

Your July 2009

Reminder

A monthly guide about IMRF topics of interest.

Route to:

- Authorized Agent
- Asst. to AA
- Personnel/HR
- Data Processing
- Payroll Dept.
- Accounting/Finance
- Other

Hiring an IMRF retiree? Always call IMRF first!

Contact IMRF if you hire an IMRF retiree If you are aware that you are hiring an IMRF retiree, you **must** contact IMRF regardless of the hourly standard of the position the retiree will hold. In addition, the retiree must also contact IMRF before he or she accepts the position to discuss how his or her pension may be affected. **Failure to inform IMRF of a return to work could result in significant financial repercussions for a retiree and/or an employer.**

How does the hourly standard affect a retiree's pension and participation in IMRF? Your employer's hourly standard can have an impact on whether a retiree's pension will be affected by returning to work for an IMRF employer. If the retired member you are hiring **ever** participated in IMRF under the 600-hour standard, special rules apply:

- **Retiree earned any part of pension prior to 01/01/1982, and returns to work for a 1,000-hour employer:** The retiree must participate in IMRF and have his/her pension suspended if the position requires more than 600 hours, even if the position would not normally qualify for IMRF participation.
- **Retiree earned any part of pension under a 600-hour standard after 01/01/1982, and returns to work for a 1,000-hour employer:** The retiree will not participate in IMRF if the position requires between 600 and 999 hours, however his/her pension will be suspended.

In any case, if a retiree returns to work in any position that qualifies for IMRF participation under that employer's hourly standard, his or her pension will be suspended and he or she is required to again participate in IMRF. **Remember:** a member who retired under ERI can **never** return to work for an IMRF employer, even in a non-participating position.

Enrollment Checklist IMRF has created a "Should this employee be enrolled" checklist to help make it easier for you to determine whether an individual qualifies for IMRF participation. The checklist is available in the Employer section of IMRF Online.

Employer Audits check eligibility IMRF's ongoing employer audit program is finding an increasing number of situations where IMRF retirees are working in positions under which they should have been re-enrolled in IMRF and/or had pensions suspended. Noncompliance is a serious matter that can affect a member's future and create additional financial liabilities for employers. Participation in IMRF is a legal right. Compliance is not only the right thing to do, it costs employers less in the long run.

For more information Hiring an IMRF retiree is a complicated topic and this Reminder covers only a few of the variables that can affect retirees' pensions when they return to work. For more detailed information, including information on independent contractors and members who retired under IMRF's Early Retirement Incentive (ERI), you should review the "Returning to work after retirement" booklet, available at www.imrf.org.



Employer Access, current forms, booklets, legislative information and more available at www.imrf.org
Mailing address: 221 I York Road, Suite 500, Oak Brook, IL 60523-2337
Member Services Representatives: 1-800-ASK-IMRF (1-800-275-4673)