

FUNDAMENTALS

Special Election Edition

IMRF

RETIRED MEMBER EDITION

FALL/WINTER 2020

Your Vote Shapes IMRF's Services

IMRF's Board of Trustees governs IMRF and protects your benefits. Ultimately, you decide who is speaking for you—your vote counts!

As an IMRF member, you have a unique opportunity to elect your own Board of Trustees. The IMRF Board of Trustees consists of eight elected Trustees. All of the Trustees are vested IMRF members or are receiving an IMRF pension, so every Board member has an interest in ensuring IMRF's success.

Elected Trustees Protect from Conflicts of Interest

Having all elected Trustees protects IMRF from the potential conflicts of interest that can arise when board members are appointed. When a board has appointed members, it can be challenging for the board members to reconcile the interests of those who appointed them with the interests of those they are charged with representing.

With Opportunity Comes Responsibility

Along with the opportunity of a fully-elected Board comes the responsibility of a fully-elected Board. Each IMRF member and retiree is entrusted with the important responsibility of selecting and voting for the Trustee candidate that you believe will have the most positive impact on IMRF. This process only works if IMRF members and retirees are engaged and vote.



Your Vote Counts

“Trustees play a vital role in shaping IMRF services, so taking the time to vote for the best candidate is definitely to your benefit,” said Brian Collins, IMRF Executive Director. “Please read through the candidate biographies and choose the person you think is most qualified and can best represent you in important decision-making processes.” ■

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IMRF Executive Director Brian Collins





Our Board of Trustees Protects Your Future

IMRF's Board of Trustees governs IMRF and protects your benefits. Ultimately, you decide who is speaking for you—your vote counts!

Board Responsibilities

Some of the Board's most important duties include:

- Overseeing IMRF's administration.
- Approving benefit payments.
- Approving the budget.
- Setting asset allocation for IMRF investments.
- Hiring and firing investment managers.
- Setting actuarial assumptions used to calculate employer contribution rates.
- Setting employer contribution rates and enforcing payment.
- Ensuring the success of IMRF's Strategic Plan.
- Setting IMRF's annual Legislative Agenda.

An eight-member Board of Trustees governs IMRF:

- One Annuitant Trustee elected by retirees like you.
- Three Employee Trustees elected by active members.
- Four Executive Trustees elected by IMRF employers.

IMRF's Trustees are fiduciaries, which means they are required to act solely in the interests of you and your beneficiaries, and to make sure that your benefits are there for you.

What IMRF looks for in a Trustee

IMRF expects its Trustees to prepare for and attend meetings, and to work as a team to address issues faced by IMRF.

Trustees do not need a background in investments and actuarial science; training is provided. They do, however, need to have a high level of curiosity and dedication. Patience is also a necessity.

It is critical for the sound governance of IMRF that Trustees be fully informed with regard to IMRF's nature, purposes, structure, operational systems and processes. To that end, the newly elected Trustee will participate in an in-depth New Trustee Orientation Program designed to fully inform him or her of IMRF's key functions and his or her responsibilities as Trustee.

Last, but not least, IMRF Trustees must share IMRF's values. ➡



IMRF's Values

2020 Annuitant Trustee Election: Vote for Your IMRF Board Representative

Did you receive an IMRF annuity during the month of September 2020? Then you are entitled to vote in the election for one IMRF Annuitant Trustee for a five-year term of office, from January 1, 2021, through December 31, 2025. Included in this election packet you will find:

- This newsletter, which includes ballot instructions and candidate biographies
- A ballot (vote for one candidate on the ballot)
- A postage-paid return envelope

How to Complete the Ballot

Step 1

- Complete your ballot using a black or blue ink pen or black lead pencil.
- **You will vote for one candidate on this ballot, for one five-year term of office.** Completely fill in the circle in front of the name of the candidate you wish to vote for. See sample below.
- Want to know more about your candidates? **Candidate biographies are included on pages four and five of this newsletter.**
- **Write-in candidates:** You may vote for an IMRF member who will be receiving an annuity in January 2021, and who is not shown on the ballot, by printing his or her name in the space provided and filling in the circle in front of that line.

Step 2

- **After you complete the ballot, place it in the enclosed return addressed envelope and sign the envelope Certificate before sealing.**
- **For your vote to count, you must sign the certification on the return envelope.** The Illinois Pension Code requires this certification for each ballot to certify that you are a participating member in IMRF and are eligible to vote. Once sealed, the folded-over flap on the return envelope will prevent your signature from being visible. Ballots in envelopes without a signed certification will not be counted.
- **For ballots with a signed certification, an outside tabulating agency opens the envelopes and immediately separates the ballot.** At no time is your voted ballot identified with your signed certification.

Fill in the circle completely.
You can use a pen or pencil.



YES

Correct!

Do **not** use a red pen or red pencil.
DO NOT check or "x" the circles.



NO

NO

NO

Wrong!



Louis W. Kosiba

Lakewood Ranch, FL

Previous Position:

Executive Director for the Illinois Municipal Retirement Fund

Length of Service:

With IMRF September 16, 1988 - December 31, 2017;
Executive Director July 1, 2001 - December 31, 2017;
General Counsel January 1, 1991 - July 1, 2001;
Manager of Field Services September 16, 1988 - January 1, 1991.

Duties:

I was responsible for 200+ co-workers and all operations. Important work included: relationship management with Illinois General Assembly; press/media; local units of government. Within IMRF, important work included: Board of Trustees; strategic planning; investments; funding; benefit processing; customer service; staff development; cyber security; auditing; information technology; legal issues.

Other Pertinent Information:

As Executive Director I was always accessible and collaborated directly with employer and employee groups for the benefit of IMRF. I am endorsed by AFSCME Council 31. I have the knowledge, experience and the relationships with state officials and legislators to support consistent funding; protect your benefits; and, prevent state interference with our assets. I will be an effective voice for you. As your annuitant trustee, I will always be accessible to answer your questions and address your concerns.

Vote for one candidate for

Ballot instructions are on page three of this newsletter. Voted ballots must be received by the deadline. Envelopes received after that date and time will not be counted.

Gerald J. Sebesta Jr.

Oak Park, IL

Previous Position:

Township 39 (Cicero, Berwyn, and Oak Park) School Treasurer

Length of Service:

With Township 39 from May 1972 to June 2004, in this position from July 1972 to June 2004.

Duties:

Responsible for the management and investment of funds in excess of \$275 million for six school districts and one special education district. Developed and administered a computer network coordinating 21 school locations on a centralized mainframe system for payroll functions, accounts payable, and financial reporting.

Other Pertinent Information:

Previously served as IMRF Executive Trustee for 25 years (1976-2000). Second longest serving Trustee in IMRF history. During my tenure on the Board IMRF's funding percentage increased from 55% in 1976 to 104% in 1999. First Chairman of Investment Committee. I have the experience and background to effectively serve as an Annuitant Trustee. Key member of 1992 Board of Trustees vote giving IMRF annuitants a 13th check starting in 1993. AFSCME Chapter 31 member.

William Stafford

Evanston, IL

Previous Position:

Chief Financial Officer for Evanston Township High School District 202

Length of Service:

Chief Financial Officer for Evanston Township High School District 202, March 2006 - June 2016.

Director of Finance for City of Evanston,

March 1998 - March 2006; Assistant Finance Director for City of Evanston, March 1980 - March 1982.

Finance Director/Assistant City Manager for Village of Streamwood, March 1978 - March 1980.

Duties:

I was responsible for over 200 employees that reported in the areas of finance, payroll, maintenance operations, plant, data processing and food service. I produced a balanced budget every year and improved the District's financial rating from AA1 to AAA which is the best financial rating a government can attain.

Other Pertinent Information:

I am running for Annuitant Trustee because I believe IMRF is a national model for how to operate a public pension fund and my financial background will help to maintain that status. I previously served on the IMRF Board for six years (2009-2015) serving as its President in 2013 and as chairperson of the Board's Investment and Audit Committees. My Board experience during the great recession will hopefully prove valuable as IMRF deals with this pandemic.

a five-year term of office.

received by IMRF no later than **4:30 PM CST on Friday, December 4, 2020.**

be opened and the enclosed ballot will not be counted.

Endorsed Insurance Plans for 2021

Open Enrollment October 15 - December 7 for Some Plans

and November 1 - December 15 for Others

Your IMRF benefits do not include health insurance. For health insurance after retirement, you have a number of options depending on your circumstances. One option is to purchase an individual health insurance policy.

IMRF-Endorsed Health Plans

The IMRF Board of Trustees has endorsed several health insurance plans offered by Doyle Rowe LTD, IMRF's Endorsed Health Plan consultant. These health plans include:

FOR RETIREES

**64
& UNDER**

- Medical Insurance
- IMRF Dental Plans
- IMRF Vision Plans
- Long Term Care

FOR RETIREES

**65
& OVER**

- Medical Insurance
- Prescription Drug Plans
- IMRF Dental Plans
- IMRF Vision Plans
- Long Term Care



There will not be an Endorsed Insurance print issue of the Fundamentals newsletter this year. Plan details can be found on the Doyle Rowe website www.doyle Rowe.com/members/imrf

You can also call Doyle Rowe LTD at 1-800-564-7227. Doyle Rowe LTD's insurance specialists are available to assist you with any questions you have.

Sign Up for Member Access to Get Your Benefit Statement This Fall

Benefit Statements Will be Provided Online Only

Every November IMRF will provide an online Benefit Statement for the next year. You can view or download your Benefit Statement from Member Access quickly and easily! Benefit Statements will no longer be mailed.

To view your Benefit Statement, log into your Member Access account and click on **Benefit Statements** under *Quick Links*, on the right side of the screen.

If you do not already have a Member Access account, you can create one at www.imrf.org/register. You will need a Registration Key. The Registration Key is 16 characters and can be found toward the end of the annual Statement of Benefits IMRF mailed to you in November 2019, or possibly in March 2020, if you are a recent retiree. You can also request a new Registration Key be mailed to you using the link above.



Two Important Tax Documents Coming Up

Your 1099-R and the W-4P Will be Available in Member Access

Your 1099-R Statement

Starting in mid January, you will be able to view or download your 1099-R statement in your IMRF Member Access account. You will need Form 1099-R when filling out your federal and state income tax returns for the 2020 tax year. Your 1099-R will show the gross amount of benefits you received from IMRF in 2020. It will also show the federal income tax withheld from your benefit payments and, for most people, the taxable portion of your benefit.

To view your 1099-R statement, available in January, log into your Member Access account. After you log in, go to the Quick Links section, in the right column of the home page, and click on **EFT and Tax Statements**.

Changing Your Tax Withholding in Member Access

The IRS is projected to release the 2021 W-4P form in November or December 2020. As an IMRF retiree, you need the W-4P to establish or change your tax withholding from your benefits payments.

If you already have a W-4P on file with IMRF, you do not need to submit a new form unless you want to change your tax withholding. If you do not file a new

W-4P, IMRF will compute your withholding based on the information from the existing W-4P we have on file.

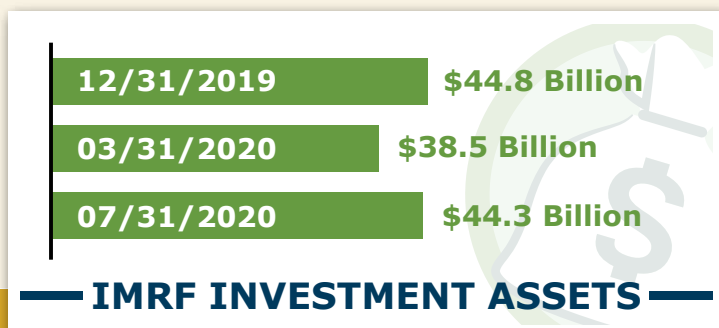
To update your tax withholding online, log into Member Access. After you log in, go to the Quick Links section, in the right column of the home page, and click on **Change Tax Withholding**.

If you do not already have a Member Access account, you can create one at www.imrf.org/register. You will need a Registration Key. The Registration Key is 16 characters and can be found toward the end of the annual Statement of Benefits IMRF mailed to you in November 2019, or possibly in March 2020, if you are a recent retiree. You can also request a new Registration Key be mailed to you using the link above.

A paper copy of the 2021 W-4P form will also be available for download at www.imrf.org/retiree-forms. There have been some significant changes to the W-4P form for 2021. To learn more about these changes, go to www.imrf.org/W4P2021. If you have questions about the W-4P form, visit the IRS website at www.irs.gov or consult your tax advisor.

For more information on these important tax documents, go to www.imrf.org/taxes.

IMRF Bounces Back from Market Changes Caused by COVID-19



Leading into 2020, IMRF was enjoying very strong investment returns from 2019 and assets that had grown to \$44.8 billion. 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 the second and third quarters, and much of the first quarter loss has already been recovered. Assets were at \$44.3 billion at the end of July.

As a long-term investor, IMRF has planned for downturns in the market and has sufficient resources to meet all benefit payment requirements. **You can count on IMRF to fulfill its pension promises to you.**



IMRF

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Locally funded, financially sound.

IMRF 2020 Board of Trustees

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is published for IMRF retirees.

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1-800-ASK-IMRF (275-4673) • www.imrf.org

Return to Work Policy Change

An IMRF Board resolution was recently passed making an important change to the Return to Work policy.

CURRENT RULE

Currently, if you are employed in a position that is expected to meet the hourly standard as an IMRF-qualifying position (600 or 1,000 hours, as applicable), your pension payments must stop upon employment and you are required to re-enroll in IMRF.

NEW RULE Effective January 1, 2021

With this new Board resolution, you can work in an IMRF-qualifying position up until you meet the hourly standard (600 or 1,000 hours, as applicable). Once you reach the hourly standard, you are required to either stop receiving pension payments and re-enroll in IMRF, or stop working in your IMRF-qualified position until you reach the 12-month anniversary of your employment date. On your employment anniversary date, your return to work period is reset for the next 12 months.

To learn more about this new resolution and about the Return to Work policies go to www.imrf.org/return-to-work.