

FUNDAMENTALS

IMRF

RETIRED MEMBER EDITION

VOLUME 31 | NUMBER 3
FALL 2016

AgeOptions workshops help seniors manage their health

According to the National Institute on Aging, approximately 85% of older adults have one ongoing health condition, and 60% have at least two. Oak Park-based non-profit AgeOptions is helping those who are dealing with this challenge to manage their conditions and thrive.

Because IMRF cares deeply about the health of its members and retirees, it has informally partnered with AgeOptions to spread the word about the organization's no-cost workshops for older adults with ongoing health conditions.

These workshops aim to help participants:

- Learn strategies to better manage their conditions.
- Benefit from the knowledge and companionship of other people who are in a similar position.

An evidence-based program

AgeOptions offers two types of no-cost workshops:

- *Take Charge of Your Health* (the Spanish-language version is *Tomando Control de su Salud*)
- *Take Charge of Your Diabetes*

An evidence-based program developed by the Stanford Patient Education Research Center, these workshops offer information and self-management skills for older adults with diabetes, or other ongoing health conditions, and their caregivers.

Research shows that participants in these workshops are hospitalized less and maintain a higher degree of healthy eating, physical activity, and communication with their families for up to a year after attending the program.

Adapting to the challenges of an ongoing condition

Maria Oquendo-Scharneck was inspired to become the program's coordinator due to her experience of growing up with her mother's poorly managed diabetes, which

TAKE CHARGE
of your health



limited her mother's life and contributed to her premature death at age 70.

"I saw how devastating it could be to be overwhelmed with all the things that happen to you when you have a chronic condition," Oquendo-Scharneck said. "So to be able to help other people learn things that could improve their ability to be more independent was something that meant a lot."

Elaine Danner, a workshop facilitator and former participant in the Take Charge of Your Diabetes program, says that many people

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For a calendar of upcoming Take Charge of Your Health workshops, visit:
www.ageoptions.org/TakeChargeofYourHealth.html





IMRF Book Club—Feedback on Book #7

Making lasting changes one step at a time

Small Move, Big Change: Using Microresolutions to Transform Your Life Permanently by Caroline L. Arnold describes how holding ourselves to a “small but meaningful behavioral change” rather than trying to change too much at once can help us build new habits over time. Several of you told us about your own experiments with using microresolutions to make lasting change. ■

“Thank you for selecting *Small Move, Big Change* by Caroline L. Arnold. At times, I felt she was writing specifically with me in mind.

“I had been wanting to get back into an exercise routine but wasn’t taking action. When I read the example of making a microresolution to walk to work on Mondays, I thought that would be the perfect way for me to begin. I have been walking to work on Mondays ever since. If it rains on Monday, I walk on Tuesday. Most of the time I walk or ride my bike to work multiple times during the week.

“I look forward to making further changes in my life by adding other microresolutions.”

“Once again, it was a learning experience, reading this book. I was interested in the nutrition and sleep chapters. It is always good to get other perspectives on a variety of topics. Thanks for sharing this author’s ideas.”

“*Small Move, Big Change* is the best book yet, in my opinion. I have already made some changes that will last. It is just what I needed.”

“I liked this best of all the books you have chosen so far. It was clear and easy to read and has already helped me to make some needed changes in my life. Thank you for doing this. You can really help make lives better!”

IMRF Book Club—Book #8

The Life-Changing Magic of Tidying Up

The Japanese Art of Decluttering and Organizing

by Marie Kondo

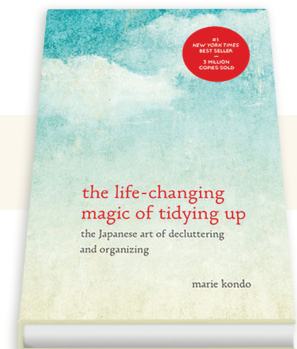
Feedback due date: **January 16, 2017**

Send your feedback to: **Louis W. Kosiba, IMRF Executive Director**

Email: louiskosiba-executivedirector@imrf.org

Letter: **IMRF, 2211 York Road, Suite 500, Oak Brook, IL 60523-2337**

We welcome all feedback, whether by email, written letter, or as a reply on our website (click the “Retirees” tab, then “IMRF Book Club,” then select the book you would like to discuss).



From the Executive Director:

The Illinois budget crisis

I am frequently asked about the State's budget crisis and how it affects IMRF.



Louis W. Kosiba
IMRF Executive Director

An independent operation

The simple answer is, “The state’s budget crisis has no direct effect on IMRF.” When IMRF was established and started operations 75 years ago, local governments were designated as “employers” that would fund IMRF, along with your contributions and investment returns. IMRF has never received contributions from the state of Illinois. Consequently, there are no monies budgeted by the state for IMRF purposes.

Moreover, IMRF operations are fully independent from the state. IMRF Trustees are elected by the membership, and we create our own budget. The Board sets principles necessary to fund IMRF and annually sets employer contribution rates to ensure proper employer funding. Most importantly, IMRF has and uses “policing” authority to collect overdue contributions from employers. If an employer is delinquent (which they rarely are), IMRF can garnish payments to the unit of government.

Ripple effects

The complicated answer is, “Every person and employer (public or private) is impacted in some way by the state’s budget crisis.” Therefore, IMRF is indirectly affected because

units of local government receive some funding from the state and because your local economy is affected negatively when the State “slow pays” its bills—\$8 billion and counting. The state has been slow to pay monies to local governments or cut back on some of the payments.

The state’s budget crisis has also negatively impacted economic growth in the private sector, which in turn, has slowed the growth of revenues for those governments. This has not hurt IMRF—IMRF employers continue to make their required contributions—but it

does mean some units of government have had to tighten their budgets. We also need to recognize that the slow nationwide economic recovery after the 2008 recession has had an impact as well.

A guaranteed benefit

The bottom line: your IMRF benefit is guaranteed and remains unaffected by the State budget or the Illinois economy. Over the years (75 to be exact), IMRF was designed and improved so as to protect and fund your benefits like no other public pension system in the State of Illinois. ■

Retired before March 26, 1992?

A new law, Public Act 99-682, makes some second spouses, previously ineligible for a surviving spouse pension, now eligible.

Did you retire prior to March 26, 1992, with a spouse eligible for an IMRF surviving spouse pension who later passed away, and you subsequently remarried? If so, your second spouse could now be eligible for a surviving spouse benefit if:

- You have been remarried at least one year, and
- You did not receive a refund of your contributions after your previous spouse died.

This change expands an earlier law, enacted March 26, 1992, that allowed these benefits for second spouses of IMRF members who retired after that date.

For more information, visit www.imrf.org or call 1-800-ASK-IMRF (275-4673). ■

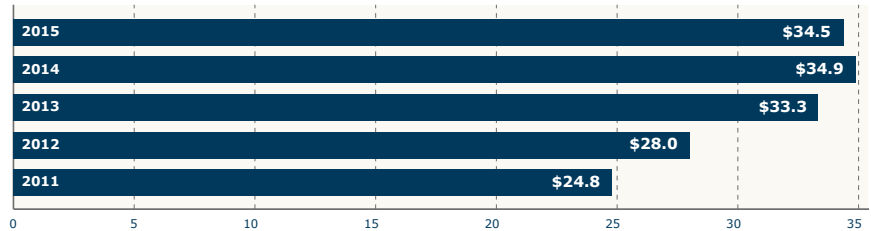
2015 Annual Financial Report

IMRF finances maintain their strength

Fiduciary net position up \$9.7 billion over the past five years, despite 2015's underperforming global market.

FIDUCIARY NET POSITION

IMRF's fiduciary net position was \$34.5 billion as of December 31, 2015, about a 1% decrease from 2014. Most of the decrease is attributable to flat 2015 investment returns. Over the last five years, IMRF's fiduciary net position has increased by \$9.7 billion.



FUNDING STATUS

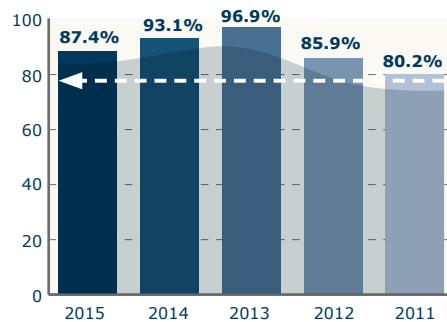
IMRF's funding status is a key indicator of its financial health. It reflects the percentage of benefit promises that IMRF has assets to pay. IMRF strives toward full funding because it guarantees that the system can meet its obligations. Full funding is also most cost effective for taxpayers.

One method to determine funding status is market funding status.

This describes the percentage of assets IMRF has to pay all current and projected benefits, as of a specific date in time. As of December 31, 2015, IMRF was 87.4% funded on a market basis. This decreased from 2014 to 2015 due to flat investment returns.

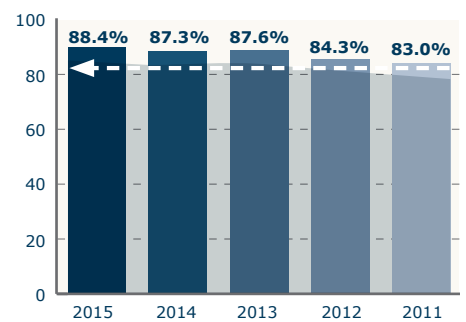
Another method to determine funding status is the actuarial funding status. Under this method, independent actuaries determine the actuarial value of IMRF assets using a "smoothing" technique that recognizes investment gains and losses over a five-year period. As of December 31, 2015, IMRF was 88.4% percent funded on an actuarial basis. It increased from 2014 to 2015 due to the recognition of prior years' investment gains.

MARKET FUNDING STATUS: PAST 5 YEARS



7.2 PERCENTAGE POINT GAIN FROM 2011-2015

ACTUARIAL FUNDING STATUS: PAST 5 YEARS



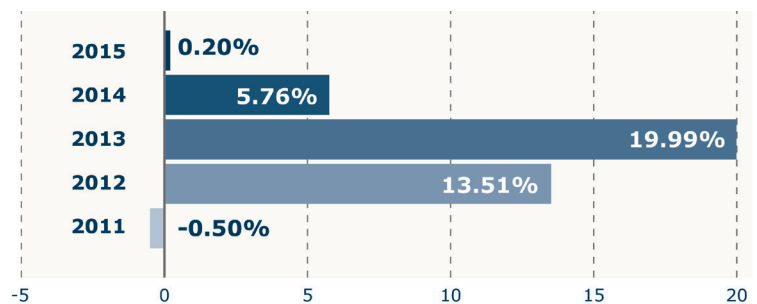
5.4% PERCENTAGE POINT GAIN FROM 2011-2015

INVESTMENTS

The 2015 total fund return of 0.20%, after investment management fees, reflected the underperformance of markets globally. International and U.S. equities, in addition to fixed income, produced flat to negative returns, essentially neutralizing strong gains from IMRF's real estate holdings and alternative investments.

While IMRF fell short of achieving its 7.5% long-term investment goal during 2015, performance over the last five years has met expectations. IMRF's five-year, annualized, total fund return is 7.54%, after paying investment management fees.

TOTAL FUND RETURNS FOR THE PAST 5 YEARS



Trustee John Piechocinski retires

IMRF is proud to thank outgoing Employee Trustee, John Piechocinski, for his 5-1/2 years of service to the Board of Trustees.

Piechocinski retired on June 30, 2016, from the Plainfield Community Consolidated School District. As a result, the law required him to step down from his Employee Trustee position. Piechocinski exited the Board after having served for 5-1/2 years.



At Piechocinski's last Board meeting in May, he said that he regretted having to step down from the position.

"I will miss working with the Board and the staff at IMRF," Piechocinski said. "I enjoyed my time representing all members at IMRF."

The Board has appointed Alex Wallace, an employee of Oswego Community Unit School District 308, to fill the vacancy through the end of 2016. IMRF active members will elect a candidate to fill the remainder of Piechocinski's term, which runs through December 31, 2020. ■

Active members and employers vote for Trustee this fall



IMRF is scheduled to hold two Trustee elections this fall:

- Active members will elect one Employee Trustee for a four-year partial term, which will run from January 1, 2017, through December 31, 2020.
- IMRF employers will elect one Executive Trustee for a five-year term, which will run from January 1, 2017, through December 31, 2021.

Election results will be announced at www.imrf.org after the December Board meeting and in next year's Spring issue of *Fundamentals*. If there is only one candidate for an open position, the Board will confirm that candidate as the new Trustee; the confirmation will be announced in the Winter issue of *Fundamentals*. ■

Coming this fall...

Your IMRF Benefit Statement for 2017

IMRF retirees, surviving spouses, and beneficiary annuitants receive an annual Benefit Statement. This statement ensures you have up-to-date information about your IMRF benefits and account information. We will mail your IMRF Benefit Statement for 2017 in late November 2016. It will include information such as:

- The amount of your annual increase and the amount of your 2017 pension.
- Current beneficiary information (for retirees).
- Information about your 1099-R tax form.

Please note: If you retired in 2016, you will not receive a statement this fall. You will receive your first IMRF Benefit Statement in the fall of 2017. ■



Tips for managing your ongoing health conditions

Get educated about your condition. “Ask questions about your health, about your medication, about how you feel,” Oquendo-Scharneck said. “It is as important how you feel about what’s going on with your body as much as what your doctor tells you. It’s becoming a champion for your own health.”

Learn about nutrition and healthy eating. “The impact that healthy eating can have on any condition is very significant, so it’s important that you look at what you’re eating and how you feel when you’re eating it,” Oquendo-Scharneck said. She recommends meeting with a dietician or nutritionist at your local hospital to review your diet and make modifications if needed.

Figure out an exercise plan that works for you. “Exercise for where you’re comfortable,” Oquendo-Scharneck said. “I’ve met people who felt like they couldn’t exercise, because maybe they’ve had arthritis or other issues, who started just making sure they walk the course of their house or their apartment.”

Find a health care team you trust. According to Danner, it’s critical to have a team of health care professionals “that you’re comfortable with and have confidence in.”

Enlist your support network. “You need to reach out to other people for support and encouragement,” Danner said.

Establish habits that promote your health. “If you do nothing, yes, your life is going to change and become increasingly more limited,” Oquendo-Scharneck said. “But daily doing something to say ‘how do I keep myself healthy?’ will help you avoid eventualities.”

continued from page 1

who enter the program struggle with negative emotions around their diagnosis. “The three biggest issues are fear, anger, and trying to dispel internalized misinformation,” Danner said. “They’ve seen a lot of bad outcomes; those are the ones that get people’s attention. But they rarely see the people who are living and striving and moving on.”

Offering help and hope

In the process of coordinating the program, Oquendo-Scharneck trained to become a facilitator for both types of workshops. She was quickly encouraged when she saw how the program was helping those connected with it.

One participant with diabetes and high blood pressure had never been able to figure out how to make exercise part of his daily routine. The workshop provided him with a framework to explore different types of exercise. By the fourth session, he had discovered that walking in the morning and stretching in the evening before bed helped him feel better and sleep better, and also kept his blood pressure more stable. Enthused and hopeful, he told Oquendo-Scharneck that now he couldn’t imagine not exercising this way.

A 70-year-old participant at another workshop already seemed to be doing everything right—exercising regularly, eating properly, and regularly seeing her doctor. But after the session on medication, she began to wonder if the reason she had been feeling unusually poorly was related to a change in one of her prescriptions’ appearance.

She went to the pharmacist, and upon learning that the coating had changed, she arranged to go back to the previous version of her medication.

Almost immediately, she started feeling better. Over the course of the workshop, she had learned that by paying attention to her symptoms and bringing up concerns, she was becoming an equal partner in her own care.

“She was overwhelmed by the fact that she suddenly was empowered to ask questions,” Oquendo-Scharneck said.

It’s not only participants that benefit from the program. One facilitator-in-training said that when she was diagnosed with diabetes, she was sure that the end was near. But upon going through the training, “she said that for the first time in a couple of years, she didn’t feel hopeless,” Oquendo-Scharneck said. “She felt as though she could live a regular, good, full life—that she could do things that

other people could, and this wasn't a death sentence for her."

Family members are encouraged to attend in order to learn how best to support their loved one. "Once there was a sister pair—one sister had diabetes and the other one was a chef," Danner said. "The chef sister was going to learn all about this and help her sister. It was really just so sweet."

The workshop experience

The six- to eight-week interactive workshop series meets weekly for 2-½ hours. Each workshop is conducted by two trained facilitators—one of them a lay individual and one of them a healthcare professional or social worker—who have a personal connection to a chronic health condition, whether firsthand or through a loved one. Workshops are tailored to the community in which they take place—for example, rural, Spanish-speaking, or people with disabilities.

Topics covered by the Take Charge of Your Health workshop include healthy eating and nutrition, physical activity and exercise, how to work with your healthcare providers and healthcare organization, medication responsibilities and guidelines, communicating with your support system, and dealing with negative emotions.

The Take Charge of Your Diabetes workshop covers the above topics, but also menu planning, good carbs, good proteins, blood sugar

monitoring, foot care, and what to do when your blood sugar goes up (or down).

Behavioral techniques participants learn include:

- *Weekly action planning.* Participants set a health goal for the week, then talk with others about how it worked for them and how to modify it.
- *Feedback and problem solving.* Participants note what in their life has changed that might be negatively affecting how they feel and figure out what to do about it.
- *Brainstorming.* Participants discuss challenges and share actions they have taken that helped them feel better, whether physically or emotionally, such as writing or dancing.

- *Decision-making.* Participants develop a practical framework for making and implementing decisions to improve their health.

The power of community

Not only do the workshops offer tools for making healthier choices, they provide a community of people in the same situation to help them succeed.

"Sometimes people just haven't had the opportunity to talk to other people who are living daily with ongoing health conditions. You get overwhelmed because you're in your own world," Oquendo-Scharneck said. "But when you're with people, looking for solutions and learning about how to be better, it gives you more inspiration and motivation to stay healthier." ■

Becoming a workshop facilitator

Oquendo-Scharneck says facilitators should have "at least a 10th-grade literacy level, feel comfortable around groups, and have a personal connection with a condition."

The training takes place over four full days and is delivered by two master trainers who have gone through the same training but at a higher level. "It's treated like a mock workshop," Danner said. "It's very easy and straightforward."

Facilitators in training receive a detailed manual outlining each activity. "It's a relatively scripted process," Oquendo-Scharneck said. "There are places where people can use their own words, but because it's an evidence-based program, the content is very specific."

After facilitators successfully complete two practice teaching sessions, they work with AgeOptions to set up the program at locations where they think people would benefit from it, like local churches, libraries, or community centers. How often facilitators present workshops and how far they're willing to travel is up to the individual.

Visit www.ageoptions.org and click "Volunteer," or contact the organization at takecharge@ageoptions.org or 800-699-9043.



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FUNDAMENTALS

is published quarterly for IMRF retirees.

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Are you are one of the many IMRF members who spend extended time away from home and forward your mail? If so, make sure to change your address with IMRF to avoid your pension payment being delayed or put on hold. (This applies to all benefit payments, including direct deposit.) Please notify IMRF in addition to notifying the Post Office.

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