

100% Funding at a glance...

100% funding means that a pension fund has enough money in reserve today to meet future pension obligations for benefits earned to date. **IMRF believes that 100% funding is the best approach to follow.**

Why does IMRF have a 100% Funding goal?

Keeps a defined benefit pension plan such as IMRF's safe from "attack"

Some pension plans have come under fire for being drastically underfunded. With 100% funding, a pension plan is safe from this criticism.

Enhances investment performance

Studies have shown that pension plans that are more fully-funded earn higher returns on their investments.

Provides greater assurance promised benefits will be paid when due

With 100% funding, all IMRF members, active and retired, can take comfort that money will be available for their retirement benefits.

Achieves lowest long-term employer rates, and helps prevent higher taxes

When employer rates increase, taxes may also increase. An increased pool of money earning investment income means less money needs to come from employers, which assists in keeping taxes lower.

Follows generally accepted accounting principles, and is considered an industry "best-practice"

100% funding complies with the Illinois Pension Code and the Pension Protection Act of 2006

As of 12/31/2010, IMRF estimates that it is 83.6% funded on an actuarial basis.*

IMRF continues to work toward a 100% actuarial funding goal.

** IMRF uses a common pension industry practice of five-year averaging of actual market returns to arrive at the actuarial funding status. On a market value basis (which does not reflect the five-year averaging technique), IMRF's funded status as of December 31, 2010, is projected to be 86.4%.*

Illinois Municipal Retirement Fund
Locally funded, financially sound
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