

APPLICATION FOR RETROACTIVE SERVICE CREDIT—For Employees Previously Barred by Age
INSTRUCTIONS FOR USE

■ **REQUIREMENTS FOR RETROACTIVE SERVICE CREDIT:**

1. The application must be received by IMRF while the applicant is currently participating in IMRF or another retirement system covered by the Illinois Retirement Systems Reciprocal Act.
2. The service was rendered by the applicant after the date the governmental unit joined IMRF. Use Form 6.07, "Application for Prior Service Credit," for eligible service rendered prior to the date the governmental unit joined IMRF.
3. The service was rendered in a position which qualified the applicant for membership in IMRF
4. This form is certified by the Authorized Agent and applicant.
5. The applicant pays IMRF contributions on the earnings and interest from the end of the retroactive period.
6. The applicant falls into one of the following categories:

- a. Public Act 82-0596 (Senate Bill # 930) amends the IMRF law to conform to the amendments to the Federal Age Discrimination Act effective January 1, 1979. This amendment affects employees who were over age 60 but less than age 70 on or before January 1, 1979, when first employed in a qualifying position. Enrollment in IMRF for these employees was effective December 1, 1981. Therefore, it is only the service rendered prior to December 1, 1981, that should be entered on this form.

Use IMRF Form 6.05, "Omitted Service Credit Authorization," to report omitted earnings beginning December 1, 1981, and thereafter. If earnings prior to 1979 are indicated, a resolution (IMRF Form 6.79) must be adopted by the governing body and be filed with IMRF.

- b. Public Act 86-0272 (House Bill # 332) amended the IMRF law to conform to the amendments to the Federal Age Discrimination Act effective January 1, 1987. This amendment affects employees who were over age 70 when first employed in a qualifying position. Enrollment in IMRF for these employees was effective September 1, 1989. Therefore, it is only the service rendered from January 1, 1987, through August 31, 1989, that should be entered on this form.

DO NOT report qualifying services rendered before January 1, 1987, because no provision was made to allow for creditable service prior to the effective date of January 1, 1987.

■ **EARNINGS:**

Enter the annual gross earnings for the retroactive service. Please be sure that the annual totals agree with the Social Security wages reported.

■ **SEASONAL LEAVE:**

The applicant may receive service credit for the periods without earnings provided the applicant:

1. was employed in a seasonal position,
2. had six consecutive months of earnings within a twelve month period,
3. remained in an employment relationship during the seasonal leave period and the applicant received earnings after the leave period. If the applicant did not receive earnings after the seasonal leave period, please explain why, and we will determine whether service should be granted.

■ **PAYMENT OF CONTRIBUTIONS AND INTEREST:**

IMRF will mail to the applicant a Past Service Payment Schedule which offers two payment plan options for establishing the past service. Option I is the Lump Sum Payment Plan, and Option II is the Unit Payment Plan. The Lump Sum Payment Plan allows applicants to pay the total cost with a single payment and purchase all past service at once. The Unit Payment Plan allows applicants to purchase one or more months at a time. Applicants may pay as often as they like, buying back credit from the latest month to the earliest month of eligible service. However, they may not buy more months than indicated on the Past Service Payment Schedule.

■ **CONDUIT INFORMATION**

If you wish to pay for your service with a conduit IRA, please complete IMRF Form, 6.01, "Request for Rollover Approval," so we can determine if your IRA is eligible under IRS Section 401a.

■ **INFORMATION FOR APPLICANTS UNDER THE RECIPROCAL ACT:**

A minimum of 12 months of service credit with any single reciprocal pension system is required by the Illinois Retirement Systems Reciprocal Act. Smaller amounts of service with any one system will not be counted in the computation of a reciprocal pension.

Exception: A former teacher aide who transferred to a position covered by the Teachers' Retirement System (TRS) and who has less than 12 months of IMRF service credit can apply that service toward a reciprocal pension. A list of the 13 systems covered by the Act is found in Section 5 of the Manual for Authorized Agents. Local police and fire pension funds are not covered by the Act.

■ **OPTING TO ESTABLISH SERVICE AS ELECTED COUNTY OFFICIAL SERVICE**

In order to establish service as Elected County Official (ECO) service, you must have previously participated, or be currently participating, in IMRF under the ECO plan.

■ **PENSION ESTIMATES:**

When submitting this form, you should also request formal pension estimates both with and without the additional service credit. You can do this by submitting IMRF Form BF-20, "Pension Estimate Request." If you do not have a copy of Form BF-20, you can request one by calling 1-800-ASK-IMRF (1-800-275-4673), download one at imrf.org, or request a Formal Pension Estimate through your Member Access account.

■ **TAX CONSEQUENCES OF RETROACTIVE SERVICE:**

Applicants who made deductible IRA contributions prior to 1982 or after 1986 may be subject to a penalty for the IRA contributions made for the retroactive period and therefore should consult the Internal Revenue Service directly.

■ **EMPLOYER'S COST:**

The governmental unit's contribution for retroactive service is made through future contribution rates. Therefore, a separate payment is not required. The actuary will take the retroactive service into account when annually determining the employer contribution rate. This is the rate shown on Form 3.10, "Monthly Deposit Report."