



Illinois Municipal Retirement Fund

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Member Services Representatives 1-800-ASK-IMRF

www.imrf.org

November 30, 2007

Ms. Terri Simon, Editor
Bureau County Republican
800 Ace Road
Princeton, IL 61356

Re: Letter to the Editor

Via E-Mail and U.S. Postal Service

Dear Ms. Simon:

I am writing to clarify some misinformation which was reported in the Bureau County Republican on November 10 and November 15. The misinformation was due to confusion which arose at two recent Bureau County Board meetings concerning costs to pay for increased retirement benefits for the County's 34 deputy sheriffs. The deputy sheriffs participate in the Illinois Municipal Retirement Fund (IMRF).

In 2005, legislation was passed increasing retirement benefits for all deputy sheriffs throughout the state. Although the new law resulted in additional retirement costs, it also provided that counties could amortize (pay off) the costs over 30, 35 or 40 years.

In a letter dated October 9, 2006, we explained to Bureau County what the pay off period options were and estimated the additional retirement costs at \$716,329.

The reason that we estimated what the total cost might be was so the County could project the effect on their budget of spreading payments over 30, 35 or 40 years. This is similar to asking your bank to calculate how much your monthly mortgage would cost if you had a 15-, 20- or 30-year fixed rate mortgage.

IMRF estimated the additional retirement cost because the actual cost is not known until a deputy retires. Like all IMRF government units, Bureau County pre-funds retirement costs for its employees, so the estimate is necessary. Each year IMRF reviews the County's account and makes adjustments based on actual costs.

Let me reassure you that Bureau County's account with IMRF is well-funded and at no time was payment of the total estimated \$716,329 ever requested and, in fact, is not necessary.