plan was created by statute in 1997 and was revised in 2000. A more extensive description of the plan can be found in the Actuarial Section. The Actuarial Section also briefly describes changes to benefit provisions that became effective for members joining IMRF after December 31, 2010.

Refunds

Members who terminate their IMRF participation may withdraw their contributions and forfeit future retirement benefits.

Retirement

Plan	Regular	SLEP	Original ECO	Revised ECO
<i>Vesting</i>	8 years	20 years	8 years	8 years in each elected position
<i>Minimum age for unreduced benefit</i>	35+ years of service: 55, otherwise 60	50	Sheriffs with 20 years of SLEP service: 50, otherwise 55	Sheriffs with 20 years of SLEP service: 50, otherwise 55
<i>Final rate of earnings</i>	Highest consecutive 48 months in the last 10 years	Highest consecutive 48 months in the last 10 years	Annual salary on the last day of ECO participation	Highest consecutive 48 months in the last 10 years for each elected position
<i>Survivor benefits</i>	Annuity for eligible spouse	Annuity for eligible spouse	Annuity for eligible spouse and unmarried children under 18	Annuity for eligible spouse and unmarried children under 18
<i>Post-retirement increase</i>	3% of original amount	3% of original amount	3% of original amount	3% of original amount
<i>Early retirement</i>	At age 55, discount based on age and service	None	None	None

IMRF employers may offer an early retirement incentive (ERI) for active members who have 20 or more years of service and are age 50 or older. The program is optional with employers and may not be offered until the liability for any previous ERI is paid.

Supplemental Retirement Benefit

Retirees and surviving spouses who have been receiving benefits for at least one year receive a supplemental retirement benefit in July. The total supplemental benefit pool in each year is equal to 0.62 percent of the participating payroll for the previous year. An individual receives a pro-rata share of the total pool based upon the ratio of his individual benefits to the total benefits paid to all IMRF recipients.

Death Benefits

An eligible spouse of a deceased retired member receives a one-time death benefit of \$3,000 plus a monthly pension equal to one-half (66-2/3 percent for ECO retirees) of the member’s pension. The beneficiaries of a participating member who had at least one year of service receive a lump sum death benefit equal to one year’s earnings plus the member’s contributions with interest. Death benefits paid upon the death of an inactive member vary depending on the member’s age and service.

Disability

Members who have at least one year of service and meet the disability medical requirements will receive a benefit of up to 50 percent of the average monthly earnings in the 12 months preceding disability. Disabled ECO members receive a disability benefit equal to the benefit they would receive upon retirement. IMRF reduces the benefit by Social Security or Workers’ Compensation awards. Members paid disability continue to receive pension service credit and death benefit protection.

5. Funded Status and Funding Progress

As of December 31, 2010, the most recent actuarial valuation date, the plan was 83.3 percent funded on an actuarial basis. The actuarial accrued liability for benefits was \$29.1 billion, and the actuarial value of assets was \$24.2 billion, resulting in an unfunded actuarial accrued liability (UAAL) of \$4.9 billion. The covered payroll (annual payroll of active employees covered by the plan) was \$6.4 billion, and the ratio of the UAAL to the covered payroll was 76 percent.

The schedule of funding progress, presented as required supplemental information (RSI) following the Notes to the Financial Statements, presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2010
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll
Amortization period	Taxing bodies: open, 30 years
	Entities over 120 percent funded on a market basis: varies by funding status
	Non-taxing bodies: open, 10 years
Asset valuation method	Five-year smoothed market related with a 20 percent corridor

Actuarial assumptions:

Investment rate of return	7.5 percent
Projected salary increases	4.4 to 16.0 percent
Assumed wage inflation rate	4.0 percent
Group size growth rate	0.0 percent
Assumed payroll growth rate	4.0 percent
Post-retirement increase	3.0 percent—simple
Mortality table	For non-disabled lives, the 1994 Group Annuity Mortality Table for males multiplied by 110 percent and the 1994 Group Annuity Mortality Table for females multiplied by 95 percent; for disabled lives, the 1994 Group Annuity Mortality Table for males multiplied by 110 percent and the 1994 Group Annuity Table for females multiplied by 95 percent and set forward 10 years.

6. IMRF as Employer

IMRF as an employer provides pension, disability and death benefits for all of its full-time employees through the Fund.

<i>Members</i>	2010	2009
Retirees and beneficiaries currently receiving benefits	<u>84</u>	<u>71</u>
Terminated members entitled to benefits but not yet receiving them	<u>23</u>	<u>33</u>
Terminated members—non-vested	<u>24</u>	<u>27</u>
Current members:		
Non-vested	53	55
Vested	<u>121</u>	<u>121</u>
<i>Total current members</i>	<u>174</u>	<u>176</u>
 <i>Grand Total</i>	 <u>305</u>	 <u>307</u>

Trend Information

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/2010	\$1,288,068	100%	\$0
12/31/2009	1,086,079	100%	0
12/31/2008	1,031,822	100%	0

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
12/31/2010	\$28,392,008	\$35,200,365	\$6,808,357	80.7%	\$11,838,856	57.5%
12/31/2009	27,969,730	34,462,926	6,493,196	81.2	12,341,803	52.6
12/31/2008	27,093,229	32,273,711	5,180,482	83.9	11,439,265	45.3

B. Summary of Significant Accounting Policies

1. Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board and that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Based upon these criteria, IMRF has no component units and IMRF is not a component unit of any other entity.

2. Basis of Accounting

IMRF prepares its financial statements using the accrual basis of accounting. It recognizes member and employer contributions as revenues in the month member earnings are paid in accordance with the provisions of the Illinois Pension Code. Benefits and refunds are recognized as expenses when payable. Expenses are recorded when the corresponding liabilities are incurred regardless of when payment is made.

3. Use of Estimates

The preparation of IMRF's financial statements in conformity with generally accepted accounting principles requires management to make significant estimates and assumptions that effect the reported amounts and plan net assets at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in IMRF plan net assets during the reporting period and, when applicable, disclosures of the contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

4. Risks and Uncertainties

IMRF invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Statement of Plan Net Assets.

5. Income Taxes

IMRF is exempt from federal and state income taxes and has received a favorable determination from the Internal Revenue Service under Code section 401(a).

6. Method Used to Value Investments

IMRF reports investments at fair value. Where appropriate, the fair value includes estimated disposition costs. Fair value for stocks is determined by using the closing price listed on the national securities exchanges as of December 31. Market value for fixed income securities are determined principally by using quoted market prices provided by independent pricing services. For commingled funds, the net asset value is determined and certified by the commingled fund manager as of December 31. Alternative investments, which include private equity and absolute return funds, are valued based on amounts established by fund managers which are subject to annual audit. Fair values for directly owned real estate investments are determined by appraisals. Fair value for the majority of derivative instruments is determined principally by using quoted market prices provided by independent pricing services. Remaining derivative instruments are priced by the Northern Trust Company by obtaining prices from a variety of internal and external sources.

C. New Accounting Pronouncements

In June 2008 GASB issued Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments." While this statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by governmental entities, its impact on IMRF is limited to disclosure since IMRF, as a public employee retirement system, already reports its derivative instruments at fair value as required by the statement. The provisions of this statement are effective for financial statements beginning after June 15, 2009. IMRF has adopted the provisions of this statement for its 2010 financial statements.

D. Deposits and Investment Risk Disclosures

1. Deposits

Custodial credit risk for deposits is the risk that, in the event of a financial institution failure, IMRF's deposits may not be returned. All non-investment related bank balances at year-end are insured or collateralized with securities held by the Illinois State Treasurer or agents in the name of the State Treasurer. The Illinois State Treasurer is ex-officio Treasurer of IMRF. Cash held in the investment related bank account is neither insured nor collateralized for amounts in excess of \$250,000. These deposits are not required to be collateralized by statute and there is no related deposit policy for custodial risk. These

assets are under the custody of the Northern Trust Company. The Northern Trust Company has a AA Long Term Deposit/Debt rating by Standard & Poor and an Aa3 rating by Moody.

Carrying amounts at December 31:	<u>2010</u>	<u>2009</u>
Cash	\$24,603,336	\$26,192,073
Bank balances at December 31:		
Total	\$23,255,441	\$16,655,249
Amount exposed to custodial credit risk	\$891,986	\$891,986

2. Investment Policies

The Illinois Pension Code prescribes the “prudent man rule” as IMRF’s investment authority, effective August 25, 1982. This rule requires IMRF to make investments with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an entity of like character with like aims. Within the “prudent man” framework, the Board of Trustees adopts investment guidelines for IMRF investment managers which are included within their respective Investment Management agreements. The Investment Section contains a summary of these guidelines. By statute all investments are held in the name of the Illinois Municipal Retirement Fund or in the name of a nominee created for the express purpose of securities registration.

3. Investment Summary

The following table presents a summary of the Fund’s investments by type at December 31, 2010, and 2009.

	<u>2010</u>	<u>2009</u>
U.S. government & agency fixed income	\$2,655,376,430	\$1,950,292,566
U.S. corporate fixed income	2,687,560,904	2,544,009,875
U.S. fixed income funds	1,733,405,420	1,676,360,401
Foreign fixed income securities	609,251,631	626,324,347
U.S. equities	6,762,778,498	5,826,449,555
U.S. stock funds	3,482,068,686	2,813,229,372
Foreign equities	3,080,687,184	2,617,053,935
Foreign stock funds	2,491,498,244	2,312,341,179
Foreign currency forward contracts	1,110,371	2,022,984
Pooled short-term investment funds	621,965,890	654,899,674
Real estate	466,633,844	413,076,373
Private equity	584,421,556	550,007,991
Absolute return funds	379,745,564	356,186,147
Swaps	(2,770,598)	10,558,622
Options	(9,488,502)	(6,538,827)
Margin cash	2,695,884	1,380,000
Total Investments at fair value	<u>\$25,546,941,006</u>	<u>\$22,347,654,194</u>

Short-term securities include commercial paper or notes having a maturity of less than 90 days. Pooled short-term investment funds are commingled funds managed by Northern Trust. Under the terms of the investment agreement for these funds, Northern Trust may invest in a variety of short-term investment securities. Alternative investments include commingled funds and separate accounts that invest in private equity and absolute return funds.

There are no individual investments held by IMRF that represent five percent or more of the Fund’s net assets at year-end. As of December 31, 2010, IMRF had \$1,740,366,888 invested in the NT Collective Aggregate Bond Index Fund, \$2,239,118,437 in NT Collective US Marketcap Equity Index Fund and \$1,682,338,356 in the NT Collective EAFE Index Fund. As of December 31, 2009, IMRF had \$1,680,768,340 invested in the NTGI QM Collective Daily Aggregate Bond Special Purpose Index Fund, \$1,954,603,052 in the NTGI QM Collective Daily U.S. Stock Fund and \$1,556,548,091 in the NTGI QM Collective Daily EAFE Stock Fund.

4. Custodial Credit Risk for Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, IMRF will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. As of December 31, the following investments were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Fund's name.

	<u>2010</u>	<u>2009</u>
<i>Investments in foreign currency</i>	\$4,477,735	\$10,363,128

5. Concentration of Credit Risk Debt Securities

The debt security portfolios are managed by professional investment management firms. These investment management firms are required to maintain diversified portfolios. Each investment manager must comply with risk management guidelines individually assigned to them as part of their Investment Management Agreement.

The total debt securities portfolio is managed using the following general guidelines adopted by the IMRF Board of Trustees:

- A. Bonds, notes or other obligations of indebtedness issued or guaranteed by the U.S. government, its agencies or instrumentalities are permissible investments and may be held without restriction.
- B. The average credit quality of the total portfolio must be investment grade.
- C. Debt obligations of any single U.S. corporation shall generally be limited to a maximum of 5 percent of the total portfolio at market value.
- D. Generally, no more than 30 percent of a manager's assets at market value may be invested in securities rated below investment grade at the time of purchase. Investment managers using high yield disciplines will not be subject to this restriction.
- E. Debt obligations of any U.S. industry shall generally be limited to a maximum of 25 percent of the total portfolio at market value.
- F. Bonds or other debt obligations of foreign countries and corporations payable in U.S. and in non-U.S. funds are authorized but, in general, will not exceed 15 percent of the portfolio.

Quality Rating	<u>2010</u>	<u>2009</u>
AAA	\$ 734,145,039	\$909,085,754
AA	286,111,711	313,835,369
A	702,152,987	619,463,696
BBB	727,534,135	594,809,018
BB	421,555,123	272,546,549
B	440,329,234	432,588,450
CCC	128,294,422	176,938,246
CC	17,390,596	31,463,810
C	635,048	12,431,909
D	10,889,322	29,144,303
Agencies	1,578,909,438	1,206,986,643
Not Rated	9,998,580	30,310,658
Other	5,309,623	680,112
<i>Total Credit Risk Debt—Securities</i>	5,063,255,258	4,630,284,517
U.S. Government	888,933,707	490,342,271
U.S. Fixed Income Fund	1,733,405,420	1,676,360,401
	<u>\$7,685,594,385</u>	<u>\$6,796,987,189</u>

The “agencies” caption in the above table does not have a specific credit quality rating since they were not covered by the rating vendors. Typically these securities are assumed to have an AAA credit quality rating.

6. Interest Rate Risk

The Illinois Municipal Retirement Fund manages its exposure to fair value losses arising from interest rate risk by diversifying the debt securities portfolio and maintaining the debt securities portfolio at an effective duration range between 80 and 120 percent of the benchmark index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. The effective duration measures the sensitivity of market price to parallel shifts in the yield curve. The Illinois Municipal Retirement Fund benchmarks its debt security portfolio to the Barclays Aggregate Bond Index. At December 31, 2010 and 2009, the effective duration of the Barclays Aggregate Bond Index was 4.98 and 4.57, respectively. At the same points in time, the effective duration of the Illinois Municipal Retirement Fund debt securities portfolio was 4.48 and 4.28, respectively.

Investment	2010 Fair Value	Effective Weighted Duration Rate	2009 Fair Value	Effective Weighted Duration Weight
U.S. Corporate	\$2,687,560,904	4.48	\$2,544,009,875	4.03
U.S. Government & Agencies	2,655,376,430	4.16	1,950,292,566	4.38
Fixed Income Fund	1,733,405,420	4.97	1,676,360,401	4.55
International	609,251,631	4.45	626,324,347	4.31
<i>Total</i>	<u>\$7,685,594,385</u>	4.48	<u>\$6,796,987,189</u>	4.28

7. Foreign Currency Risk

The international portfolio is constructed on the principles of diversification, quality, growth and value. Country exposure is limited to 25 percent or two times the benchmark weighting at fair value. Risk of loss arises from changes in currency exchange rates. International managers may also engage in transactions to hedge currency at their discretion. Currency trading may not be used for speculative purposes.

	2010	2009
Foreign Equities		
Australian dollar	\$ 30,990,675	\$ 51,060,499
Brazilian real	84,077,728	62,219,107
British pound sterling	461,342,316	447,456,880
Canadian dollar	76,887,498	70,143,865
Chilean peso	5,469,912	--
Columbian peso	6,640,032	--
Czech koruna	1,335,136	1,201,978
Danish krone	34,395,990	11,005,080
Egyptian pound	3,605,162	674,088
Euro	684,451,379	637,954,117
Hong Kong dollar	123,964,968	112,584,061
Indian rupee	41,652,573	50,299,490
Indonesian rupiah	38,734,527	17,153,676
Japanese yen	506,598,284	405,430,653
Malaysian ringgit	15,831,821	6,047,442
Mexican peso	20,633,512	10,253,733
New Israeli shekel	8,463,198	3,800,738
New Taiwan dollar	37,308,847	39,121,477
New Zealand dollar	3,766,651	4,558,502
Norwegian krone	22,360,386	29,533,432
Philippine peso	2,558,137	--

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	<u>2010</u>	<u>2009</u>
Foreign Equities (continued)		
Polish zloty	10,651,412	2,516,648
Singapore dollar	38,057,055	49,676,308
South African rand	39,511,786	31,933,823
South Korean won	71,859,439	44,006,125
Swedish krona	66,207,098	64,427,986
Swiss franc	170,047,723	128,098,579
Thai baht	21,967,295	1,848,805
Turkish lira	40,929,014	31,869,534
United States dollar	<u>2,901,885,874</u>	<u>2,614,518,488</u>
	<u>5,572,185,428</u>	<u>4,929,395,114</u>
Foreign Fixed Income		
Australian dollar	14,964,494	28,458,360
British pound sterling	1,020,342	--
Canadian dollar	--	6,239,085
Euro	7,351,394	8,378,987
New Zealand dollar	--	1,945,122
Norwegian krone	8,052,531	1,622,256
United States dollar	<u>577,862,870</u>	<u>579,680,537</u>
	<u>609,251,631</u>	<u>626,324,347</u>
	<u>\$6,181,437,059</u>	<u>\$5,555,719,461</u>

E. Securities Lending Program

The IMRF securities lending program is authorized by the IMRF Board of Trustees. IMRF lends securities (both equity and fixed income) to securities firms on a temporary basis through its agent, Northern Trust. There are no restrictions on the amount of securities that may be lent. IMRF receives fees for all loans and retains the right to all interest and dividend payments while the securities are on loan. All securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued, subject to de minimus rules, at 102 percent of the market value of the securities plus any accrued interest (105 percent for non-U.S. securities). As the market value of the securities loaned changes, the borrower must adjust the collateral accordingly. IMRF or the borrower has the right to close the loan at any time. The average term of overall loans was 98 days as of December 31, 2010, and 81 days as of December 31, 2009. When the loan closes, the borrower returns the securities loaned to IMRF, and IMRF returns the associated collateral to the borrower. IMRF cannot pledge or sell the non-cash collateral unless the borrower fails to return the securities borrowed.

Northern Trust pools all collateral received from securities lending transactions and invests any cash collateral. IMRF holds a prorated share of the collateral provided by the borrowers of its securities. The cash collateral is shown on IMRF's financial statements. Cash collateral is invested in a short-term investment pool, which had an interest sensitivity of 25 days as of December 31, 2010, and which had an interest sensitivity of 41 days as of December 31, 2009. Cash collateral may also be invested separately in "term loans," in which case the investments match the term of the loan. These loans can be terminated on demand by either lender or borrower.

Indemnification pertains to the situation in which a client's securities are not returned due to the insolvency of a borrower and Northern Trust has failed to live up to its contractual responsibilities relating to the lending of those securities. Northern Trust's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. During 2010 and 2009, there were no violations of legal or contractual provisions and no borrower or lending agent default losses to the securities lending agent. There are no dividends or coupon payments owing on the securities lent. IMRF had no credit risk as a result of its securities lending program as the collateral held exceeded the market value of the securities lent.

Securities lent are included in the Statements of Plan Net Assets. The market value of collateral received includes cash collateral of \$2,082,092,898 and \$2,092,218,260 at December 31, 2010 and 2009, respectively.

<i>Loans outstanding as of</i>	December 31, 2010	December 31, 2009
Market value of securities loaned	<u>\$2,043,236,409</u>	<u>\$2,041,072,546</u>
Market value of collateral received	\$2,093,177,224	\$2,105,796,514

F. Derivatives

IMRF's investment managers may enter into derivative transactions as permitted by their guidelines. A derivative financial instrument is an investment whose payoff depends upon the value of an underlying such as bond or stock prices, a market index, or commodity prices. Derivative financial instruments involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. IMRF's investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits and exposure monitoring procedures. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. Senior investment management approves these limits and the risk positions of the investment managers are reviewed on a periodic basis to monitor compliance with the limits. IMRF does not purchase derivatives with borrowed funds.

During the year, IMRF's derivative investments included foreign currency forward contracts, financial futures, options and swaps. Foreign currency forward contracts are used to hedge against the currency risk in IMRF's foreign stock and fixed income security portfolios. The remaining derivative financial instruments are used to improve yield, adjust the duration of the fixed income portfolio, or to hedge changes in interest rates.

Foreign currency forward contracts are agreements to buy or sell a specific amount of a specific currency at a specified delivery or maturity date for an agreed upon price. As the fair value of the underlying currency varies from the original contract price, IMRF records an unrealized gain or loss. The counterparties to the foreign currency forward contracts are banks which are rated A or above by rating agencies. The fair value of forward currency contracts outstanding at December 31, 2010 and 2009 is as follows:

<i>Fair Value as of</i>	December 31, 2010	December 31, 2009
Pending Foreign Exchange Purchases		
Australian dollar	\$ 20,840,155	\$ 19,729,213
British pound sterling	15,245,155	7,272,096
Canadian dollar	19,524,622	28,198,113
Chinese yuan	12,674,455	--
Danish krone	4,244	4,543
Euro	4,230,447	29,434,377
Hong Kong dollar	843,929	2,113,082
Indonesian rupiah	--	384,425
Japanese yen	54,937,673	27,181,959
Malaysian ringgit	179,081	--
New Zealand dollar	14,488	13,501
Norwegian krone	1,207,148	2,916,929
Singapore dollar	830,200	2,256,210
South Korean won	--	483,350
Swedish krona	3,101,576	12,679,942
Swiss franc	10,890,013	31,981,040
Turkish lira	--	95,693
United States dollar	<u>130,191,769</u>	<u>277,467,814</u>
<i>Total purchases</i>	<u>\$ 274,714,955</u>	<u>\$ 442,212,287</u>

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<i>Fair Value (continued) as of</i>	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Pending Foreign Exchange Sales		
Australian dollar	\$ (3,208,560)	\$ (3,398,083)
Brazilian real	(15,323)	--
British pound sterling	(15,746,148)	(50,161,843)
Canadian dollar	(850,166)	(22,652,661)
Czech koruna	--	(382,218)
Danish krone	(6,065,651)	(4,334)
Euro	(50,958,482)	(66,947,857)
Hong Kong dollar	(1,687,960)	(23,498,139)
Japanese yen	(30,840,282)	(37,797,360)
Malaysian ringgit	(1,458)	--
Mexican peso	--	(316,458)
New Zealand dollar	(14,557)	(1,865,575)
Norwegian krone	(2,947,239)	(1,870,753)
Singapore dollar	(809,337)	(7,995,279)
Swedish krona	(1,482,521)	(13,601,324)
Swiss franc	(18,032,903)	(42,706,943)
Turkish lira	(87,188)	--
United States dollar	<u>(140,856,809)</u>	<u>(166,990,476)</u>
<i>Total sales</i>	<u>\$ (273,604,584)</u>	<u>\$(440,189,303)</u>
<i>Net Unrealized Gain</i>	<u>\$ 1,110,371</u>	<u>\$ 2,022,984</u>

Financial futures are similar to forward contracts, except futures contracts are standardized and traded on organized exchanges. As the market value of the underlying hedging assets vary from the original contract price, a gain or loss is recognized and is settled through the clearinghouse. Financial futures represent an off-balance sheet obligation as there are no balance sheet assets or liabilities associated with those contracts. The contractual amounts of future contracts outstanding at December 31, 2010 and 2009 is as follows:

<i>Contractual Amount as of</i>	<u>December 31, 2010</u>		<u>December 31, 2009</u>	
	<u>Amount</u>	<u>Number of Contracts</u>	<u>Amount</u>	<u>Number of Contracts</u>
Fixed income derivatives futures sold	\$ 424,059,692	2,935	\$ 131,880,352	1,726
Fixed income derivatives futures purchased	\$ 136,498,808	733	\$ 312,153,458	730
Fixed income derivative offsets futures sold	\$ 122,339,714	749	\$ 346,246,481	1,103
Fixed income derivative offsets futures purchased	\$ 409,900,596	2,061	\$ 165,973,375	819
Equity derivatives futures purchased	\$ 26,500,950	423	\$ 23,546,840	424
Equity derivatives offsets futures sold	\$ 26,500,950	--	\$ 23,546,840	--
Cash and cash equivalent derivatives futures sold	--		\$ 6,455,800	26
Cash and cash equivalent derivatives futures purchased	\$ 32,438,875	131	\$ 10,960,950	44
Cash and cash equivalent derivatives offsets futures sold	\$ 32,438,875	131	\$ 4,505,150	18

Contractual amounts, which represent the fair value of the underlying assets of the derivative contracts, are often used to express the volume of these positions. Such amounts do not reflect the extent to which positions may offset one another or the potential risk, which is generally a lesser amount.

Financial options are agreements that give one party the right, but not the obligation, to buy or sell a specific amount of an asset for a specified price, called the strike price, on or before a specified expiration date. As a writer of financial options, IMRF receives a premium at the outset of the agreement and bears the risk of an unfavorable change in the price of the assets underlying the option. Gains and losses on options are determined based on market values and are recorded in the Statement of Changes in Plan Net Assets. The fair value of financial options outstanding at year-end December 31, 2010 and 2009 is as follows:

<i>Market Value as of</i>	<u>December 31, 2010</u>		<u>December 31, 2009</u>	
	<u>Amount</u>	<u>Notional Value</u>	<u>Amount</u>	<u>Notional Value</u>
Financial put options, (loss)	\$ (3,150,081)	\$ 166,600,000	\$ (5,383,337)	\$ 232,920,000
Financial call options, (loss)	\$ (6,338,421)	\$ 118,000,000	\$ (1,155,490)	\$ 164,920,000

Interest rate swaps are agreements between two or more parties to exchange sets of cash flows over a period of time. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty who, in turn, agrees to make return interest payments that float with some reference rate. In addition to interest rate swaps, one of IMRF's investment managers utilizes credit default swaps which add liquidity to individual credits and protect specific positions. Gains and losses on swaps are determined based on market values and are recorded in the Statement of Changes in Plan Net Assets. The market value of swaps outstanding at December 31, 2010 and 2009 is as follows:

<i>Market Value as of</i>	<u>December 31, 2010</u>	<u>December 31, 2009</u>
Swaps, gain (loss)	\$ (2,770,598)	\$ 10,558,622

As of December 31, 2010

<u>Type of Swap</u>	<u>Notional Value</u>	<u>Market Value</u>	<u>Counterparty Credit Rating</u>
Credit Default Swap	\$ 100,351,320	\$ 2,116,584	A
Credit Default Swap	9,900,000	375,733	AA
Credit Default Swap	11,490,667	(655,053)	A
Interest Rate Swap	375,430,000	1,299,057	A
Interest Rate Swap	302,350,000	(3,170,874)	A
Interest Rate Swap	93,128,000	(2,879,317)	AA
Total Return Swap	10,230,390	129,529	A
Total Return Swap	<u>7,451,952</u>	<u>13,743</u>	AA
<i>Total</i>	<u>\$ 910,332,329</u>	<u>\$ (2,770,598)</u>	

As of December 31, 2009

Type of Swap	Notional Value	Market Value	Counterparty Credit Rating
Credit Default Swap	\$ 64,222,083	\$ 7,353,015	A
Credit Default Swap	905,000	78,800	AA
Credit Default Swap	53,614,981	(2,872,504)	A
Credit Default Swap	15,026,160	(523,922)	AA
Interest Rate Swap	220,270,000	7,244,919	A
Interest Rate Swap	66,590,000	4,246,643	AA
Interest Rate Swap	109,450,000	(4,197,178)	A
Interest Rate Swap	9,600,000	(611,724)	AA
Total Return Swap	3,700,000	(167,080)	A
Commodity Swap	5,400,000	7,653	A
<i>Total</i>	<u>\$ 548,778,224</u>	<u>\$ 10,558,622</u>	

G. Future Investment Commitments

At December 31, 2010 and 2009, IMRF had future commitments for additional contributions to real estate and alternative investment managers totaling \$636,642,111 and \$615,313,619 respectively.

H. IMRF as Employer - Postemployment Benefits Other Than Pensions

1. Plan Description

IMRF, as an employer, administers a single-employer defined benefit healthcare plan (“Retiree Health Plan”) under the provisions of ILCS Chapter 215, Article 5, Section 367j. As required by the statutes, the Retiree Health Plan provides lifetime health and dental care insurance for eligible retirees and their spouses through IMRF’s group health insurance plan, which covers both active and retired members. Currently 17 retirees are in the plan and 174 active employees could be eligible at retirement. Benefit subsidy provisions have been established by IMRF’s Board of Trustees that cover a percentage of the retiree’s insurance premiums from the date of retirement to the date the retiree becomes eligible for Medicare. The amount of the subsidy varies based upon the retiree’s years of service with IMRF. These benefit subsidy provisions can be modified or terminated at the sole discretion of the IMRF Board. Except for any eligible subsidy, retirees must pay the entire blended insurance premium for their coverage.

2. Funding Policy

The contribution requirements of plan members and IMRF are established by IMRF’s Board of Trustees within the provisions of the Illinois statutes. The required contribution is based on projected pay-as-you-go financing requirements. For 2010 and 2009, IMRF contributed \$1,666,101 and \$1,683,910, respectively, to the plan for current premiums, including a \$33,138 subsidy in 2010 and a \$21,861 subsidy in 2009 for retiree health and dental care premiums (78.8 percent and 79.1 percent of total premiums for each year). Plan members receiving benefits contributed \$448,201 in 2010 and \$444,492 in 2009, or 21.2 percent and 20.9 percent of the total premiums for each year, through their required contributions of between \$51 and \$432 per month based upon their coverage.

3. Annual OPEB Cost and Net OPEB Obligation

IMRF's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of IMRF's annual OPEB cost, the amount actually contributed to the plan, and changes in IMRF's net OPEB obligation to the Retiree Health Plan:

	<u>2010</u>	<u>2009</u>
Annual required contribution	\$ 189,027	\$ 196,269
Interest on net OPEB obligation	37,355	27,751
Adjustment to annual required contribution	<u>(26,701)</u>	<u>(19,837)</u>
Annual OPEB expense	199,681	204,183
Contributions made	<u>(79,215)</u>	<u>(76,133)</u>
Increase in net OPEB obligation	120,466	128,050
Net OPEB obligation - beginning of year	498,066	370,016
Net OPEB obligation - end of year	<u>\$ 618,532</u>	<u>\$ 498,066</u>

In 2010, 2009 and 2008, IMRF contributed 42 percent, 39 percent and 48 percent, respectively, of the annual required OPEB contribution to the plan.

4. Actuarial Valuation Information

<u>Actuarial Valuation Date</u>	<u>Actuarial Accrued Liability (AAL) (a)</u>	<u>Actuarial Covered Annual Payroll (b)</u>	<u>AAL as a Percentage of Covered Payroll (a/b)</u>
12/31/2010	\$ 1,923,291	\$ 12,274,519	15.7%
12/31/2009	1,868,954	11,895,017	15.7
12/31/2008	1,921,156	10,682,143	18.0

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Since IMRF does not intend to fund the plan, no schedule of funding progress is presented.

5. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the December 31, 2010 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return which is based upon the employer's assumed return on its assets and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 4 percent after nine years. Both rates include a 4 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over an open 30 year period.

I. Reserves

IMRF maintains several reserves as required by the Illinois Pension Code and Board policy. All reserves are fully funded with the exception of some individual employer retirement reserves. These reserves do not equal the present value of expected retirement benefits for all employers. In 2010 the present value of expected retirement benefits exceeded the retirement reserves for all employers combined by \$3,987,339,456. In 2009 the present value of expected retirement benefits exceeded the retirement reserves for all employers combined by \$5,042,274,441.

1. Member Contribution Reserve	<u>2010</u>	<u>2009</u>
Balance at December 31	\$ 5,153,842,456	\$ 4,893,092,254
2. Annuity Reserve	<u>2010</u>	<u>2009</u>
Balance at December 31	\$12,121,959,266	\$10,900,784,421
3. Employer Reserves	<u>2010</u>	<u>2009</u>
Balance at December 31		
Retirement contribution reserve	\$ 7,861,655,565	\$ 6,472,115,162
Earnings and experience reserve	(24,434,971)	4,846,624
Supplemental retirement benefit	85,435	2,199,431
Pooled death benefit reserve	12,676,805	13,816,077
Pooled disability benefit reserve	16,104,227	15,984,806
	<u>\$ 7,866,087,061</u>	<u>\$ 6,508,962,100</u>

J. Other Notes

1. Prepaid Expenses	<u>2010</u>	<u>2009</u>
Balance at December 31		
Prepaid administrative expenses	\$ 975,773	\$ 937,985
January 1 benefits charged to bank account in December	82,886,183	75,940,733
	<u>\$ 83,861,956</u>	<u>\$ 76,878,718</u>

2. Capital Assets

Capital assets are recorded at their cost at the time of acquisition. Depreciation and amortization are computed using the straight-line method over the estimated useful life of the related asset. The estimated useful lives are 1) furniture: ten years, 2) equipment: five to eight years 3) internally developed software: six years and 4) automobiles: four years.

Year ended December 31	<u>2010</u>	<u>2009</u>
Equipment, furniture, automobiles and internally developed software		
<i>Beginning balance in service</i>	\$ 6,597,471	\$ 5,419,047
Additions	1,214,648	1,404,729
Deletions	(86,050)	(226,305)
<i>Ending balance in service</i>	<u>7,726,069</u>	<u>6,597,471</u>
Software under development	553,270	560,472
<i>Total ending balance</i>	<u>8,279,339</u>	<u>7,157,943</u>
Accumulated depreciation and amortization		
<i>Beginning balance</i>	4,080,810	3,659,917
Additions	713,052	533,347
Deletions	(84,144)	(112,454)
<i>Ending balance</i>	<u>4,709,718</u>	<u>4,080,810</u>
Capital assets, net	<u>\$ 3,569,621</u>	<u>\$ 3,077,133</u>

3. *Compensated Absences*

Annual vacation leave is earned by all employees. Upon termination, employees are eligible to receive compensation for their accrued annual leave balances. At December 31, 2010, a liability existed for accumulated annual leave calculated at the employee's December 31, 2010, pay rate in the amount of \$646,142. Employees who have been continuously employed by IMRF for at least five years prior to the date of their retirement, resignation or death will receive payment for their accumulated sick leave balance with such payment not to exceed the sum of ninety days of the employee's annual compensation. For employees who have not been employed for five continuous years, an accrued liability is calculated assuming the likelihood that they will meet the five-year threshold in the future. At December 31, 2010, a liability existed for accumulated and accrued sick leave, calculated at the employee's December 31, 2010, pay rate in the amount of \$2,330,881. The total leave liability of \$2,977,023 and \$2,983,687 as of December 31, 2010, and 2009, respectively, is reflected on the Statement of Plan Net Assets in accrued expenses and benefits payable.

4. *Lease Agreements*

The Fund leases its headquarters facilities at the Drake Oak Brook Plaza under an agreement with the building's management. In 2005 the Fund entered into a new agreement covering the period January 1, 2006, through May 31, 2011. The base rent was abated until May 31, 2006. The Fund is amortizing the abated rent over the period covered by the agreement. In 2010, the Fund negotiated a new lease for these same facilities covering the period June 1, 2011 through October 31, 2016. The new lease also contains an abatement clause. The Fund will amortize the abated rent, operating expenses, and real estate taxes over the period covered by the new agreement. Total rental expense for 2010 and 2009 was \$839,941 and \$814,069 respectively.

The Fund also leases office space in Springfield for its Regional Counseling Center. In 2006 the Fund entered into a new agreement covering the period November 1, 2006, through October 31, 2011. Total rental expense for 2010 and 2009 was \$33,084 and \$32,446, respectively.

The minimum commitments for the remainder of these leases are as follows:

2011	\$962,268
2012	962,197
2013	991,063
2014	1,020,795
2015	1,051,419
2016	900,250

5. *Risk Management*

IMRF carries commercial, business and automobile liability insurance coverage provided by private insurance carriers. These policies limit the risk of loss from torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters. There have been no material insurance claims filed or paid during the last three years. The Fund is also exposed to investment risk. This risk is limited by diversification of the portfolio, establishment and monitoring of investment policies and guidelines and monitoring of investment performance. In addition, investment consultants and fiduciary counsel monitor the Fund's activities and advise the Board of Trustees.

6. *Contingencies*

IMRF is a defendant in a number of lawsuits that, in management's opinion, will not have a material effect on the financial statements.

K. **Ten-Year Historical Trend Information**

Ten-year historical trend information designed to provide information about IMRF's progress made in accumulating sufficient assets to pay benefits when due is presented as required supplementary information following the footnotes.

Required Supplementary Information
Schedule of Funding Progress

Last ten years

Actuarial Valuation Date December 31	Aggregate Actuarial Liabilities (AAL)			Unfunded Actuarial Liabilities (UAL)		
	Total AAL Entry Age (a)	Actuarial Assets (b)	Actuarial Assets as a % of AAL (b/a)	Total UAL (a-b)	Member Payroll (c)	UAL as a % of Member Payroll [(a-b)/c]
2001	\$ 15,318,517,575	\$ 16,305,022,254	106.4%	\$ (986,504,679)	\$ 4,503,092,615	-21.9%
2002*	16,559,907,302	16,800,195,504	101.5	(240,288,202)	4,755,103,888	-5.1
2003	17,966,103,451	17,529,890,818	97.6	436,212,633	4,944,767,495	8.8
2004	19,424,667,016	18,315,987,910	94.3	1,108,679,106	5,161,127,432	21.5
2005*#	20,815,060,842	19,698,401,285	94.6	1,116,659,557	5,374,585,943	20.8
2006	22,488,185,031	21,427,139,356	95.3	1,061,045,675	5,630,683,054	18.8
2007	24,221,543,716	23,274,361,198	96.1	947,182,518	5,931,443,117	16.0
2008*	25,611,199,349	21,601,053,512	84.3	4,010,145,837	6,259,283,197	64.1
2009	27,345,113,216	22,754,803,784	83.2	4,590,309,432	6,461,696,602	71.0
2010	29,129,228,239	24,251,136,889	83.3	4,878,091,350	6,391,164,701	76.3

* After assumption change.

After benefit change.

This data was provided by the actuary.

Schedule of Employer Contributions

Last ten years

Year Ended December 31	Normal Contributions	Amortization of Unfunded Actuarial Liability	Death & Disability Benefit Contributions	Supplemental Retirement Benefit Contributions	Total Contributions	Percentage Contributed
2001	\$ 333,464,233	\$ (64,801,461)	\$ 16,427,003	\$ 27,917,864	\$ 313,007,639	100%
2002	365,109,725	(117,392,970)	17,488,736	29,729,931	294,935,422	100
2003	378,120,450	(105,148,713)	16,916,553	31,161,549	321,049,839	100
2004	391,809,922	12,367,839	19,617,440	32,402,897	456,198,098	100
2005	408,644,037	80,574,252	20,407,466	33,637,720	543,263,475	100
2006	429,460,710	112,993,136	25,166,224	35,155,725	602,775,795	100
2007	440,054,100	97,121,315	26,551,837	37,094,883	600,822,135	100
2008	463,833,388	106,266,646	21,844,517	39,202,925	631,147,476	100
2009	478,760,517	119,391,054	21,417,551	40,830,286	660,399,408	100
2010	483,792,012	225,268,536	20,582,277	40,499,453	770,142,278	91

Supplementary Information

Schedule of Administrative Expenses

	<u>2010</u>	<u>2009</u>
Personal services	\$15,115,641	\$15,158,260
Supplies	357,345	341,677
Professional services	1,050,943	932,353
Occupancy and utilities	1,780,313	1,775,092
Postage and delivery	1,092,791	994,498
Equipment service and rental	878,727	936,718
Expendable equipment	151,734	85,075
Miscellaneous	1,178,222	1,210,289
Depreciation	712,777	533,346
<i>Total</i>	<u>\$22,318,493</u>	<u>\$21,967,308</u>

Schedule of Payments to Consultants

	<u>2010</u>	<u>2009</u>
External auditor	\$ 133,000	\$ 114,000
Internal auditing	230,606	227,741
Other consulting	53,250	5,145
Medical consultant	96,450	76,937
Legal services	26,753	16,531
Tax consultant	10,680	14,536
Actuary	261,186	251,186
Compensation and benefit consultants	20,749	25,499
Legislative lobbying consultant	64,104	62,234
Public relations consultant	85,205	87,328
IT consultants	67,060	45,000
Other	1,900	6,216
<i>Total</i>	<u>\$ 1,050,943</u>	<u>\$ 932,353</u>

Schedule of Investment Expenses

	<u>2010</u>	<u>2009</u>
Investment manager fees	\$59,901,193	\$51,053,850
Master trustee fees	255,500	252,500
Investment consultants	858,089	1,086,422
Investment legal fees	47,282	35,238
Miscellaneous	95,191	47,148
<i>Total</i>	<u>\$61,157,255</u>	<u>\$52,475,158</u>

A schedule of investment related fees can be found in the Investment Section.

Investments

2010


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IMRF KEEPS BILLIONS OF INVESTMENT DOLLARS

WITHIN THE STATE

Currently, almost 50%—\$11.9 billion—of
IMRF's investments are managed by
Illinois investment firms.



CALLAN ASSOCIATES^{INC.}



SAN FRANCISCO

ATLANTA

CHICAGO

DENVER

NEW JERSEY

March 30, 2011

The Board of Trustees
The Executive Director
Illinois Municipal Retirement Fund
2211 York Road, Suite 500
Oak Brook, IL 60523

Dear Trustees and Executive Director:

Callan Associates is pleased to report the results of the Illinois Municipal Retirement Fund (IMRF) investment program for calendar year 2010.

Calendar year 2010 saw a continued, albeit choppy, recovery in the world equity markets and positive returns from the fixed income markets. The U.S. equity market, as measured by the Dow Jones U.S. Total Stock Market Index, returned 17.5%. The international equity markets, as measured by the MSCI All Country World ex-U.S. Index (Net), returned 11.2%. The U.S. fixed income market rose 6.5%, as measured by the Barclays Capital Aggregate Bond Index.

The Illinois Municipal Retirement Fund reported total assets held in trust for pension benefits of \$25.1 billion at year end. This represented an increase of approximately \$2.8 billion from December 31, 2009.

The Total Fund returned 13.4% net of fees during 2010, which outperformed the Total Fund Benchmark by 0.6%. The Total Fund Benchmark is composed of the individual asset class benchmarks in the same proportion as the target asset class allocations¹. On a gross of fee basis the Total Fund ranked in the 35th percentile of Callan's Public Fund Sponsor Database for the one-year period, and in the top quintile for the trailing three- and five-year periods. In 2010 the performance of the Total Fund can be attributed to outperformance in the domestic equity, fixed income, and international equity asset classes.

¹ As of December 31, 2010, the Total Fund Benchmark consisted of 38% of the DJ U.S. Total Stock Market Index, 29% of the Barclays Capital Aggregate Bond Index, 20% of the MSCI AC World ex-U.S. Index, 6% of the NCREIF Total Index + 1.0%, 6% of the Alternatives Custom Benchmark, and 1% of the Citigroup 90-Day T-Bill Index.

The domestic equity portfolio, which has a current target allocation of 38%, returned 18.6% net of fees for the year ending December 31, 2010. This return outperformed the Dow Jones U.S. Total Stock Market Index by 1.1%. Each sub-asset class had double digit gains during 2010. The domestic equity portion of the Total Fund has outperformed its benchmark for the last three years on an annualized basis.

The international equity portfolio returned 12.7% net of fees over the trailing one-year period and outperformed the MSCI All-Country World ex-U.S. Index (Net) by 1.5%. This asset class, which has a current target allocation of 20%, is broadly invested and includes a dedicated allocation to international small cap stocks and emerging markets. All of the sub-asset classes ended the year with positive returns. Performance for the international equity portfolio outperformed its index for the most recent trailing ten-year period.

The Total Fund's fixed income portfolio returned 8.4% net of fees. This return exceeded that of the Barclays Capital Aggregate Bond Index by 1.9%. The fixed income portfolio has a current target allocation of 29% and was well-diversified including dedicated investments in high yield securities and core plus type strategies. The fixed income portfolio's performance relative to peers over the trailing three-, five-, and ten-year periods ranked in the 20th, 28th, and 27th percentile (on a gross of fee basis) of Callan's Public Fund Domestic Fixed Income Database, respectively.

Investment measurements and comparisons have been made using standard performance evaluation methods, and results are presented in a manner consistent with the investment industry. Rates of return were determined using a time-weighted return calculation.

Sincerely,



Janet C. Becker-Wold, CFA
Senior Vice President

The Northern Trust Company
 50 South La Salle Street
 Chicago, Illinois 60603
 (312) 630-6000



Northern Trust

March 4, 2011

Board of Trustees and Executive Director
 Illinois Municipal Retirement Fund
 2211 York Road
 Oak Brook, IL 60521-2374

To the Board of Trustees and the Executive Director

The Northern Trust Company as Master Trustee has provided detailed financial reports of all investments, receipts, disbursements, purchases and sales of securities and other transactions pertinent to the Fund for the period January 1, 2010, through December 31, 2010. Also, a statement of assets together with their fair market value was provided, showing the properties held as of December 31, 2010. The Northern Trust Company certifies that the statements contained therein are fairly presented and are true and accurate.

In addition to the custody of the assets, The Northern Trust Company provided and will continue to provide the following services as Master Trustee:

1. Receive and hold all amounts paid to the Trust Fund by the Board of Trustees.
2. Accept and deliver securities in accordance with the instructions of appointed Investment Managers.
3. Collect dividends and registered interest payments.
4. Collect matured or called securities and coupons.
5. Securities Lending.
6. Invest cash balances held from time to time in the individual investment management accounts in short term, cash equivalent securities.
7. Exercise rights of ownership in accordance with pre-described jurisdiction of stock subscriptions and conversion rights.
8. Hold securities in the name of the Master Trust or nominee form.
9. Employ agents with the consent of the Board of Trustees.
10. Provide disbursement and security fail float income.
11. Checking Accounts.
12. On-line Trust and Banking reporting.

THE NORTHERN TRUST COMPANY

By: Richard L. Deeter
 Richard L. Deeter
 Vice President



Investment Consultants

Master Trustee

The Northern Trust Company

Richard L. Deeter, Vice President
Chicago, Illinois

Performance Evaluation

Callan Associates, Inc.

Janet Becker-Wold, Principal
Denver, Colorado

Investment Consultant

Callan Associates, Inc.

Janet Becker-Wold, Principal
Denver, Colorado

Investment Managers

Abbott Capital Management, LLC

New York, New York

Adams Street Partners, LLC

Chicago, Illinois

Alliance Capital Management, L.P.

Chicago, Illinois

Ambassador Capital Management

Detroit, Michigan

Apex Capital Management, Inc.

Dayton, Ohio

Ariel Investments, LLC

Chicago, Illinois

Arrowstreet Capital, L.P.

Cambridge, Massachusetts

Ativo Capital Management, LLC

Chicago, Illinois

Aurora Investment Management

Chicago, Illinois

BlackRock Financial Management, Inc.

New York, New York

BlackRock Real Estate

Florham Park, New Jersey

Black Knight Asset Management, LLC

Washington, D.C.

Brandes Investment Partners, L.P.

San Diego, California

Brown Capital Management, Inc.

Baltimore, Maryland

Buford, Dickson, Harper & Sparrow, Inc.

St. Louis, Missouri

Channing Capital Management, LLC

Chicago, Illinois

Cornerstone Real Estate Advisers, LLC

Hartford, Connecticut

Cozad/Westchester Agricultural Asset Management

Champaign, Illinois

Dimensional Fund Advisors

Santa Monica, California

Dodge & Cox Investment Managers

San Francisco, California

Dune Capital Management, L.P.

New York, New York

EARNEST Partners, LLC

Atlanta, Georgia

EH Williams Capital Management, LLC

New York, New York

Forest Investment Associates

Atlanta, Georgia

Fortaleza Asset Management, Inc.

Chicago, Illinois

Franklin Templeton Real Estate Advisors

New York, New York

Frontier Capital Management Co.

Boston, Massachusetts

Garcia Hamilton & Associates, L.P.

Houston, Texas

Genesis Asset Managers International, Ltd.

London, England

GlobeFlex Capital, L.P.

San Diego, California

Graham & Dodd Fund, LLC

New York, New York

Grosvenor Capital Management, L.P.

Chicago, Illinois

Harris Investment Management, Inc.

Chicago, Illinois

Herndon Capital Management, LLC

Atlanta, Georgia

High Pointe Capital Management, LLC
Chicago, Illinois

Holland Capital Management
Chicago, Illinois

Invesco Real Estate
Dallas, Texas

Investment Counselors of Maryland, LLC
Baltimore, Maryland

Lazard Frères Real Estate Investors, LLC
New York, New York

LM Capital Group, LLC
San Diego, California

Lombardia Capital Partners, LLC
Pasadena, California

LSV Asset Management
Chicago, Illinois

MacKay Shields, LLC
New York, New York

McKinley Capital Management, Inc.
Anchorage, Alaska

Mesirow Advanced Strategies, Inc.
Chicago, Illinois

Muller & Monroe Asset Management, LLC
Chicago, Illinois

New Century Advisors
Bethesda, Maryland

Northern Trust Investments, Inc.
Chicago, Illinois

Olympus Real Estate Corporation
Dallas, Texas

Pantheon Ventures, Inc.
San Francisco, California

Permira Advisors, Ltd.
London, England

Piedmont Investment Advisors, LLC
Durham, North Carolina

Profit Investment Management
Silver Spring, Maryland

Progress Investment Management Company
San Francisco, California

Pugh Capital Management
Seattle, Washington

Pyramis Global Advisors
Boston, Massachusetts

Rockwood Capital, LLC
White Plains, New York

Rothschild Realty Managers, LLC
New York, New York

Sands Capital Management, LLC
Arlington, Virginia

Security Capital Markets Group, Inc.
Santa Fe, New Mexico

Sentinel Real Estate Corporation
New York, New York

TA Associates Realty
Boston, Massachusetts

Taplin, Canida & Habacht
Miami, Florida

Wall Street Associates
La Jolla, California

Western Asset Management Company
Pasadena, California

William Blair & Company
Chicago, Illinois



Investment Policies

The Board of Trustees, operating within the prudent man framework, has adopted the following investment objectives and guidelines. The objectives and guidelines presented here are intended to be summarizations. Specific contractual objectives and guidelines are in effect for individual investment managers.

A. Investment Objectives

1. To diversify the investment portfolio so as to optimize investment returns.
2. To set investment and actuarial policies that assure the adequate accumulation of assets and maintain a reasonable funded status.
3. To achieve rates of return greater than the current actuarial investment assumption of 7.5 percent.
4. To achieve rates of return consistent with expectations for each asset class used, without significantly changing the expected risk profile of the asset class or the investment portfolio.
5. To achieve in U.S. equities a total return that exceeds the total return of the Dow Jones U.S. Total Stock Market Index. In addition, the Board expects to earn a minimum of 5 percent in excess of inflation over moving five-year periods.
6. To achieve in international equities a total return that exceeds the total return of the Morgan Stanley Capital International, All Country World Index Ex-US (MSCI ACWI-Ex U.S.). In addition, the Board expects to earn a minimum of 5 percent in excess of inflation over moving five-year periods.
7. To achieve in fixed income securities a total return that exceeds the total return of the Barclays Aggregate Bond Index. In addition, the Board expects to earn a minimum of 2 percent in excess of inflation over moving five-year periods.
8. To achieve in equity real estate investments a return that exceeds the National Council of Real Estate Investment Fiduciaries Property Index (NPI) by 1 percent over moving three-year periods.
9. To achieve in alternative investments a return of 9% over moving five-year periods.
10. To achieve in internally managed short-term securities relative performance better than 30-day U.S. Treasury Bills.

B. Proxy Voting Guidelines

The Board of Trustees of the Illinois Municipal Retirement Fund (IMRF) recognizes its fiduciary responsibility to prudently manage the assets of the Fund. The assets include common stock in many different companies and, as a shareowner, the Board also owns proxy voting rights. The Board acknowledges that it not only has a right to vote proxies, but also a duty to vote them. Proxies have economic value and, therefore, the Board has the duty to prudently oversee the management of them as it does all other Fund assets.

The Board shall vote proxies in accordance with the exclusive benefit rule which requires the Board to act solely in the economic interest of the Fund's members and beneficiaries

Generally, proxies related to corporate governance shall be voted in favor of shareholder-sponsored proposals requiring corporate boards to act in the best interests of shareholders. Proxies related to director, executive, and employee compensation shall be voted in favor of compensation plans that motivate directors, executives, and employees to achieve high performance for the long-term benefits of all shareowners. Proxies related to takeover defenses shall be voted in favor of proposals allowing shareholders to vote on poison pills and golden parachutes. Proxies related to capital structure issues shall be voted in favor

of proposals requiring shareowner approval for reasonable share increases needed for business purposes. Proxies related to mergers, acquisitions, and corporate restructuring will be voted on a case-by-case basis. Proxies related to routine management issues shall generally be voted in accordance with management's view on such issues. In keeping with the Board's fiduciary duty to act solely in the economic interest of the Fund, and because empirical evidence is inconclusive about whether all social and political proposals enhance shareowner value, IMRF will abstain from voting on such proposals.

C. Domestic Equity Investment Guidelines

1. The domestic equity portfolio as a whole shall be constructed on four fundamental principles: diversification, quality, growth and value.
2. Generally, no individual security shall comprise more than 5 percent of the total portfolio at market value.
3. The total portfolio shall generally not hold more than 5 percent of the outstanding shares of any one company.
4. Holdings of any one issuer, at the time of purchase, shall generally be limited to not more than 15 percent of a manager's portfolio market value.
5. Sector exposure in the total portfolio shall generally not differ by more than 5 percentage points from the sector exposure of the Dow Jones U.S. Total Stock Market Index.
6. Domestic equity managers must invest in equity securities that are listed on principal U.S. exchanges or traded over the counter. ADRs of foreign companies are permissible.

D. International Equity Investment Guidelines

1. The international equity portfolio as a whole shall be constructed on four fundamental principles: diversification, quality, growth and value.
2. Generally, no individual security shall comprise more than 6 percent of the total portfolio at market value.
3. The total portfolio shall generally not hold more than 5 percent of the outstanding shares of any one company.
4. Holdings of any one issuer, at the time of purchase, shall generally be limited to a maximum of 8 percent of a manager's portfolio market value.
5. Sector exposure in the portfolio shall not exceed the higher of 25 percent or two times the benchmark weighting at market value.
6. Country exposure in the portfolio shall not exceed the higher of 25 percent or two times the benchmark weighting at market value.
7. International equity managers shall generally invest in equity securities of companies domiciled outside of the U.S. They may be allowed to invest in U.S. domiciled companies that operate primarily outside the U.S.
8. International equity managers may engage in various transactions to hedge currency. Forward contracts, futures and options may be used for currency hedging purposes. Currency trading may not be used for speculative purposes.

E. Fixed Income Investment Guidelines

1. Bonds, notes or other obligations of indebtedness issued or guaranteed by the U.S. government, its agencies or instrumentalities, are permissible investments and may be used without restrictions.
2. The average credit quality of the total portfolio will be investment grade.
3. Debt obligations of any single U.S. corporation shall generally be limited to a maximum of 5 percent of the total portfolio market value.
4. Generally, no more than 30 percent of an investment manager's assets at market value may be invested in securities rated below investment grade at the time of purchase. High yield bond managers are not subject to this restriction.
5. Debt obligations of any U.S. industry shall generally be limited to no more than 25 percent of the total portfolio at market value.
6. Bonds or other debt obligations of foreign countries and corporations payable in U.S. and in non-U.S. funds are authorized, but in general will not exceed, 15 percent of total portfolio.
7. The total portfolio shall have an effective duration range between 80-120 percent of the benchmark index.
8. Private placements are authorized by the Board on an individual manager basis.
9. The use of swaps, exchange-traded financial futures, exchange-traded options on financial futures, and over-the-counter options are subject to individual manager guidelines. Leverage is not allowed except as permitted for rolling mortgage pass-through securities.
10. No assets shall be committed to short sale contracts.

F. Equity Real Estate Investment Guidelines

The real estate asset class investments will consist of equity ownership of privately held commercial real estate. Non-equity investments should not exceed 15 percent. Investments in publicly traded real estate securities will not exceed 20 percent. Investments will not be made in vehicles who invest solely in single family residential real estate or in real estate debt. The portfolio will be diversified by:

1. Property type: the majority of the investments will be allocated to the primary sectors of the NPI Index.
2. Geography: within the U.S., the allowable range of total real estate allocation to the West, East, Midwest, and South regions is the NPI exposure \pm 50 percent.
3. Life cycle: 60 to 80 percent of the assets will be invested in core properties (at least 80 percent leased/occupied and less than 20 percent in development or restructuring).
4. Individual investment: no individual property, as measured by gross asset value, shall exceed 10 percent of the real estate portfolio for core properties and 5 percent for non-core properties.
5. Leverage: total asset class leverage will be kept below 50 percent loan to value. Individual account limits will be kept below 80 percent.
6. Liquidity: at least 20 percent of the portfolio will be kept outside of closed end funds.

G. Alternative Investment Guidelines

The Alternative Investment Portfolio will consist of venture capital, buyout, mezzanine, special situation, timber, agriculture, and absolute return investments. The investments will be made for long-term returns, generally through the use of limited partnership vehicles, separate account vehicles and commingled funds. Investments will be diversified in a manner that will broaden the portfolio exposure to a wide range of opportunities and provide a means of controlling the inherent risks of new and different investment areas.

H. Short-Term Investment Guidelines

Permissible short-term investments are U.S. Treasury Bills and Notes, high-grade commercial paper, repurchase agreements, banker's acceptances, and certificates of deposit. Commercial paper investments shall be made in instruments rated "A-2" or "P-2" or better as defined by a recognized rating service. Comparable ratings are required for banker's acceptances and certificates of deposit. No more than \$20 million of current market value shall be invested in the securities of any one issuer, with the exception of the U.S. government and its agencies. Idle cash balances swept by the custodian bank shall be invested in a constant \$1 Net Asset Value vehicle. The objective is to generate current income that is consistent with preservation of capital and maintenance of liquidity.



Returns by Asset Class

Periods ending December 31

	2010	2009	2008	2007	2006	Annualized		
						3 Yrs	5 Yrs	10 Yrs
Total Fund								
Time-Weighted Returns								
IMRF - Gross of Fees	13.60%	24.52%	-24.81%	8.52%	13.87%	2.07%	5.62%	5.37%
IMRF - Net of Fees	13.36%	24.28%	-24.97%	8.28%	13.60%	1.87%	5.39%	--
CPI (Inflation)	1.50%	2.72%	0.09%	4.08%	2.54%	1.43%	2.18%	2.34%
Equities - U.S.								
IMRF - Gross of Fees	18.92%	31.39%	-38.62%	7.13%	13.91%	-1.38%	3.19%	3.04%
IMRF - Net of Fees	18.63%	31.12%	-38.79%	6.86%	13.66%	-1.62%	2.95%	--
Dow Jones U.S.								
Total Stock Market Index	17.51%	28.58%	-37.23%	5.62%	15.77%	-1.76%	3.00%	2.55%
Russell 2000	26.85%	27.17%	-33.79%	-1.57%	18.35%	2.22%	4.47%	6.33%
S&P 500	15.05%	26.46%	-37.00%	5.50%	15.80%	-2.86%	2.30%	1.41%
Equities - International								
IMRF - Gross of Fees	12.98%	39.51%	-46.35%	14.85%	27.67%	-5.44%	4.41%	6.16%
IMRF - Net of Fees	12.68%	39.07%	-46.55%	14.48%	27.17%	-5.74%	4.05%	--
MSCI ACWI Ex-U.S.	11.15%	41.45%	-45.53%	16.66%	26.65%	-5.03%	4.82%	5.54%
MSCI EAFE	7.75%	31.78%	-43.38%	11.17%	26.34%	-7.02%	2.46%	3.50%
Fixed Income								
IMRF - Gross of Fees	8.59%	15.34%	-1.89%	5.67%	5.60%	7.10%	6.51%	6.43%
IMRF - Net of Fees	8.43%	15.21%	-1.99%	5.53%	5.47%	6.98%	6.38%	--
Barclays Aggregate	6.54%	5.93%	5.24%	6.97%	4.33%	5.90%	5.80%	5.83%
Barclays Government/Credit	6.59%	4.52%	5.70%	7.23%	3.78%	5.60%	5.56%	5.83%
Merrill Lynch High Yield	15.24%	56.28%	-26.21%	2.17%	11.64%	9.94%	8.68%	8.72%
Real Estate								
IMRF - Net of Fees	6.03%	-24.52%	-3.75%	9.27%	24.88%	-8.33%	1.00%	4.97%
NCREIF Property	13.11%	-16.90%	-6.46%	15.84%	16.59%	-4.18%	3.51%	7.38%
Alternative Investments								
IMRF - Gross of Fees	9.76%	-0.81%	-8.82%	19.87%	14.43%	-0.24%	6.37%	2.80%
IMRF - Net of Fees	9.50%	-1.24%	-8.93%	19.42%	14.11%	-0.50%	6.06%	--
Cash & Cash Equivalents								
IMRF	0.26%	-7.27%	-19.17%	10.84%	9.83%	-9.08%	-1.76%	2.24%
U.S. Treasury Bills	0.13%	0.10%	1.20%	4.00%	3.90%	0.79%	2.43%	2.38%

These investment results are calculated and presented using standard performance evaluation methods in a manner consistent with the investment industry in general and public pension funds in particular. Rates of return were determined using a modified time-weighted return calculation.

With the exception of real estate, asset class net of fee returns for periods longer than five years ending December 31, 2010 are not available.

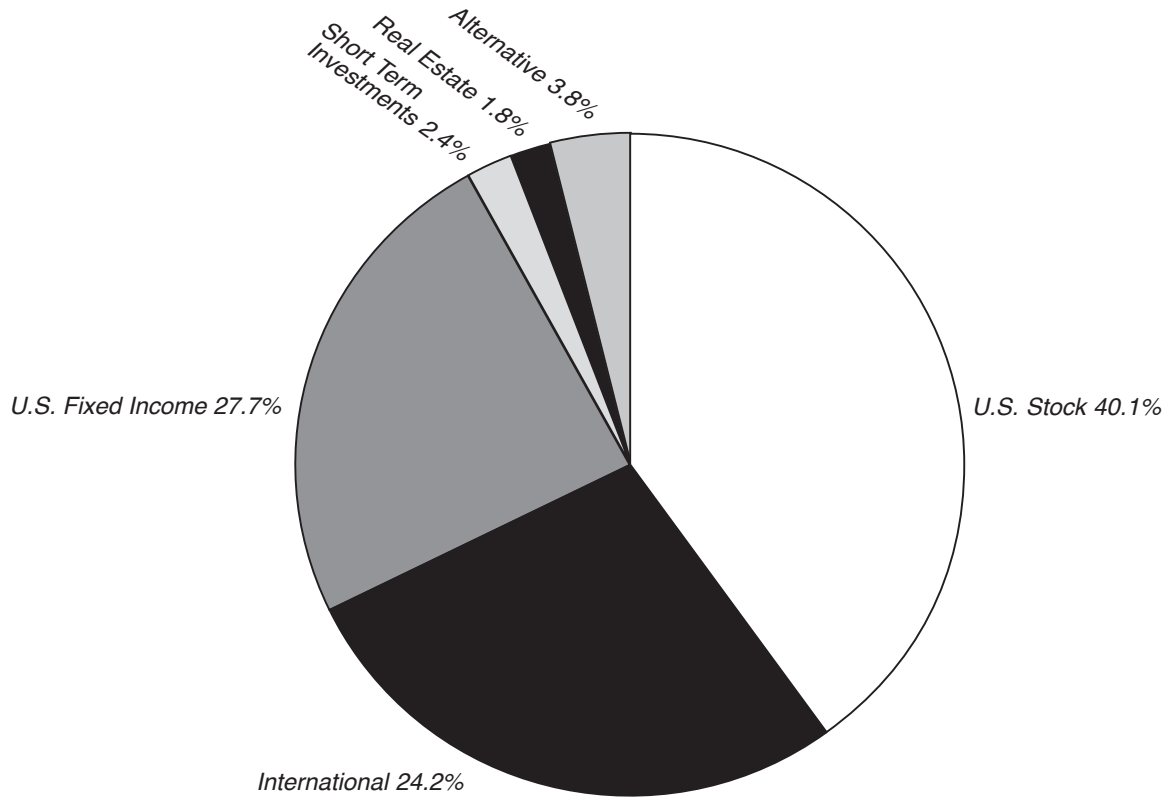
Schedule I
Investment Portfolio Summary

In Millions of Dollars

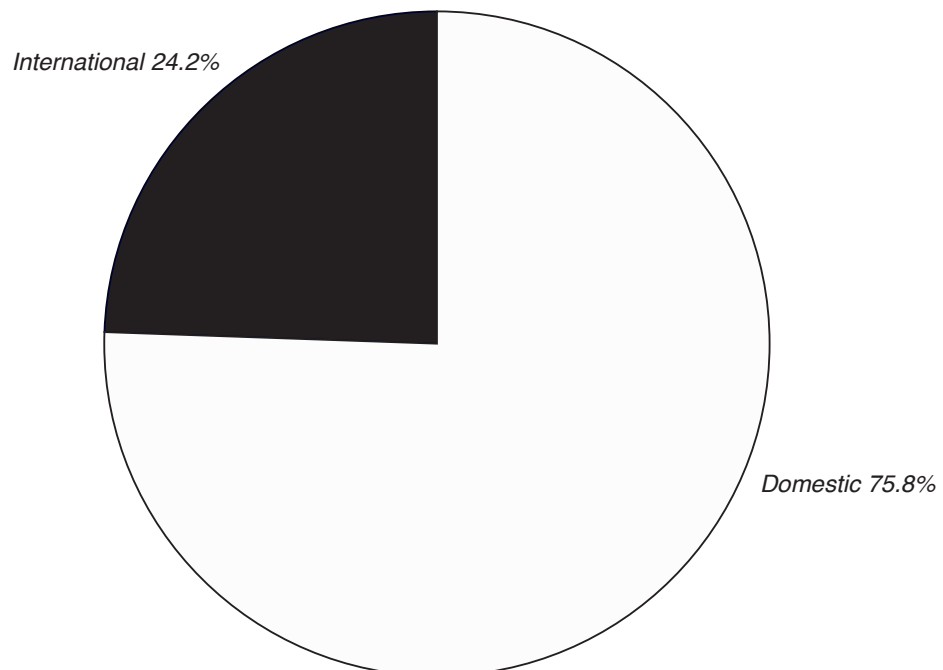
	As of December 31, 2010		As of December 31, 2009	
	Fair Value	Percent of Total Fair Value	Fair Value	Percent of Total Fair Value
Fixed Income:				
Government & Agencies	\$ 2,655.4	10.4%	\$ 1,950.3	8.7%
Corporate	2,687.6	10.5%	2,544.0	11.4%
Index Funds	1,733.4	6.8%	1,676.4	7.5%
Foreign	609.2	2.4%	626.3	2.8%
	<u>7,685.6</u>	<u>30.1%</u>	<u>6,797.0</u>	<u>30.4%</u>
Stocks:				
U.S. Common & Preferred	6,762.8	26.5%	5,826.5	26.1%
U.S. Stock Funds	3,482.1	13.6%	2,813.2	12.6%
Foreign Common & Preferred	3,080.7	12.1%	2,617.1	11.7%
Foreign Stock Funds	2,491.4	9.7%	2,312.3	10.3%
	<u>15,817.0</u>	<u>61.9%</u>	<u>13,569.1</u>	<u>60.7%</u>
Real Estate:				
Commingled Funds	252.0	1.0%	244.5	1.1%
Directly Owned	214.6	0.8%	168.6	0.7%
	<u>466.6</u>	<u>1.8%</u>	<u>413.1</u>	<u>1.8%</u>
Alternative Investments				
Commingled Funds	814.9	3.2%	772.7	3.5%
Timber and Agricultural	149.3	0.6%	133.5	0.6%
	<u>964.2</u>	<u>3.8%</u>	<u>906.2</u>	<u>4.1%</u>
Short-Term Investments	<u>613.5</u>	<u>2.4%</u>	<u>662.3</u>	<u>3.0%</u>
Total Portfolio	<u>\$25,546.9</u>	<u>100.0%</u>	<u>\$22,347.7</u>	<u>100.0%</u>

Investment Portfolio as of December 31, 2010

Allocation by Asset Class



Total Investments by Region



Schedule II
Asset Allocation
Last Five Years

	Fair Value as a Percent of Portfolio				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Fixed Income					
U.S. Government & Agencies	10.4%	8.7%	14.5%	10.3%	10.7%
Corporate	10.5%	11.4%	12.0%	10.4%	11.8%
Index Fund	6.8%	7.5%	17.7%	12.7%	9.4%
Foreign	<u>2.4%</u>	<u>2.8%</u>	<u>1.4%</u>	<u>1.5%</u>	<u>1.6%</u>
	<u>30.1%</u>	<u>30.4%</u>	<u>45.6%</u>	<u>34.9%</u>	<u>33.5%</u>
Stocks					
U.S. Common & Preferred	26.5%	26.1%	23.8%	29.7%	30.5%
U.S. Stock Funds	13.6%	12.6%	6.5%	7.8%	10.1%
Foreign Common & Preferred	12.1%	11.7%	9.6%	11.9%	13.1%
Foreign Stock Funds	<u>9.7%</u>	<u>10.3%</u>	<u>3.1%</u>	<u>6.2%</u>	<u>4.1%</u>
	<u>61.9%</u>	<u>60.7%</u>	<u>43.0%</u>	<u>55.6%</u>	<u>57.8%</u>
Real Estate					
Commingled Funds	1.0%	1.1%	1.8%	1.7%	1.4%
Directly Owned	<u>0.8%</u>	<u>0.7%</u>	<u>1.0%</u>	<u>0.8%</u>	<u>1.0%</u>
	<u>1.8%</u>	<u>1.8%</u>	<u>2.8%</u>	<u>2.5%</u>	<u>2.4%</u>
Alternative Investments					
Commingled Funds	3.2%	3.5%	4.0%	3.3%	3.2%
Timber and Agricultural	<u>0.6%</u>	<u>0.6%</u>	<u>0.7%</u>	<u>0.5%</u>	<u>0.6%</u>
	<u>3.8%</u>	<u>4.1%</u>	<u>4.7%</u>	<u>3.8%</u>	<u>3.8%</u>
Short-Term Investments	<u>2.4%</u>	<u>3.0%</u>	<u>3.9%</u>	<u>3.2%</u>	<u>2.5%</u>
Total Portfolio	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

Ten Largest Fixed Income Investment Holdings

Excludes Commingled Funds and Short-Term Investments

	<u>Market Value</u>	<u>Percent of Total Invested Market</u>
FNMA 4.00% Due 1/15/2039	\$171,285,274	0.67%
FNMA 4.50% Due 12/31/2040	82,830,964	0.32%
FNMA 5.50% Due 1/01/2041	77,980,929	0.30%
FNMA 6.00% Due 1/01/2041	62,386,625	0.24%
U.S. Treasury Notes 2.25% Due 11/30/2017	47,804,266	0.19%
U.S. Treasury Notes 2.00% Due 11/30/2013	47,049,567	0.18%
FHLMC 5.50% Due 4/01/2038	35,750,311	0.14%
U.S. Treasury Notes 10.50% Due 11/30/2012	32,556,980	0.13%
U.S. Treasury Notes 1.75% Due 7/31/2015	29,629,880	0.12%
U.S. Treasury Bonds 5.25% Due 11/15/2028	26,171,056	0.10%
	<u>\$613,445,852</u>	<u>2.39%</u>

Ten Largest Equity Investment Holdings

Excludes Commingled Funds

	<u>Market Value</u>	<u>Percent of Total Invested Market</u>
Apple	\$152,581,524	0.60%
Exxon Mobil	103,969,255	0.41%
Google, Inc.	97,327,330	0.38%
JP Morgan Chase	87,071,334	0.34%
Chevron	84,575,427	0.33%
Schlumberger	82,102,711	0.32%
Amazon	76,390,200	0.30%
Qualcomm	71,755,007	0.28%
Wells Fargo	70,886,650	0.28%
Microsoft	62,945,808	0.25%
	<u>\$889,605,246</u>	<u>3.49%</u>

A complete listing of investments is available upon request.

Schedule of 2010 Domestic Brokerage Commissions

In order of commissions received

<u>Broker Name</u>	<u>Shares</u>	<u>Commissions</u>	<u>Per Share</u>
Cabrera Capital Markets, Inc.	7,171,272	\$ 239,559	\$0.033
Loop Capital Markets	8,864,481	229,527	0.026
Investment Technology Group, Inc.	10,606,158	162,246	0.015
Jones Trading Institutional Services	5,730,564	143,054	0.025
BNY ESI Securities Co.	4,228,788	143,011	0.034
Credit Suisse First Boston Corporation	7,196,571	133,744	0.019
Goldman Sachs & Company	24,328,209	133,599	0.005
Cantor Fitzgerald & Co.	4,668,217	131,596	0.028
CL King & Associates	3,639,597	125,307	0.034
Merrill Lynch Pierce Fenner & Smith	7,168,862	121,381	0.017
Liquidnet, Inc.	5,453,657	111,909	0.021
Instinet	3,331,138	103,393	0.031
Barclays Capital LE	2,430,357	85,686	0.035
Williams Capital Group LP	3,110,463	85,292	0.027
MR Beal and Company	2,613,156	82,552	0.032
Morgan Stanley & Co., Inc.	4,190,200	80,826	0.019
Bear Stearns	2,726,143	78,742	0.029
Citigroup Global Markets, Inc./Smith Barney	4,406,526	78,563	0.018
M Ramsey King Securities	2,155,278	76,644	0.036
Gardner Rich & Co.	2,437,393	73,846	0.030
Roth Capital Partners LLC	4,256,250	72,858	0.017
UBS Warburg LLC	2,964,279	70,366	0.024
Capital Institutional Services, Inc.	1,725,171	68,490	0.040
Piper Jaffray, Inc.	3,130,022	66,012	0.021
William Blair & Co.	1,622,102	58,996	0.036
Stifel Nicolaus and Co.	2,060,508	58,836	0.029
Merriman Curhan Ford & Co.	1,536,000	58,767	0.038
Baypoint Trading LLC	3,399,355	56,912	0.017
Needham & Company	1,567,673	56,768	0.036
Robert W. Baird & Company, Inc.	1,707,425	56,721	0.033
Other Brokers	92,084,029	1,917,060	0.021
Total	<u>232,509,844</u>	<u>\$ 4,962,263</u>	<u>\$0.021</u>

Schedule of 2010 International Brokerage Commissions

In order of commissions received

<u>Broker Name</u>	<u>Shares</u>	<u>Commissions</u>	<u>Per Share</u>
Cabrera Capital Markets LLC	33,207,678	\$ 422,658	\$0.013
Cheuvreux De Virieu Paris	28,191,580	337,410	0.012
Credit Suisse First Boston New York	36,766,528	203,936	0.006
Pershing LLC Jersey City	12,632,436	172,489	0.014
Jefferies & Co. Inc. New Jersey	14,673,185	168,774	0.012
Normura Securities New York	30,083,464	168,357	0.006
UBS AG, (London Equities)	9,561,778	164,713	0.017
Morgan Stanley & Co., Inc.	13,763,599	159,508	0.012
Goldman Sachs & Co. New York	55,837,242	152,154	0.003
J. P. Morgan Securities Limited London	9,275,180	135,713	0.015
G-Trade Services Ltd.	24,987,310	124,021	0.005
Investment Technology Group Dublin	21,771,504	114,437	0.005
Merrill Lynch Fenner & Smith, Inc.	21,763,177	99,997	0.005
Deutsche Bank Securities, Inc.	7,614,538	97,804	0.013
UBS Securities Asia	24,212,657	84,800	0.004
Merrill Lynch International Ltd. Equities	7,252,478	80,498	0.011
Bear Stearns New York	9,180,864	77,069	0.008
J. P. Morgan Securities (Asia Pacific)	24,506,574	70,151	0.003
Societe Generale London	5,162,175	68,342	0.013
Credit Lyonnais Securities, Inc. New York	8,839,086	64,728	0.007
Barclays Capital Securities London	3,628,423	62,949	0.017
Macquarie Securities, Ltd., Hong Kong	10,829,829	58,747	0.005
Citigroup Global, Ltd. Broker	5,181,373	50,506	0.010
BNP Paribas Securities (Asia), Ltd.	13,789,945	48,131	0.003
Instinet U. K. Limited London	7,401,925	46,551	0.006
Cantor Fitzgerald and Co. New York	1,168,000	45,299	0.039
Merrill Lynch & Co., Inc.	1,585,390	42,471	0.027
Citigroup Global Markets, Inc.	18,275,043	39,406	0.002
Banco Pactual Rio De Janiero	1,979,143	36,236	0.018
DSP Merrill Lynch, Ltd. Bombay	1,123,697	34,546	0.031
Other Brokers	<u>220,391,670</u>	<u>1,557,814</u>	<u>0.007</u>
Total	<u>684,637,471</u>	<u>\$ 4,990,215</u>	<u>\$0.007</u>

Commissions in U.S. dollar terms.

Schedule of Investment Fees

	2010 Fees	2010 Assets under management at year end (in thousands)*	Basis Points	2009 Fees	2009 Assets under management at year end (in thousands)*	Basis Points
Investment manager fees						
Fixed income managers	\$ 8,842,969	\$ 6,665,577	13	\$ 7,691,957	\$ 6,293,906	12
Stock managers	21,662,333	10,470,587	21	18,300,690	8,851,462	21
International managers	16,276,121	6,471,378	25	13,072,823	5,747,959	23
Real estate managers	7,124,494	466,171	153	6,106,254	414,145	147
Alternative investment managers	5,995,276	995,980	60	5,882,126	925,816	64
	<u>\$59,901,193</u>	<u>\$25,069,693</u>		<u>\$51,053,850</u>	<u>\$22,233,288</u>	
Other investment fees						
Master trustee fees	\$ 255,500			\$ 252,500		
Investment consulting fees	858,089			1,086,422		
Total investment fees	<u>61,014,782</u>			<u>52,392,772</u>		
Non-fee investment expenses	<u>142,473</u>			<u>82,386</u>		
Total direct investment expenses	<u>\$61,157,255</u>			<u>\$52,475,158</u>		
Securities lending fees						
Rebated earnings	\$ 518,091			\$ 25,446		
Bank fees and commissions	792,069			896,226		
	<u>\$ 1,310,160</u>			<u>\$ 921,672</u>		

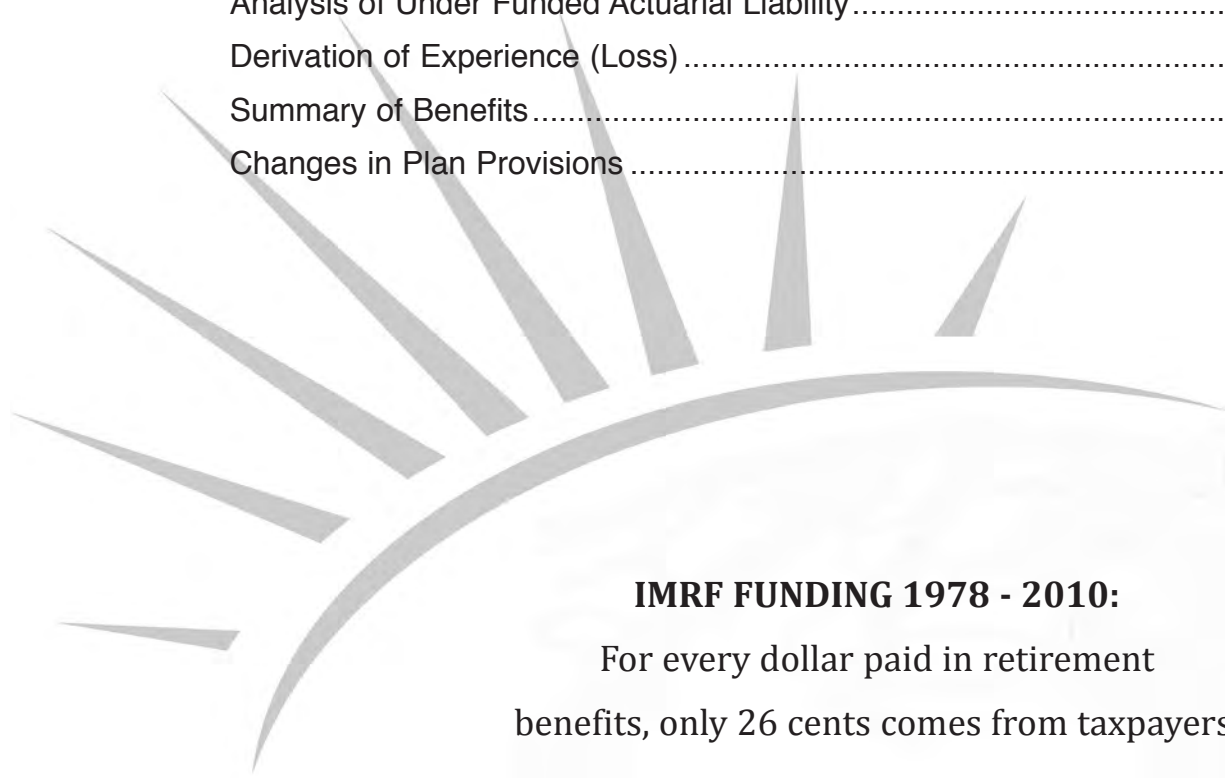
*Assets under management include accrued investment income and unsettled trades.

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Actuarial

2010

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IMRF FUNDING 1978 - 2010:
For every dollar paid in retirement
benefits, only 26 cents comes from taxpayers.



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April 28, 2011

Board of Trustees
Illinois Municipal Retirement Fund
2211 York Road, Suite 500
Oak Brook, Illinois 60523-2374

Dear Board Members:

The basic financial objective of the Illinois Municipal Retirement Fund (IMRF) is to establish and receive contributions which:

- when expressed in terms of percents of active member payroll will remain approximately level from generation to generation, and
- when combined with present assets and future investment returns will be sufficient to meet the financial obligations of IMRF employers to present and future retirees and beneficiaries.

Actuarial valuations are performed annually to assess the plan's progress toward meeting its financial objective. The valuation process develops contribution rates that are sufficient to fund the plan's current cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll over a finite period. The most recent valuations were completed based upon population data, asset data, and plan provisions as of December 31, 2010.

The plan administrative staff provides the actuary with data for the actuarial valuation. The actuary relies on the data after reviewing it for internal and year-to-year consistency. The actuary summarizes and tabulates population data in order to analyze longer-term trends. The Plan's external auditor also audits the actuarial data annually. The actuary prepared the following supporting schedules for the Comprehensive Annual Financial Report:

Schedule of Funding Progress
Solvency Test
Actuarial Balance Sheet
Analysis of Unfunded Liability
Gain and Loss Analysis

Assets are valued on a market related basis that recognizes each year's difference between actual and assumed investment return over a closed five-year period.

Board of Trustees
April 28, 2011
Page 2

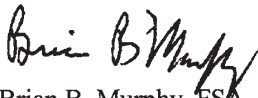
Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. The Board adopts these assumptions after considering the advice of the actuary and other professionals. The assumptions and the methods comply with the requirements of Statement No. 25 of the Governmental Accounting Standards Board. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The December 31, 2010 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2005-2007 period. The next experience study will cover the period from January 1, 2008 to December 31, 2010.

Although investment performance for 2009 and 2010 was very favorable, contribution rates increased for many employers primarily due to delayed recognition of asset losses from 2008 and a decline in total payroll.

All of the undersigned are Members of the American Academy of Actuaries (MAAA) and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Based upon the results of the December 31, 2010 valuations, we are pleased to report to the Board that the Illinois Municipal Retirement System is meeting its basic financial objective and continues to operate in accordance with actuarial principles of level percent of payroll financing.

Respectfully submitted,



Brian B. Murphy, FSA, EA, MAAA



Mark Buis, FSA, EA, MAAA

Gabriel Roeder Smith & Company

**Illinois Municipal Retirement Fund
Brief Summary of Actuarial Assumptions Used in 2010 Valuations
(Adopted as of December 31, 2007, except as noted below)**

Investment Return	7.5% per annum, compounded annually, net of expenses (effective December 31, 1991), including a wage inflation component of 4.0% and a real return component of 3.5%.
Payroll Growth	4.00% per annum, compounded annually. Membership is assumed to remain constant.
Retirement Rates	Rates varying by age and sex. See table below for sample values.
Mortality for Actives and Annuitants	1994 Group Annuity Mortality Table multiplied by 110% for males and 1994 Group Annuity Mortality Table multiplied by 95% for females. The active tables were further modified to reflect IMRF experience. Among the active members, 80% of males and 70% of females were assumed to be married.
Disability	Graduated rates by age. See table below for sample values.
Separation and Salary Increases	Graduated rates by age and service. See table below for sample values.
Asset Valuation Method	Market Related Value that reflects five-year averaging of investment gains and losses.
Liability Valuation Method	The Entry Age Actuarial Cost Method is applied on an aggregate basis to determine plan liabilities. Gains and Losses become part of unfunded liabilities.

Age	Sample Probabilities				Pay Increase Next Year (6+ Yrs. Of Service)
	Active Mortality		Disability		
	Male	Female	Male	Female	
20	0.03%	0.01%	0.01%	0.00%	6.0%
30	0.04%	0.02%	0.01%	0.01%	5.7%
40	0.05%	0.04%	0.04%	0.02%	4.9%
50	0.13%	0.07%	0.09%	0.04%	4.6%
60	0.40%	0.22%	0.19%	0.12%	4.4%
65	0.73%	0.43%	0.20%	0.14%	4.4%

Age	Separation			Retirement					
	Regular (8+ Yrs. Serv.)		SLEP (7+ Yrs.)	Reduced Early		Normal Unreduced		SLEP Service	
	Male	Female		Male	Female	Male	Female	(< 32 Yrs.)	(32+ Yrs.)
30	4.7%	6.5%	3.7%	- %	- %	- %	- %	- %	- %
35	3.8%	5.3%	2.2%	-	-	-	-	-	-
40	3.0%	4.2%	1.8%	-	-	-	-	-	-
45	2.5%	3.7%	1.8%	-	-	-	-	-	-
50	2.3%	3.2%	1.8%	-	-	-	-	23.0%	55.0%
55	-	-	-	7.5%	6.5%	35.0%	30.0%	23.0%	55.0%
60	-	-	-	-	-	12.0%	10.0%	8.0%	55.0%
65	-	-	-	-	-	30.0%	25.0%	23.0%	55.0%
70	-	-	-	-	-	20.0%	18.0%	100.0%	100.0%

Solvency Test*Last ten years*

Calendar Year	Aggregate Actuarial Liabilities For			Actuarial Assets	Portion of Actuarial Liabilities Covered by Assets		
	(1) Active Member Contributions	(2) Annuitants	(3) Active Members (Employer Financed Portion)		(1)	(2)	(3)
2001	\$ 2,708,833,984	\$ 5,613,708,283	\$ 6,995,975,308	\$ 16,305,022,254	100.0%	100.0%	114.1%
2002	2,950,041,671	6,050,882,416	7,558,983,215	16,800,195,504	100.0	100.0	103.2
2003	3,186,234,066	6,674,490,186	8,105,379,199	17,529,890,818	100.0	100.0	94.6
2004	3,423,785,725	7,332,542,340	8,668,338,951	18,315,987,910	100.0	100.0	87.2
2005	3,688,148,208	7,966,135,229	9,160,777,415	19,698,401,285	100.0	100.0	87.8
2006	3,960,880,175	8,652,328,762	9,874,976,094	21,427,139,356	100.0	100.0	89.3
2007	4,248,399,825	9,400,832,984	10,572,310,907	23,274,361,198	100.0	100.0	91.0
2008	4,573,736,116	10,025,599,295	11,011,863,938	21,601,053,512	100.0	100.0	63.6
2009	4,893,022,745	10,903,323,478	11,548,766,993	22,754,803,784	100.0	100.0	60.3
2010	5,153,902,881	12,121,959,266	11,853,366,092	24,251,136,889	100.0	100.0	58.8

Total obligation and actuarial value of assets calculated by the actuary.

Table I
Participating Member Statistics

Last ten years

Calendar Year	Total Salaries	Percent Increase in Total Salaries	Average Annual Salary	Percent Increase in Average Salary	Number of Participating Members	Average Attained Age	Average Years of Service
2001	\$ 4,503,092,615	7.6%	\$ 27,477	3.6%	164,845	44.9	8.3
2002	4,755,103,888	5.6	28,582	4.0	167,776	45.3	8.5
2003	4,944,767,495	4.0	29,709	3.9	167,952	45.7	8.8
2004	5,161,127,432	4.4	30,899	4.0	168,536	46.0	9.0
2005	5,374,585,943	4.1	31,640	2.4	170,928	46.3	9.1
2006	5,630,683,054	4.8	32,535	2.8	174,008	46.5	9.1
2007	5,931,443,117	5.3	33,607	3.3	177,783	46.6	9.5
2008	6,259,283,197	5.5	34,655	3.1	181,678	46.8	9.6
2009	6,461,696,602	3.2	35,771	3.2	181,380	47.1	9.8
2010	6,391,164,701	(1.1)	36,277	1.4	176,703	47.5	10.3

Source for salaries, average annual salary, attained age and average years of service is actuary report.

Table II
Schedule of Adds and Removals from Rolls

Last ten years

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls

Calendar Year	Added to Rolls		Removed from Rolls		End of Year Rolls		Average Annual Benefit	% Change in Average Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits		
2001	4,576	\$ 50,181,969	3,006	\$ 15,106,461	71,432	\$ 518,117,918	\$ 7,253	4.9%
2002	4,896	59,379,384	2,968	16,313,114	73,360	561,184,188	7,650	5.5
2003	5,378	73,056,745	2,963	17,193,231	75,775	617,047,702	8,143	6.4
2004	5,542	77,466,919	3,075	18,886,006	78,242	675,628,615	8,635	6.0
2005	5,768	76,887,679	3,291	20,705,563	80,719	731,810,731	9,066	5.0
2006	5,885	85,515,147	3,219	21,441,076	83,385	795,884,802	9,545	5.3
2007	6,218	91,831,041	3,241	22,262,632	86,362	865,453,211	10,021	5.0
2008	6,000	94,526,796	3,408	23,956,030	88,954	936,023,977	10,523	5.0
2009	6,422	106,361,549	3,318	26,218,141	92,058	1,016,167,385	11,038	4.9
2010	7,518	131,651,729	3,509	28,512,198	96,067	1,119,306,916	11,651	5.6

Schedule of Disabilitants Added to and Removed from Rolls

Calendar Year	Added to Rolls		Removed from Rolls		End of Year Rolls		Average Annual Benefit	% Change in Average Benefit
	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits		
2001	1,989	\$ 20,029,507	2,006	\$ 19,466,956	1,400	\$ 9,629,607	\$ 6,878	7.5%
2002	2,261	24,251,986	2,353	24,145,825	1,308	9,735,768	7,443	8.2
2003	2,491	26,343,203	2,459	25,773,165	1,340	10,305,806	7,691	3.3
2004	2,533	27,551,323	2,487	27,084,088	1,386	10,773,041	7,773	1.1
2005	2,474	28,100,189	2,471	27,180,978	1,389	11,692,252	8,418	8.3
2006	2,339	27,529,685	2,409	28,024,170	1,319	11,197,767	8,490	0.9
2007	2,354	27,188,433	2,348	27,006,030	1,325	11,380,170	8,589	1.2
2008	2,313	28,754,216	2,422	29,343,494	1,216	10,790,892	8,874	3.3
2009	2,349	28,136,992	2,325	28,024,488	1,240	10,903,396	8,793	-0.9
2010	2,407	29,913,347	2,433	29,158,561	1,214	11,658,182	9,603	9.2

Table III
Average Employer Contribution Rates

Latest five years

<u>Calendar Year</u>	<u>Normal Cost</u>	<u>Prior Service Cost</u>	<u>Disability and Death</u>	<u>Supplemental Retirement Benefit</u>	<u>Total</u>
Regular members					
2008	7.42%	1.09%	0.34%	0.62%	9.47%
2009	7.42	0.90	0.33	0.62	9.27
2010 ⁺⁺	7.58	2.24	0.32	0.62	10.76
2011 ⁺	7.58	2.99	0.28	0.62	11.47
2012 [^]	7.58	3.90	0.32	0.62	12.42
Sheriff's Law Enforcement Personnel members (SLEP)					
2008	11.63%	6.73%	0.35%	0.62%	19.33%
2009	11.63	6.07	0.33	0.62	18.65
2010 ⁺⁺	11.97	7.70	0.32	0.62	20.61
2011 ⁺	11.97	8.80	0.29	0.62	21.68
2012 [^]	12.01	9.52	0.33	0.62	22.48
Elected County Official members (ECO)					
2008	16.96%	23.88%	0.34%	0.62%	41.80%
2009	17.08	24.75	0.32	0.62	42.77
2010 ⁺⁺	17.24	23.25	0.32	0.62	41.43
2011 ⁺	17.20	24.04	0.29	0.62	42.15
2012 [^]	17.22	28.98	0.33	0.62	47.15

*Assumptions changed due to experience study.

+ Includes impact of optional phase-in plan.

^ Prior to impact of optional phase-in plan.

Table IV
Participating Member Contribution Rates

Last ten years

<u>Calendar Year</u>	<u>Regular IMRF</u>			<u>Sheriff's Law Enforcement Personnel</u>				<u>Elected County Officials</u>			
	<u>Normal</u>	<u>Survivor</u>	<u>Total</u>	<u>Normal</u>	<u>Survivor</u>	<u>SLEP</u>	<u>Total</u>	<u>Normal</u>	<u>Survivor</u>	<u>ECO</u>	<u>Total</u>
2001	3.75%	0.75%	4.50%	3.75%	0.75%	2.00%	6.50%	3.75%	0.75%	3.00%	7.50%
2002	3.75	0.75	4.50	3.75	0.75	2.00	6.50	3.75	0.75	3.00	7.50
2003	3.75	0.75	4.50	3.75	0.75	2.00	6.50	3.75	0.75	3.00	7.50
2004	3.75	0.75	4.50	3.75	0.75	2.00	6.50	3.75	0.75	3.00	7.50
2005	3.75	0.75	4.50	3.75	0.75	2.00	6.50	3.75	0.75	3.00	7.50
2006	3.75	0.75	4.50	3.75	0.75	3.00*	7.50	3.75	0.75	3.00	7.50
2007	3.75	0.75	4.50	3.75	0.75	3.00	7.50	3.75	0.75	3.00	7.50
2008	3.75	0.75	4.50	3.75	0.75	3.00	7.50	3.75	0.75	3.00	7.50
2009	3.75	0.75	4.50	3.75	0.75	3.00	7.50	3.75	0.75	3.00	7.50
2010	3.75	0.75	4.50	3.75	0.75	3.00	7.50	3.75	0.75	3.00	7.50

* The SLEP enhancement percentage changed from 2.00% to 3.00% on June 1, 2006.

Actuarial Balance Sheet

	Amount at December 31	
	2010	2009
Sources of Funds		
Actuarial value of assets	\$ 24,251,136,889	\$ 22,754,803,784
Actuarial present value of future contributions:		
Member	2,534,660,854	2,581,381,206
Employer Normal Costs	4,242,199,195	4,319,910,747
Under Funded Actuarial Accrued Liability	<u>4,878,091,350</u>	<u>4,590,309,432</u>
Total Sources	<u>\$ 35,906,088,288</u>	<u>\$ 34,246,405,169</u>
Uses of Funds		
Retired members and beneficiaries	\$ 12,121,959,266	\$ 10,903,323,478
Inactive members	2,699,563,197	2,557,792,210
Active members	21,055,630,874	20,755,890,884
Death and disability benefits	<u>28,934,951</u>	<u>29,398,597</u>
Total Uses	<u>\$ 35,906,088,288</u>	<u>\$ 34,246,405,169</u>

Analysis of Under Funded Actuarial Liability

	Amount at December 31	
	2010	2009
Under funded liability beginning of year	\$ 4,590,309,432	\$ 4,010,145,837
Assumed net (payments) during year	(242,704,632)	(67,250,395)
Assumed interest (7.5 percent)	<u>335,281,478</u>	<u>298,269,443</u>
Expected under (over) funded liability	\$ 4,682,886,278	\$ 4,241,164,885
Increase due to data changes	250,000,000	--
Increase due to investment performance	90,484,387	343,164,857
Increase (decrease) due to other sources	<u>(145,279,315)</u>	<u>5,979,690</u>
Under funded liability end of year	<u>\$ 4,878,091,350</u>	<u>\$ 4,590,309,432</u>

Derivation of Experience (Loss)

Type of Risk Area	<u>2010</u>	<u>2009</u>
	<i>(in millions)</i>	
Risks Related to Assumptions		
Economic Risk Areas		
Investment Return	\$ (90.5)	\$ (343.2)
Pay Increases	359.6	70.2
Demographic Risk Areas		
Service Retirements	(0.2)	11.6
Early Retirements	--	(0.5)
Vested Deferred Retirements	(32.3)	(38.3)
Death and Survivor Benefits	3.3	3.5
Disability Benefits	7.3	12.9
Terminated with Refund	(0.3)	(11.8)
Impact of Data Changes (1)	(250.0)	--
Risks Not Related to Assumptions (2)	<u>(192.1)</u>	<u>(53.5)</u>
Total Loss During Year	<u>\$ (195.2)</u>	<u>\$ (349.1)</u>

Regular actuarial valuations give information about the composite change in unfunded actuarial accrued liabilities—whether or not the liabilities are increasing or decreasing and by how much. The objective of a gain and loss analysis is to determine the portion of the change in actuarial condition (unfunded actuarial accrued liabilities) attributable to each risk area. The fact that actual experience differs from assumed experience is to be expected—the future cannot be predicted with 100 percent precision. The economic risk areas (particularly investment return and pay increases) are volatile. It is assumed that gains and losses will be in balance over a period of years, but sizable year to year fluctuations are common.

- (1) Data changes were primarily attributable to data records for which there was little or no service provided in 2009 as an active member, but in 2010 were listed as retired with a full career of service.
- (2) This is primarily due to rehires of former employees and actual reserve transfers for retirees being higher than the estimated reserve transfers. The remaining difference is due to data adjustments, new members joining IMRF, and retiree mortality.

Summary of Benefits

This is a brief plan description of IMRF benefits. Additional conditions and restrictions may apply. A complete description is found in Article 7 of the Illinois Pension Code.

General

IMRF serves 2,963 employers including cities, villages, counties, school districts, townships and various special districts, such as parks, forest preserves and sanitary districts. Each employer contributes to separate accounts to provide future retirement benefits for its own employees.

Employees of these employers are required to participate if they work in an IMRF qualified position. An IMRF qualified position is one that is expected to equal or exceed the employer's annual hourly standard; the standard is either 600 or 1,000 hours a year.

IMRF has three benefit plans. The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs and selected police chiefs. Forest preserve districts may adopt the SLEP plan for their law enforcement personnel. Counties may adopt the Elected County Official (ECO) plan for their elected officials. After a county has adopted the ECO plan, participation is optional for the elected officials of that county. A county may opt out of the ECO plan. All remaining employees belong to the Regular plan.

Both the employee (member) and the employer contribute toward retirement benefits. Members contribute a percentage of their salary as established by the Pension Code. The percentage depends on the plan in which the member participates. Regular members contribute 4.5 percent. SLEP and ECO members contribute 7.5 percent. Members also have the option of making voluntary after-tax contributions up to 10% of their salary. Employer contribution rates are actuarially calculated annually for each employer. (Beginning in 2010, employers were given the option to select a contribution rate less than the actuarial required contribution rate if the current year's actuarial required contribution rate were more than 10 percent higher than the prior year's rate.) Employers pay most of the cost for member and survivor pensions and all of the cost for supplemental retirement, death and disability benefits.

Vesting

Members are vested for pension benefits when they have at least eight years of qualifying service credit. SLEP members are vested for a SLEP pension when they have at least 20 years of SLEP service credit. SLEP members with more than eight years of service but less than 20 years of SLEP service will receive a Regular pension. Revised ECO members (those who join the ECO plan after January 25, 2000) are vested with eight or more years of ECO service credit in the same elected county position. Revised ECO members with eight years of service but less than eight years in the same elected county office will receive a Regular pension.

Refunds

Non-vested members who stop working for an IMRF employer can receive a lump sum refund of their IMRF member contributions. Vested members can receive a lump sum refund of their IMRF member contributions if they stop working for an IMRF employer prior to age 55. Vested members age 55 or older may receive separation refunds if the member rolls over the refund into another defined benefit retirement plan for the purpose of purchasing service credit.

Members who retire without an eligible spouse (married to the member at least one year before the member terminates IMRF participation) may receive a refund of their surviving spouse contributions with interest or an annuity.

If, upon a member's death, all of the member contributions with interest were not paid as a refund or pension to either the member or his or her spouse, the beneficiary will receive any balance in the member's account.

Pension Calculations

A Regular IMRF pension is:

- 1-2/3 percent of the final rate of earnings for each of the first 15 years of service credit, plus
- 2 percent for each year of service credit in excess of 15 years.

The maximum pension at retirement cannot exceed 75 percent of the final rate of earnings.

A SLEP pension is:

- 2-1/2 percent of the final rate of earnings for each year of service.

The maximum pension at retirement cannot exceed 80 percent of the final rate of earnings.

An ECO pension is:

- 3 percent of the final rate of earnings for each of the first eight years of service, plus
- 4 percent for each year of service between eight and 12 years of service, plus
- 5 percent for years of service credit over 12.

The maximum pension at retirement cannot exceed 80 percent of the final rate of earnings.

A money purchase minimum pension is provided if it exceeds the normal formula amount. The money purchase minimum is the amount that may be purchased by 2.4 times the member's applicable accumulated contributions, including interest thereon.

A reversionary pension option is provided to members at retirement. This option permits the member to revert a portion of his pension to one other person. This election is irrevocable.

An IMRF pension is paid for life and is increased by three percent of the original amount on January 1 of each year after the member retires. The increase for the first year is pro-rated for the number of months the member was retired.

The final rate of earnings for Regular and SLEP members is the highest total earnings during any 48 consecutive months within the last 10 years of IMRF service divided by 48. The final rate of earnings for ECO members is the annual salary of the ECO member on the day he or she retires. For revised ECO members who join the plan after January 25, 2000, the final rate of earnings is a four-year average calculated for each office held.

Retirement Eligibility

Normal retirement for an unreduced pension is:

- Age 60 with eight or more years of service or 35 or more years of service at age 55,
- Age 50 with 20 or more years of SLEP service for members with SLEP service,
- Age 55 with eight or more years of service for members with ECO service, or
- Age 55 with eight or more years of service in the same elected county office for members with Revised ECO service.

Regular members may retire as early as age 55 with a reduced pension. The reduction is the lesser of:

- one-fourth percent for each month the member is under age 60, or
- one-fourth percent for each month of service less than 35 years.

Service Credit

Service credit is the total time under IMRF, stated in years and fractions. Service is credited monthly while the member is working, receiving IMRF disability benefits or on IMRF's Benefit Protection Leave. For revised ECO members, the ECO benefit formula is limited to service in an elected office.

Members may qualify for a maximum of one year of additional service credit for unused, unpaid sick leave accumulated with the last employer. Members who retire from a school district may utilize unused sick leave from all school district employers. This additional service credit applies only for members leaving employment for retirement. The service credit is earned at the rate of one month for every 20 days of unused, unpaid sick leave or fraction thereof.

IMRF is a participating plan under the Reciprocal Act, as are all other Illinois public pension systems, except local police and fire pension plans. Under the Reciprocal Act, service credit of at least one year may be considered together at the date of retirement or death for the purpose of determining eligibility for and amount of benefits. However, for teacher aides who meet certain criteria, service credit of less than one year may be considered in determining benefits under the Reciprocal Act.



Early Retirement Incentive

IMRF employers may offer an early retirement incentive (ERI) program to their employees who are over 50 years of age and who have at least 20 years of service credit. Eligible members may purchase up to five years of service credit and age. Employers must pay off the additional ERI liability within 10 years. Subsequent ERI programs may be offered by an employer after the liability for the previous ERI program is paid.

Supplemental Retirement Benefits

Each July, IMRF provides a supplemental benefit payment to IMRF retirees and surviving spouses who have received IMRF pension payments for the preceding 12 months. The supplemental benefit payment amount will vary depending on the dollar amount to be distributed and the dollar amount of the benefits of persons eligible.

Disability Benefits

Regular and SLEP members are eligible for a maximum of 30 months of temporary disability benefits if they:

- Have at least 12 consecutive months of service credit since being enrolled in IMRF,
- Have at least nine months of service credit in the 12 months immediately prior to becoming disabled,
- Are unable to perform the duties of any position which might reasonably be assigned by the IMRF employer because of any illness, injury or other physical or mental condition and
- Are not receiving any earnings from any IMRF employer.

Regular and SLEP members are eligible for total and permanent disability benefits until they become eligible for full Social Security Old Age benefits if they:

- Have exhausted their temporary disability benefits,
- Have a medical condition which did not pre-exist their IMRF participation or they have five years of IMRF participation without being on temporary disability, and
- Are unable to work in any gainful activity for any employer.

The monthly disability benefit payment is equal to 50 percent of the average monthly earnings based on the 12 months prior to the month the member became disabled.

ECO members are eligible for ECO disability benefits if they:

- Have at least 12 consecutive months of service credit since being enrolled in IMRF,
- Are in an elected county office at the time the disability occurred,
- Are making ECO contributions at the time the disability occurred,
- Are unable to reasonably perform the duties of their offices,
- Have resigned their offices, and
- Have two licensed physicians approved by IMRF certify that the ECO member is permanently disabled.

The monthly ECO disability benefit is equal to the greater of:

- 50 percent of the annualized salary payable on the last day of ECO participation divided by 12 or,
- The retirement benefit earned to date up to a maximum of 66-2/3 percent.

Disability benefits under all plans are offset by Social Security or workers' compensation benefits. If disabled members receive Social Security disability and/or workers' compensation benefits, IMRF pays the difference between those benefits and 50 percent of the member's average monthly earnings. However, IMRF will always pay a minimum monthly benefit of \$10. Members on disability earn pension service credit as if they were working.

Death Benefits

Beneficiaries of active members who have more than one year of service or whose deaths are job-related are entitled to lump sum IMRF death benefits. If the member was not vested or vested without an eligible spouse, the death benefit is equal to one year's earnings plus any balance in the member's account. Eligible spouses of deceased vested active members may choose the lump sum or a monthly surviving spouse pension.

Beneficiaries of inactive non-vested members receive a lump sum payment of any balance in the member's account including interest. If the beneficiary is an eligible spouse of an inactive vested member age 55 or older, the spouse may choose between the lump sum payment or a death benefit of \$3,000 plus a monthly surviving spouse pension. Beneficiaries of retired members receive a \$3,000 death benefit. Eligible spouses also receive a surviving spouse pension.

Surviving Spouse Pension

For Regular and SLEP members, a surviving spouse's monthly pension is one-half of the member's pension.

For ECO members, a surviving spouse's monthly pension is sixty-six and two-thirds percent of the member's pension. This pension is payable once the surviving spouse becomes 50 years old. If the spouse is caring for the member's minor, unmarried children, the spouse will receive (age 50 requirement does not apply):

- A monthly pension equal to 30 percent of the ECO member's salary at time of death plus
- 10 percent of the ECO member's salary at time of death for each minor, unmarried child. The maximum total monthly benefit payable to spouse and children cannot exceed 50 percent of the ECO member's salary at time of death, or
- A monthly pension equal to 66-2/3 percent of the pension the member had earned.

Surviving spouse pensions under all plans are increased each January 1 by three percent of the original amount. The increase for the first year is prorated for the number of months the surviving spouse or the member received a pension.

Changes in Plan Provisions

On April 14, 2010, Public Act 96-0889 was signed by the Governor of Illinois. This law which became effective January 1, 2011 created a second tier for Regular and Elected County Official plan members who are initially hired on or after that date. It does not impact current active members in any IMRF plans or future members of the Sheriff Law Enforcement Personnel plan.

The major changes from the existing benefit structure are as follows:

- Vesting is increased to 10 years.
- Normal retirement age to receive full benefits is increased to 67.
- The age to receive a reduced (early retirement) benefit is increased to 62.
- The reduction for early retirement is increased to one-half of one percent for each month a member's age is under 67.
- Increases in the number of months used to calculate the final rate of earnings to the highest 96 months over the last 120 months of service.
- Caps the final rate of earnings at \$106,800, which will increase annually by three percent or one-half of the increase of the Consumer Price Index.
- Increases the surviving spouse pension to sixty-six and two-thirds percent of the pension of the deceased member.
- Limits the annual pension increase for retirees to three percent or one-half of the increase in the Consumer Price Index, whichever is lower based on the original amount of the pension.
- Annual pension increases do not begin until a retiree reaches the age of 67.

On December 30, 2010, Public Act 96-1495 was signed by the Governor of Illinois. This law which became effective January 1, 2011 created a second tier for Sheriff Law Enforcement Personnel plan members who are initially hired on or after that date. It does not impact current active members of the Sheriff Law Enforcement Personnel plan.

The major changes from the existing benefit structure are as follows:

- Prior participation in Regular IMRF or in a reciprocal system does not make a member eligible for tier one.
- Vesting is decreased from 20 years to 10 years.
- Normal retirement age to receive full benefits is increased to 55.
- The age to receive a reduced (early retirement) benefit is established at 50.
- The reduction for early retirement is one-half of one percent for each month a member's age is under 55.
- Increases the number of months used to calculate the final rate of earnings to the highest 96 months over the last 120 months of service.
- Maximum pension payable is reduced to 75% of final rate of earnings.

- Caps the final rate of earnings at \$106,800 which will increase annually by three percent or one-half of the increase in the Consumer Price Index.
- Excludes overtime compensation from reportable wages.
- Increases the surviving spouse pension to sixty-six and two thirds percent of the pension of the deceased member.
- Limits the annual pension increase for retirees to three percent or one half of the increase in the Consumer Price Index whichever is lower based on the original amount of the pension.
- Annual pension increases do not begin until a retiree reaches the age of 60.

Statistical

2010

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THE TRUE PUBLIC PENSION STORY:

The average annual pension amount paid to all IMRF retirees in 2010 was \$11,651.

The average age of an IMRF retiree is 72.

Table V
Changes in Plan Net Assets
Last ten years

Additions

Calendar Year	Investment Earnings Net of Direct Investment Expense	Employer Contributions			Member Contributions	Other	Total Additions
		Dollars	Percent of Annual Covered Payroll				
2001	\$ (1,010,875,498)	\$ 313,007,639	6.95%	\$216,150,677	\$ 4,050	\$ (481,713,132)	
2002	(1,325,374,842)	294,935,422	6.15%	233,935,559	5,200	(796,498,661)	
2003	2,996,066,692	321,049,839	6.49%	255,498,279	5,050	3,572,619,860	
2004	2,010,704,974	456,198,098	8.84%	259,505,532	5,494	2,726,414,098	
2005	1,607,733,405	543,263,475	10.11%	265,568,534	5,190	2,416,570,604	
2006	2,667,700,578	602,775,795	10.71%	280,997,170	6,315	3,551,479,858	
2007	1,799,391,405	600,822,135	10.13%	296,690,070	6,049	2,696,909,659	
2008	(6,096,480,733)	631,147,476	10.08%	314,019,939	18,722	(5,151,294,596)	
2009	4,423,550,741	660,399,408	10.22%	324,070,795	9,148	5,408,030,092	
2010	2,976,549,317	770,142,278	12.05%	324,901,985	7,032	4,071,600,612	

Deductions

Calendar Year	Benefits	Refunds	Administrative Expenses	Total Deductions	Change in Plan Net Assets
2001	\$ 570,548,544	\$ 27,507,628	\$ 18,470,776	\$ 616,526,948	\$ (1,098,240,080)
2002	613,606,477	36,641,773	18,727,800	668,976,050	(1,465,474,711)
2003	668,534,229	29,186,749	18,785,811	716,506,789	2,856,113,071
2004	733,376,801	31,156,292	19,405,567	783,938,660	1,942,475,438
2005	791,333,700	32,120,791	19,650,440	843,104,931	1,573,465,673
2006	856,205,596	40,095,036	20,339,190	916,639,822	2,634,840,036
2007	924,005,832	36,206,951	20,811,398	981,024,181	1,715,885,478
2008	997,492,141	31,926,120	20,727,536	1,050,145,797	(6,201,440,393)
2009	1,077,852,453	27,426,079	21,967,308	1,127,245,840	4,280,784,252
2010	1,178,030,534	32,201,577	22,318,493	1,232,550,604	2,839,050,008

Table VI
Benefit Expense by Type
Last ten years

Calendar Year	DEATH				DISABILITY	
	Supplemental	Refund	Burial	Residual	Permanent	Temporary
2001	\$ 7,146,093	\$ 6,341,938	\$ 6,314,132	\$ 658,284	\$ 3,140,589	\$ 6,424,182
2002	8,609,843	5,836,970	6,539,959	502,963	3,255,522	6,585,585
2003	7,962,909	6,120,345	6,583,839	586,550	3,473,294	7,060,682
2004	9,929,302	7,319,032	6,881,926	515,537	3,440,867	7,377,055
2005	9,389,674	7,096,253	7,182,437	997,874	3,746,535	7,553,159
2006	9,874,057	7,565,398	7,464,813	708,466	3,857,144	7,795,207
2007	8,428,232	8,757,533	7,255,736	692,275	3,887,168	7,705,263
2008	10,416,827	7,971,900	7,334,749	765,241	4,113,550	7,195,656
2009	8,486,871	9,096,938	7,813,566	961,645	4,211,002	6,649,144
2010	10,313,306	8,547,634	7,726,161	1,439,264	4,286,549	7,205,576

Calendar Year	ANNUITIES				REFUNDS		
	Retirement	Surviving Spouse	Beneficiary	Supplemental	Separation	Other	Total
2001	\$ 477,490,779	\$ 34,622,766	\$ 785,027	\$ 27,624,754	\$ 27,039,539	\$ 468,089	\$ 598,056,172
2002	513,656,258	37,907,435	850,558	29,861,384	26,031,474	10,610,299	650,248,250
2003	563,294,375	41,009,876	953,238	31,489,121	28,286,009	900,740	697,720,978
2004	619,816,366	44,426,578	1,073,847	32,596,291	29,802,863	1,353,429	764,533,093
2005	673,325,914	47,245,463	1,206,562	33,589,829	30,952,680	1,168,111	823,454,491
2006	732,090,146	50,788,527	1,325,633	34,736,205	32,707,901	7,387,135	896,300,632
2007	794,767,293	54,255,986	1,477,778	36,778,568	34,110,636	2,096,315	960,212,783
2008	861,528,538	57,647,849	1,581,010	38,936,821	28,287,188	3,638,932	1,029,418,261
2009	936,104,649	61,615,626	1,751,952	41,161,060	25,974,794	1,451,285	1,105,278,532
2010	1,027,761,178	66,174,661	1,962,756	42,613,449	30,440,247	1,761,330	1,210,232,111



Table VII
Net Cash Flow from Contributions and Benefits
Last ten years

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Member Contributions</u>	<u>Total Contributions</u>	<u>Total Benefit Payments</u>	<u>Net Cash Flow</u>
2001	\$ 313,007,639	\$ 216,150,677	\$ 529,158,316	\$ 598,056,172	\$ (68,897,856)
2002	294,935,422	233,935,559	528,870,981	650,248,250	(121,377,269)
2003	321,049,839	255,498,279	576,548,118	697,720,978	(121,172,860)
2004	456,198,098	259,505,532	715,703,630	764,533,093	(48,829,463)
2005	543,263,475	265,568,534	808,832,009	823,454,491	(14,622,482)
2006	602,775,795	280,997,170	883,772,965	896,300,632	(12,527,667)
2007	600,822,135	296,690,070	897,512,205	960,212,783	(62,700,578)
2008	631,147,476	314,019,939	945,167,415	1,029,418,261	(84,250,846)
2009	660,399,408	324,070,795	984,470,203	1,105,278,532	(120,808,329)
2010	770,142,278	324,901,985	1,095,044,263	1,210,232,111	(115,187,848)

Net Cash Flow
Last ten years

In Millions

- Contributions
- Benefit Payments
- Net Cash Flow

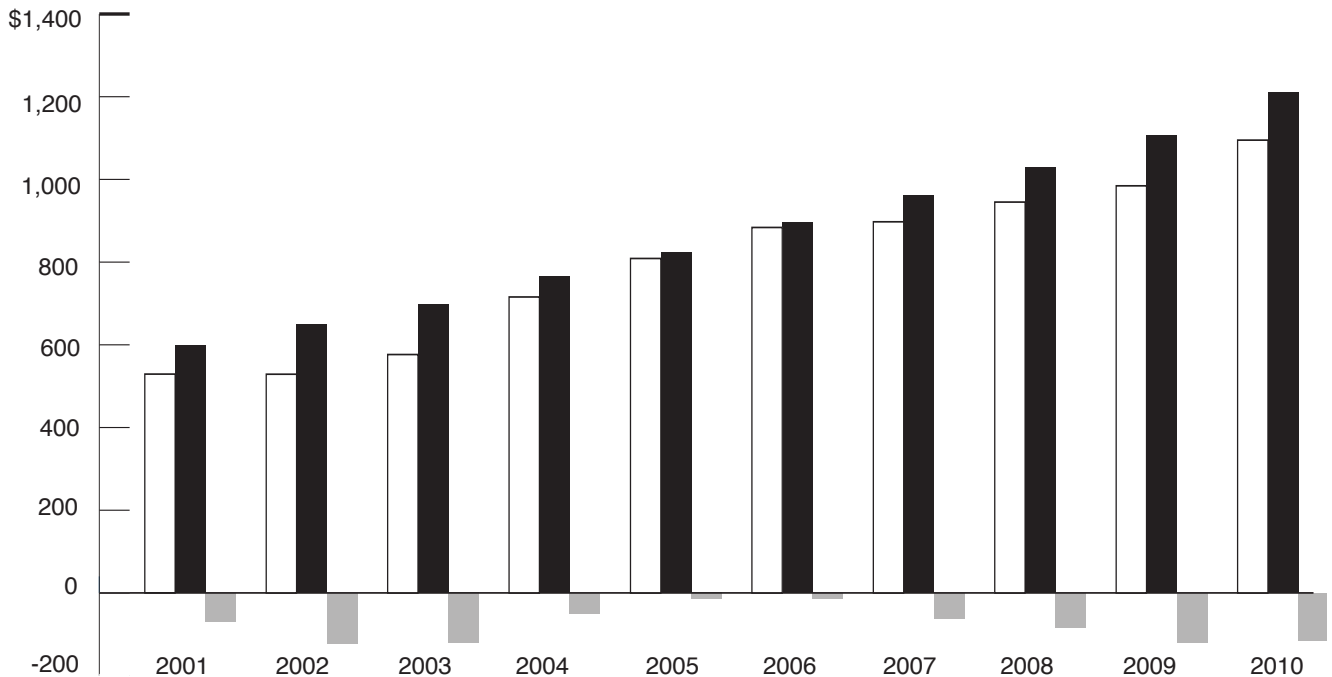


Table VIII
Average Benefit Payment Amounts
Last ten years

Calendar Year	Single Sum Payments		Recurring Payments	
	Separation Refunds	Lump Sum Death Benefit	Annual Disability (1)	Annual Retirement (2)
2001	\$ 2,048	\$ 27,888	\$ 13,807	\$ 11,023
2002	2,044	28,668	14,302	12,217
2003	2,235	25,991	14,418	13,862
2004	2,445	29,022	14,946	14,118
2005	2,656	26,524	15,396	13,145
2006	2,814	35,014	15,860	12,864
2007	2,704	28,926	16,341	14,152
2008	2,758	29,352	17,238	15,219
2009	2,459	28,763	17,359	16,200
2010	2,987	30,817	17,830	17,014

(1) Prior to Social Security and workers' compensation offsets.
 (2) Includes voluntary additional benefits.

Average Benefit Payment Amounts

In Millions

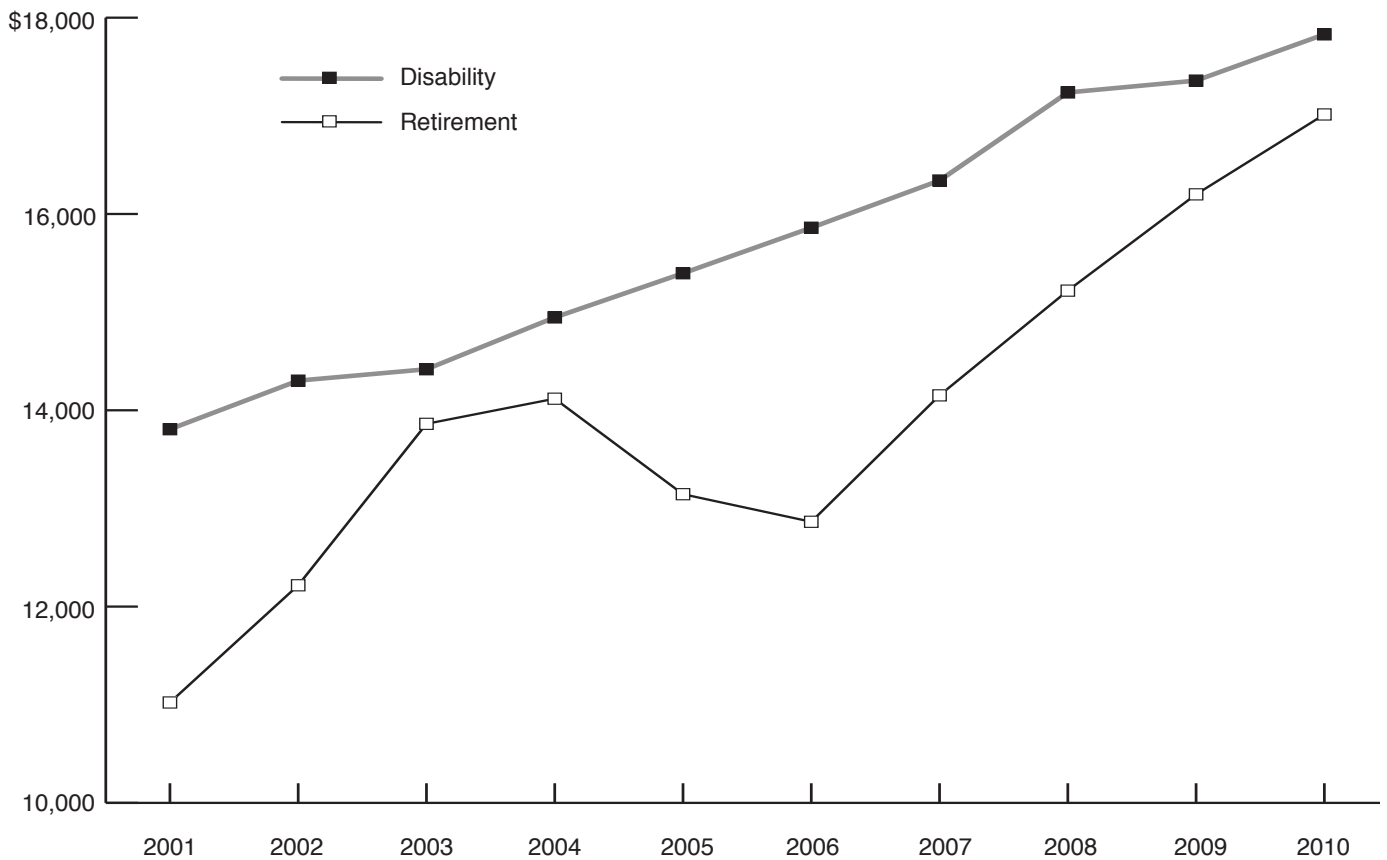


Table IX
Operating Statistics - Number of Initial Benefit Payments
Last ten years

<u>Calendar Year</u>	<u>Annuity</u>	<u>Disability</u>	<u>Death</u>	<u>Refund</u>	<u>Total</u>
2001	3,647	1,989	2,646	13,162	21,444
2002	3,963	2,261	2,695	12,603	21,522
2003	4,442	2,491	2,699	12,507	22,139
2004	4,555	2,716	2,693	11,999	21,963
2005	4,868	2,474	2,971	11,677	21,990
2006	4,887	2,339	3,029	11,639	21,894
2007	5,283	2,354	2,975	12,487	23,099
2008	5,081	2,313	3,033	10,469	20,896
2009	5,467	2,349	3,149	10,593	21,558
2010	6,541	2,407	3,141	10,219	22,308

Table X
Number of Employees
Last ten years

<u>Calendar Year</u>	<u>Administration</u>	<u>Human Resources</u>	<u>Finance</u>	<u>Investments</u>	<u>Legal</u>	<u>Communications</u>	<u>Member Services</u>	<u>Benefits</u>	<u>Information Services</u>	<u>Office Services</u>	<u>Total</u>
2001	4	4	39	10	3	5	24	25	43	27	184
2002	4	4	38	10	4	5	24	25	45	27	186
2003	4	4	36	10	4	5	24	25	45	26	183
2004	4	4	33	10	4	5	24	25	43	25	177
2005	4	4	32	10	4	5	24	25	44	24	176
2006	4	4	30	11	3	5	23	27	43	26	176
2007	4	4	31	11	4	6	24	27	43	26	180
2008	5	4	30	11	4	6	25	27	42	22	176
2009	5	4	31	11	4	6	26	26	41	22	176
2010	5	4	30	11	4	6	26	27	39	22	174

Table XI
Number of Actively Participating Employers
Last ten years

<u>Calendar Year End</u>	<u>Cities</u>	<u>Villages</u>	<u>Counties</u>	<u>School Districts</u>	<u>Townships</u>	<u>Other</u>	<u>Total</u>
2001	251	373	101	890	444	767	2,826
2002	252	377	101	890	451	782	2,853
2003	252	383	101	885	458	792	2,871
2004	252	389	101	877	463	801	2,883
2005	253	395	101	871	463	813	2,896
2006	255	398	101	870	467	818	2,909
2007	255	403	101	867	472	828	2,926
2008	256	406	101	864	474	839	2,940
2009	256	407	101	865	477	844	2,950
2010	257	410	101	864	477	854	2,963

Table XII
Principal Participating Employers
Current year and nine years ago

<u>Employer</u>	<u>2010</u>			<u>2001</u>		
	<u>Active Members</u>	<u>Rank</u>	<u>Percentage of Total Active Members</u>	<u>Active Members</u>	<u>Rank</u>	<u>Percentage of Total Active Members</u>
DuPage County	3,116	1	1.76%	3,365	1	2.04%
Lake County	2,860	2	1.62%	2,864	2	1.74%
Will County	2,286	3	1.29%	1,949	5	1.18%
Union School District 46	1,849	4	1.05%	1,979	4	1.20%
Winnebago County	1,754	5	0.99%	1,591	6	0.97%
Rockford School District 205	1,606	6	0.91%	2,102	3	1.28%
McHenry County	1,324	7	0.75%	--	-	--
Peoria School District 150	1,303	8	0.74%	1,287	9	0.78%
Kane County	1,293	9	0.73%	1,320	8	0.80%
City of Springfield	1,235	10	0.70%	1,380	7	0.84%
St. Clair County	--	-	--	1,098	10	0.67%
	<u>18,626</u>		<u>10.54%</u>	<u>18,935</u>		<u>11.50%</u>



Table XIII
Number of Actively Participating Members
Last ten years

<u>Calendar Year End</u>	<u>Male Participants</u>	<u>Female Participants</u>	<u>Total</u>
2001	61,245	103,600	164,845
2002	62,216	105,560	167,776
2003	62,597	105,355	167,952
2004	62,611	105,925	168,536
2005	63,323	107,605	170,928
2006	64,136	109,872	174,008
2007	65,355	112,428	177,783
2008	66,802	114,876	181,678
2009	66,640	114,740	181,380
2010	65,543	111,160	176,703

Table XIV
Participating Members' Length of Service
Last ten years

<u>Calendar Year</u>	<u>Total Active Members</u>	<u>Under 1 Year</u>	<u>1 to 7 Years</u>	<u>8 to 14 Years</u>	<u>15 Years and Over</u>	<u>Percent Vested (8 or More Years of Service)</u>
2001	164,845	22,286	76,006	34,261	32,292	40.4%
2002	167,776	18,566	80,607	34,920	33,683	40.9%
2003	167,952	16,678	80,610	35,468	35,196	42.1%
2004	168,536	17,225	78,499	35,765	37,047	43.2%
2005	170,928	18,723	76,768	36,735	38,702	44.1%
2006	174,008	19,245	76,290	38,781	39,692	45.1%
2007	177,783	20,670	75,311	41,889	39,913	46.0%
2008	181,678	19,543	76,607	44,487	41,041	47.1%
2009	181,380	14,950	77,606	46,749	42,075	49.0%
2010	176,703	12,928	73,980	46,906	42,889	50.8%

Table XV
Distribution of Current Annuitants by Pension Amount

<u>Monthly Pension Amount</u>	<u>Retirement Number of</u>		<u>Survivor Number of</u>		<u>All Annuities Number of</u>	
	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>	<u>Males</u>	<u>Females</u>
Under \$100	926	4,587	670	1,103	1,596	5,690
\$100 to under \$250	2,012	10,101	1,074	2,619	3,086	12,720
\$250 to under \$500	3,952	12,921	835	2,821	4,787	15,742
\$500 to under \$750	3,422	8,261	336	1,407	3,758	9,668
\$750 to under \$1,000	2,769	5,502	146	736	2,915	6,238
\$1,000 to under \$2,000	6,695	9,809	93	1,009	6,788	10,818
\$2,000 to under \$3,000	3,551	2,673	5	144	3,556	2,817
\$3,000 to under \$4,000	2,171	753	1	35	2,172	788
\$4,000 to under \$5,000	1,188	262	--	6	1,188	268
\$5,000 to under \$6,000	635	100	--	3	635	103
\$6,000 and over	685	45	--	4	685	49
Total	<u>28,006</u>	<u>55,014</u>	<u>3,160</u>	<u>9,887</u>	<u>31,166</u>	<u>64,901</u>

Note: Counts do not include disabilitants.

Table XVI
Analysis of Initial Retirement Benefits - Regular Plan
Last Ten Years

	Years of Credited Service							Total
	8-9	10-14	15-19	20-24	25-29	30-34	35+	
2001								
Avg Monthly Annuity	\$254	\$385	\$635	\$903	\$1,352	\$2,007	\$2,616	\$845
Avg Monthly FRE	\$1,821	\$1,942	\$2,233	\$2,388	\$2,822	\$3,476	\$3,757	\$2,363
Number of Retirees	389	742	575	563	356	213	131	2,969
2002								
Avg Monthly Annuity	\$265	\$397	\$693	\$951	\$1,449	\$2,010	\$2,756	\$965
Avg Monthly FRE	\$1,896	\$2,005	\$2,450	\$2,504	\$3,017	\$3,490	\$3,981	\$2,558
Number of Retirees	387	667	594	520	483	298	152	3,101
2003								
Avg Monthly Annuity	\$273	\$448	\$746	\$1,084	\$1,490	\$2,151	\$3,122	\$1,119
Avg Monthly FRE	\$1,947	\$2,255	\$2,609	\$2,842	\$3,091	\$3,734	\$4,496	\$2,824
Number of Retirees	417	685	643	460	553	361	245	3,364
2004								
Avg Monthly Annuity	\$293	\$433	\$719	\$1,077	\$1,567	\$2,236	\$3,251	\$1,147
Avg Monthly FRE	\$2,099	\$2,185	\$2,533	\$2,816	\$3,266	\$3,841	\$4,665	\$2,866
Number of Retirees	410	715	676	461	559	367	261	3,449
2005								
Avg Monthly Annuity	\$289	\$452	\$728	\$1,104	\$1,545	\$2,158	\$3,000	\$1,063
Avg Monthly FRE	\$2,074	\$2,293	\$2,537	\$2,913	\$3,225	\$3,747	\$4,308	\$2,807
Number of Retirees	473	781	748	590	544	348	221	3,705
2006								
Avg Monthly Annuity	\$293	\$477	\$768	\$1,212	\$1,523	\$2,393	\$3,605	\$1,137
Avg Monthly FRE	\$2,094	\$2,407	\$2,676	\$3,218	\$3,209	\$4,135	\$5,165	\$2,984
Number of Retirees	500	764	754	608	537	308	229	3,700
2007								
Avg Monthly Annuity	\$312	\$484	\$781	\$1,170	\$1,657	\$2,526	\$3,469	\$1,154
Avg Monthly FRE	\$2,224	\$2,457	\$2,721	\$3,086	\$3,447	\$4,382	\$4,978	\$3,039
Number of Retirees	578	787	816	659	518	359	240	3,957
2008								
Avg Monthly Annuity	\$312	\$494	\$852	\$1,230	\$1,730	\$2,671	\$3,730	\$1,248
Avg Monthly FRE	\$2,229	\$2,498	\$2,974	\$3,229	\$3,597	\$4,645	\$5,358	\$3,212
Number of Retirees	538	790	685	657	472	318	283	3,743
2009								
Avg Monthly Annuity	\$317	\$509	\$891	\$1,364	\$1,951	\$2,549	\$3,712	\$1,389
Avg Monthly FRE	\$2,253	\$2,565	\$3,052	\$3,553	\$4,049	\$4,419	\$5,305	\$3,413
Number of Retirees	551	804	682	717	497	444	371	4,066
2010								
Avg Monthly Annuity	\$340	\$513	\$895	\$1,410	\$1,935	\$2,598	\$3,703	\$1,421
Avg Monthly FRE	\$2,401	\$2,583	\$3,100	\$3,686	\$4,022	\$4,514	\$5,295	\$3,486
Number of Retirees	601	1,029	767	826	645	524	459	4,851

FRE = Final Rate of Earnings used to calculate retirement benefit.

Note: This schedule excludes members retiring with money purchase benefits, reciprocal benefits, or multiple plans.

Table XVII

Analysis of Initial Retirement Benefits - Sheriffs' Law Enforcement Personnel Plan (SLEP)

Last Ten Years

	Years of Credited Service				Total
	20-24	25-29	30-34	35+	
2001					
Avg Monthly Annuity	\$1,774	\$3,394	\$3,891	\$849	\$2,843
Avg Monthly FRE	\$3,566	\$5,588	\$5,624	\$1,132	\$4,691
Number of Retirees	27	16	21	1	65
2002					
Avg Monthly Annuity	\$2,079	\$2,933	\$3,976	\$3,532	\$3,131
Avg Monthly FRE	\$3,947	\$4,778	\$5,669	\$4,710	\$4,917
Number of Retirees	13	27	22	1	63
2003					
Avg Monthly Annuity	\$2,851	\$3,479	\$4,128	\$3,732	\$3,423
Avg Monthly FRE	\$5,587	\$5,465	\$6,028	\$4,977	\$5,609
Number of Retirees	21	33	14	1	69
2004					
Avg Monthly Annuity	\$2,555	\$3,581	\$3,773	\$4,175	\$3,332
Avg Monthly FRE	\$4,925	\$5,698	\$5,329	\$5,567	\$5,370
Number of Retirees	24	33	18	3	78
2005					
Avg Monthly Annuity	\$2,295	\$4,150	\$3,613	\$5,336	\$3,439
Avg Monthly FRE	\$4,517	\$6,214	\$4,975	\$6,823	\$5,452
Number of Retirees	25	23	5	6	59
2006					
Avg Monthly Annuity	\$2,689	\$3,948	\$4,738	\$5,165	\$3,817
Avg Monthly FRE	\$5,046	\$5,835	\$6,099	\$6,768	\$5,692
Number of Retirees	27	36	25	2	90
2007					
Avg Monthly Annuity	\$2,907	\$4,105	\$3,927	\$6,707	\$3,607
Avg Monthly FRE	\$5,846	\$6,068	\$5,403	\$8,383	\$5,901
Number of Retirees	36	36	13	1	86
2008					
Avg Monthly Annuity	\$3,093	\$5,144	\$4,950	\$4,283	\$4,239
Avg Monthly FRE	\$5,988	\$7,495	\$6,326	\$5,354	\$6,516
Number of Retirees	25	19	16	2	62
2009					
Avg Monthly Annuity	\$3,358	\$4,419	\$5,503	\$4,967	\$4,454
Avg Monthly FRE	\$6,613	\$6,569	\$7,286	\$6,209	\$6,837
Number of Retirees	21	17	22	1	61
2010					
Avg Monthly Annuity	\$2,974	\$4,598	\$5,500	\$4,455	\$4,347
Avg Monthly FRE	\$5,620	\$6,996	\$7,348	\$5,750	\$6,636
Number of Retirees	30	43	26	4	103

FRE = Final Rate of Earnings used to calculate retirement benefit.

Note: This schedule excludes members retiring with money purchase benefits, reciprocal benefits, or multiple plans.

Table XVIII

Analysis of Initial Retirement Benefits - Elected County Official Plan (ECO)

Last Ten Years

	Years of Credited Service						Total
	8-9	10-14	15-19	20-24	25-29	30-34	
2001							
Avg Monthly Annuity		\$292	\$452	\$1,345	\$1,824		\$864
Avg Monthly FRE		\$1,202	\$1,282	\$1,808	\$2,280		\$1,560
Number of Retirees		3	4	3	2		12
2002							
Avg Monthly Annuity	\$619	\$441	\$1,892	\$2,849			\$1,462
Avg Monthly FRE	\$2,330	\$1,126	\$2,907	\$3,562			\$2,389
Number of Retirees	4	10	9	7			30
2003							
Avg Monthly Annuity	\$315	\$454	\$2,932	\$3,790	\$7,117		\$2,633
Avg Monthly FRE	\$1,312	\$1,137	\$4,321	\$4,737	\$8,896		\$3,708
Number of Retirees	1	3	3	3	1		11
2004							
Avg Monthly Annuity		\$1,215	\$3,671	\$3,874		\$1,780	\$2,840
Avg Monthly FRE		\$2,779	\$5,567	\$4,843		\$4,111	\$4,294
Number of Retirees		7	5	8		1	21
2005							
Avg Monthly Annuity		\$1,787	\$3,365	\$5,627	\$6,926		\$4,392
Avg Monthly FRE		\$3,612	\$4,160	\$7,034	\$8,658		\$5,878
Number of Retirees		2	1	3	1		7
2006							
Avg Monthly Annuity	\$609	\$1,296	\$3,113	\$3,063			\$2,046
Avg Monthly FRE	\$2,437	\$2,942	\$4,434	\$4,021			\$3,491
Number of Retirees	6	8	8	6			28
2007							
Avg Monthly Annuity	\$254	\$1,435	\$2,940	\$4,848			\$2,630
Avg Monthly FRE	\$1,033	\$3,243	\$4,013	\$6,060			\$3,917
Number of Retirees	2	5	6	4			17
2008							
Avg Monthly Annuity	\$287	\$1,550	\$4,249	\$4,340	\$ 664		\$2,505
Avg Monthly FRE	\$1,184	\$3,773	\$6,094	\$5,425	\$ 830		\$4,025
Number of Retirees	3	10	3	8	2		26
2009							
Avg Monthly Annuity	\$1,489	\$1,987	\$2,804	\$2,523			\$2,241
Avg Monthly FRE	\$5,958	\$4,358	\$4,511	\$3,154			\$4,247
Number of Retirees	1	7	3	3			14
2010							
Avg Monthly Annuity	\$123	\$1,875	\$2,243	\$4,687	\$3,902		\$2,420
Avg Monthly FRE	\$497	\$4,369	\$3,472	\$5,859	\$4,878		\$3,726
Number of Retirees	4	5	9	4	3		25

FRE = Final Rate of Earnings used to calculate retirement benefit.

Note: This schedule excludes members retiring with money purchase benefits, reciprocal benefits, or multiple plans.

Table XIX
Annuitants by Age

Ages	Retirees			Surviving Spouses			Beneficiaries		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Under 55	790	75	865	11	119	130	57	115	172
55 to 59	2,893	4,479	7,372	30	198	228	18	40	58
60 to 64	5,303	9,648	14,951	98	420	518	16	50	66
65 to 69	5,286	11,185	16,471	219	779	998	13	46	59
70 to 74	4,615	9,494	14,109	368	1,105	1,473	8	40	48
75 to 79	3,761	7,601	11,362	573	1,571	2,144	6	25	31
80 to 84	2,953	6,136	9,089	692	2,017	2,709	8	21	29
85 to 89	1,696	4,159	5,855	649	1,810	2,459	1	24	25
90 to 94	572	1,746	2,318	300	1,045	1,345	2	11	13
95 to 100	129	450	579	85	394	479	1	7	8
101 and over	8	41	49	5	50	55	--	--	--
Total	28,006	55,014	83,020	3,030	9,508	12,538	130	379	509

Table XX
Active Members by Age

Ages	All Plans			Sheriff's Law Enforcement Personnel			Elected County Officials		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Under 20	155	206	361	--	--	--	--	--	--
20 to 29	7,866	10,090	17,956	557	93	650	2	--	2
30 to 39	11,850	16,066	27,916	1,237	229	1,466	22	5	27
40 to 49	16,485	31,535	48,020	1,316	230	1,546	77	31	108
50 to 54	10,488	21,141	31,629	352	68	420	65	42	107
55 to 59	8,980	17,354	26,334	245	45	290	71	36	107
60 to 69	8,167	13,413	21,580	132	20	152	79	30	109
70 and Over	1,552	1,355	2,907	8	3	11	27	10	37
Total	65,543	111,160	176,703	3,847	688	4,535	343	154	497



*IMRF provides its retirees with
a modest, sustainable benefit which
offers financial security in retirement.*

Illinois Municipal Retirement Fund

Member Services Representatives

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