

# FUNDAMENTALS

IMRF

INACTIVE MEMBER EDITION

SUMMER 2020

## IMRF Service Delivery and COVID-19

At press time in July, the COVID-19 coronavirus pandemic continues to substantially impact the day-to-day lives of all IMRF stakeholders, including IMRF staff who work out of our Oak Brook and Springfield offices. As an IMRF member, we want you to know IMRF has been proactive and effective in adjusting to the pandemic.

### PLEASE BE ASSURED:

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

Although some services are being delivered differently, we will continue to deliver all critical services.

IMRF's top business priorities at this time include delivering promised benefit payments; processing new benefits applications, with a focus on processing disability and death benefit applications first; and managing new contributions from members and employers, as well as existing investments entrusted to the pension fund.

Non-critical services, such as in-person educational workshops, have been suspended. IMRF offices are also closed to visitors.

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

A number of stakeholders have expressed concern about the state of the global economy and its impact on the IMRF investment portfolio.

IMRF's investment portfolio has not been immune to the negative impact COVID-19 has had on the global economy. However, *IMRF is a long-term investor with a portfolio of more than \$44 billion at the start of 2020. We have planned for downturns in the market, and IMRF has sufficient resources to meet all benefit payment requirements.*

In the first quarter of 2020, IMRF's investment portfolio was

down 14.0% due to the pandemic. However, IMRF regained much of this loss in the two months that followed, and the portfolio was valued at \$42.3 billion on May 31. IMRF has confidence that in the long-term, the global economy will recover.

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

For the health and safety of our staff, we are continuing to follow social distancing recommendations as part of our return to work plan, which means fewer staff will be in the call center at one time. Therefore, phone wait times may be longer than usual.

The fastest way to do business or communicate with IMRF is through your online Member Access account. You can use Member Access to do almost anything you would need to, including:

- Communicating with IMRF by Secure Message
- Uploading documents to IMRF
- Updating your address
- Changing your beneficiaries

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



**NEW! EMAIL NEWSLETTERS** See page 4





## Should I Apply for a Refund of My IMRF Contributions?

If you have left your IMRF employer and will not continue to participate in IMRF, you can leave your contributions on deposit with IMRF, or you may be able to take a refund.

Leaving your contributions on deposit with IMRF would make sense if you are vested or if you think you may work for another IMRF or reciprocal system employer in the future. When you take a refund of your IMRF contributions, you lose all of your service credit, and you give up your right to any future IMRF pension and death benefits.

For more information on whether taking a separation refund or leaving your contributions on deposit is right for you:  
 Tier 1 members go to [www.imrf.org/refunds-tier1](http://www.imrf.org/refunds-tier1)  
 Tier 2 members go to [www.imrf.org/refunds-tier2](http://www.imrf.org/refunds-tier2)

## Coronavirus-related Refunds Are Exempt from Early Withdrawal Penalty

The Coronavirus Aid, Relief, and Economic Security (CARES) Act makes refunds of IMRF contributions requested for a "coronavirus-related" purpose exempt from the 10% early withdrawal penalty. It also allows those who qualify to choose a 10% or 0% withholding, instead of the usual 20%.

**There are specific requirements for this type of refund, and not all IMRF members qualify.**

For more information on whether you qualify and how to apply for this type of refund, go to [www.imrf.org/cares-act](http://www.imrf.org/cares-act).



## 2020-2022 Strategic Plan

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

To read more about the 2020-2022 Strategic Plan, please go to [www.imrf.org/strategicplan](http://www.imrf.org/strategicplan).

  
 2020-2022  
**STRATEGIC PLAN**

- Key Result Area: Financial Health**  
 To achieve and maintain a funding level that sustains the Plan  
*Strategic Objective*
- Key Result Area: Customer Engagement**  
 To foster and maintain engaged members and employers  
*Strategic Objective*
- Key Result Area: Workforce Engagement**  
 To foster and maintain an engaged workforce  
*Strategic Objective*
- Key Result Area: Operational Excellence**  
 To provide world class customer service at a reasonable cost  
*Strategic Objective*

## Why Reviewing Your Member Statement is Important

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

Please take a few moments to make sure your Member Statement is accurate. If there are any problems, it will be much easier to resolve them now than when you are ready to retire! Please be sure to review the front and back pages of your statement, along with your beneficiary information.

### What Information is in Your Statement?

Your annual Member Statement provides detailed information about the benefits available to you as an inactive IMRF member—retirement and survivor benefits. It includes any IMRF account activity for 2019 as well as an overview of past service, contributions, and employers.

Your Member Statement also includes your Member Identification Number. To protect your information, please use this number in place of your Social Security Number when calling or completing paperwork for IMRF.

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

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

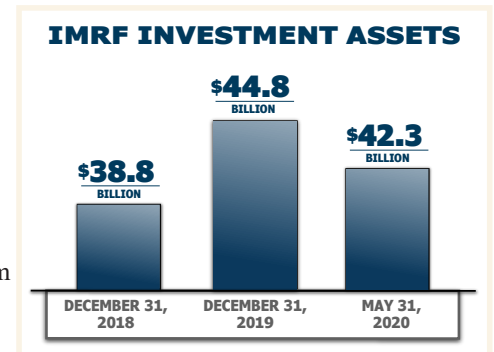
## Financial Update

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

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

Changes in the market in the first quarter of 2020, due to the COVID-19 pandemic, caused IMRF's investment portfolio to fall 14.0%. However, markets improved during April and May, and much of the first quarter loss was recovered.

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



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

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

## You Benefit from a Baldrige Award-Winning Pension System

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



### First Public Pension Fund in the Nation to Win

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

received this distinction, with only 115 total winners over the last three decades.

### How This Award Benefits You

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

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



**IMRF**

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*Locally funded, financially sound.*

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## New! Email Newsletters

In 2020, you will receive one issue of the Fundamentals newsletter by mail, as well as two shorter issues by email. This will allow for more timely news and announcements, quick reference links to online tools, and additional opportunities to provide helpful information and instructions.

Email newsletters were sent in June 2020. An additional email newsletter will be sent in November. If you did not receive the first email newsletter, please go to [www.imrf.org](http://www.imrf.org), sign up for a Member Access account, and provide your email address. ■