

Reminder

A monthly guide about IMRF topics of interest.

IMRF Special Needs Annuities

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What is a Special Needs Annuity?

IMRF's Special Needs Annuity (also known as a Reversionary Annuity) allows members to provide additional retirement security for a loved one or spouse. A member can choose to receive a smaller pension at retirement to provide a monthly survivor pension that is separate from the IMRF surviving spouse pension and the \$3,000 lump sum death benefit.

How does a Special Needs Annuity work?

Under the Special Needs option, a member can choose to "revert" (make payable) a portion of his or her IMRF pension payments to someone else upon the member's death. The younger the age of the individual named as Special Needs beneficiary, the greater the monthly pension reduction for the member.

For example, if a member names a child as a Special Needs beneficiary, the child could receive pension payments for a long lifetime. Therefore, the reduction in a member's pension would be greater than if he or she named an individual who is closer in age who would receive a benefit for a shorter time.

Special Needs Annuity rules

Once a member decides to elect a Special Needs Annuity, he or she must submit IMRF Form 5.20R, "Special Needs Annuity Application" at the time of retirement. (Submitting Form 5.20R does **not** obligate a member to elect a Special Needs Annuity.) Members can also request Special Needs Annuity estimates by calling an IMRF Member Services Representative at 1-800-ASK-IMRF (1-800-275-4673).

The percentage of a member's pension available to be reverted to his or her Special Needs beneficiary depends upon whether the member has a spouse eligible for an IMRF surviving spouse pension.

In addition:

- The member can name only one individual to receive this pension (not a trust or institution). The individual does not need to be a relative or spouse.
- Once the member chooses to receive a reduced pension, he or she cannot change the amount of the reduced pension or the individual who will receive the annuity after the member's death. **Once the member decides to reduce his or her pension under a Special Needs Annuity, the decision is irrevocable.**
- If the Special Needs beneficiary predeceases the member, the pension that would have been paid to him or her is no longer payable, and *the member's pension will not be adjusted.*

Additional Information

For more information, visit www.imrf.org to review the Special Needs Annuity fact sheet or to obtain an IMRF Form 5.20R.



Employer Access, current forms, booklets, legislative information and more available at www.imrf.org

Mailing address: 2211 York Road, Suite 500, Oak Brook, IL 60523-2337

Member Services Representatives: 1-800-ASK-IMRF (1-800-275-4673) Monday through Friday 7:30 a.m. to 5:30 p.m.