

Your January 2012

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

2012 employer rates, maximum wages

Official Rate Notice

In November 2011, we provided all Authorized Agents with an Official Rate Notice for 2012. The Official Rate Notice gives a breakdown of your employer's 2012 rate (including early retirement incentive, if appropriate).

How rates are calculated for different IMRF benefits

- **Retirement benefits:** each employer's rate is calculated separately, based upon actuarial costs.
- **Death benefits:** each employer's rate is calculated separately based on the average age of its employees.
- **Disability benefits:** all employers pay the same rate.
- **Supplemental benefit payment** (13th payment): the rate is fixed by statute and all employers pay the same rate.

When to use your 2012 rate

Use your 2012 employer rate when reporting wages paid in January 2012. This month is the first month you will calculate employer contributions using your 2012 employer rate. Your rate is displayed on your Web Wage Reporting electronic summary, and your contributions will be automatically calculated for you. The employer rate for 2012 is the same for Tier 1 and Tier 2.

Questions about your specific rate?

To view your employer's rate on the web using your Employer Access account, click on the "Display Contribution Rates" link. To view a copy of your Official Rate Notice, click on the "Display Document Archive" link. For additional questions about your rate, please call IMRF's Employer Relations Supervisor, Audrey Brown-Ryce, at (630) 706-4246.

2012 Maximum IMRF Wages

Maximum IMRF wage varies by Tier

Maximum wages for Tier 2 members

Tier 2 member wages do not include compensation in excess of \$108,882.60 (for 2012). This amount will be increased annually by the lesser of 3% or one-half of the increase in the Consumer Price Index (urban) for the preceding September. You will **continue to report earnings** over \$108,882.60. But you **do not withhold IMRF contributions** for any wages that exceed this amount. IMRF will not accept contributions over this amount for Tier 2 members.

Maximum wages for Tier 1 members

IMRF Tier 1 member wages do not include compensation in excess of \$250,000 (for 2012). This is a federal law which limits the amount of wages that can be used for pension purposes. **It only applies to IMRF Tier 1 members who started IMRF participation after 1995.** You do not withhold IMRF contributions nor report earnings for any wages that exceed this amount.



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.