



Reminder

Route to:

- Authorized Agent
- Asst. to A.A.
- Personnel/H.R.
- Data Processing
- Payroll Dept.
- Accounting/Finance
- Other

New SLEP contribution rate

May 2006

**New SLEP rate
beginning
June 1, 2006**

Public Act 94-712 goes into effect on June 1, 2006. Part of this legislation increases the SLEP contribution rate from 6.5% to 7.5%. For all SLEP members, you must withhold 7.5% from compensation paid on or after June 1, 2006, **regardless of when the compensation was earned.**

Please note: Your employer contribution for SLEP participants does not change at this time. Your **2007** SLEP employer contribution rates reflect the new cost from this legislation.

Example

For example, if you have a SLEP member whose paycheck in June includes wages earned for the last part of May, you would withhold 7.5% from *all* of the member's wages, not just the wages earned after June 1. (This is because IMRF operates on a cash basis. Your May payment will occur in June, after the law's effective date.)

**Includes all
compensation
subject to IMRF
earnings**

This includes any type of compensation that is included as IMRF earnings, such as sick or vacation pay, retroactive pay and bonuses or awards paid on or after June 1, 2006. For more information on what type of compensation is included as IMRF earnings, please see section 3.96 of your *Manual for Authorized Agents*.

Public Act 94-712 also includes additional changes to the SLEP plan. It increases the SLEP formula to a flat 2.5% and allows eligible SLEP members to convert up to 10 years of Regular service credit to SLEP.

**For more
information**

To read the full text of Public Act 94-712, please go to the legislative area of www.imrf.org.

SLEP contribution rate increases to 7.5% as of June 1, 2006