



**Your Benefits Under the IMRF**

# **Sheriff's Law Enforcement Personnel Plan**

Illinois Municipal Retirement Fund

*Helping you build a secure retirement*

**2010**

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## WELCOME TO IMRF!

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As a member of the Illinois Municipal Retirement Fund (IMRF) Sheriff's Law Enforcement Personnel (SLEP) plan, you are on the road to building a secure future.

The retirement plan IMRF offers is a defined benefit plan. IMRF believes secure defined benefit pensions for municipal workers help them remain financially independent when they retire as well as help minimize the likelihood that they will become financially dependent on government programs or on family members.

In addition, defined benefit pension plans act as an "automatic stabilizer" for the economy. Even in tough times, retirees with a reliable pension can maintain spending on basic needs.

### Protecting your income and your family

Defined benefit pensions—like IMRF—provide survivor and disability benefits, a key component of financial security.

### Working together to build your secure retirement

As an IMRF member, you contribute to your future pension by making your member contributions. Even though you and your employer both contribute to IMRF, historically earnings on IMRF's investments are a major contributor.

### Ensuring funds will be available when you retire

IMRF takes very seriously our promise to provide a guaranteed, lifetime benefit to our members and beneficiaries. Our diversified investment strategy allows IMRF to earn steady and responsible returns over the long term.

### Notes:

Your rights and obligations as an IMRF member are governed by Article 7 of the Illinois Pension Code. The salary considered for pension purposes and the benefits paid cannot exceed the limits set by the IRC (Sections 1-116, 1-117, 7-224 of the Illinois Pension Code). Public Act 95-0279 modified the SLEP plan and was effective August 28, 2007. **This booklet applies to IMRF SLEP members in participating status on or after August 28, 2007.**

If you participate in the Elected County Official plan, please contact IMRF for information describing that plan.

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## YOUR BENEFITS AT A GLANCE

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### What IMRF benefits are available to you?

The following is a brief summary of benefits available to you as an active member. An active member works for an IMRF employer and makes contributions to IMRF. This summary also includes the requirements to be eligible for those benefits.

The complete IMRF plan is found in the Illinois Pension Code. In case of any conflict with the information found in this booklet, the Pension Code governs.

### Refund of member contributions

You are *guaranteed* the return of your member contributions either in the form of a pension, death benefit, or refund.

You may receive a refund of your member contributions if you terminate employment—that is, you stop working for your IMRF employer(s). If you take a refund, you give up all of your IMRF benefits.

See page 10 for more information.

### Retirement benefits

Upon retiring from an IMRF position and being vested with IMRF, you are eligible for a monthly pension for the *rest of your life*.

Vesting refers to the number of years of service credit you need to qualify for an IMRF pension. In IMRF you qualify for a SLEP pension at age 50 if you have at least 20 years of SLEP service credit.

See page 19 for more information.

### Disability benefits

#### Safety Officers Disability Wage Continuation

If you are injured in the line of duty, you are entitled to continuation of salary up to one year from your IMRF employer.

### **IMRF disability**

You may be eligible for monthly payments up to 50% of your monthly earnings if you—

- Have at least 12 consecutive months of service credit,
- Are disabled for more than 30 days,
- Are unable to perform duties assigned by your employer because of illness or injury,
- Are not receiving any earnings from any IMRF employer.

See page 31 for more information or refer to the IMRF disability booklet for a complete explanation.

### **Death benefits**

The amount IMRF pays as a death benefit will vary depending on the amount of your service credit. If you have:

- **Less than one year of service credit**
  - And the death is not job related: your beneficiary(ies) will receive the return of your member contributions.
  - And the death is job related: your beneficiary(ies) will receive one year's salary plus your member contributions.
- **More than one year of service credit**
  - Your beneficiary(ies) will receive one year's salary plus any balance\* in your member account.
- **More than eight years of service credit**
  - Your spouse (if you were married for at least one year and named your spouse as your only primary beneficiary) will receive a surviving spouse pension plus a \$3,000 lump sum payment,  
or
  - Your beneficiary(ies) will receive one year's salary plus any balance\* in your member account.

See page 34 for more information.

*\*Member contributions plus interest less any benefit prepayments.*

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## WHY YOU PARTICIPATE IN IMRF

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### Why you participate in IMRF

You participate in IMRF if you work in an IMRF qualified position. An IMRF qualified position is one that is expected to equal or exceed your employer's annual hourly standard; the standard is either 600 or 1,000 hours a year and refers to the number of hours a position is expected to work in a year.

IMRF employers that joined IMRF:

- On or before January 1, 1982, can elect the “1,000-hour standard” for newly hired employees.
- After January 1, 1982, chose an hourly standard at that time. That hourly standard cannot be changed.

### Membership in SLEP

Membership in SLEP is based on several items, such as your position, type of appointment, and/or action taken by your employer.

#### Sheriff

If you are a sheriff, you are an elected official. Elected officials have the option of participating in IMRF; they are not required to do so. If you elect to participate in IMRF, you will participate under the SLEP plan.

The position of sheriff is a countywide elected position. Therefore, if the county has adopted the IMRF Elected County Official (ECO) plan, a county sheriff has the option of participating in ECO. For additional information, refer to IMRF's “Elected County Official Plan” booklet available from the IMRF website, [www.imrf.org](http://www.imrf.org).

#### Deputy Sheriffs

To qualify for the SLEP plan, you must be a full-time deputy sheriff. A full-time deputy sheriff is one who works as a deputy 52 weeks a year (regular vacation excepted) for a full week (usually 35 to 40 hours a week) as defined by the county and sheriff.

You should be properly appointed as provided by state law that limits the number of deputies to the maximum allowed by the county board.

In addition, in those counties that have adopted the Sheriffs' Merit Commission Act, your appointment must be made from the list certified by the Merit Commission. Part-time, auxiliary, or special deputies may not participate in the SLEP plan.

### **Chief Deputy**

If you are a chief deputy in a full-time position, whether or not your position is exempted from coverage by a Merit Commission, you must participate in IMRF under the SLEP plan.

### **Deputy**

If you are a full-time deputy and you meet the qualifications listed above, you will participate in IMRF under the SLEP plan even though you may be designated as a bailiff, desk sergeant, etc.

However, if you are a bailiff or desk personnel and you are not deputized by the legally required method, you are not eligible for SLEP; you will participate in IMRF's Regular plan.

### **Correctional Officers**

If you are a correctional officer working in a full-time position and deputized as a regular deputy—and if required are certified by a Merit Commission—you will participate in IMRF under the SLEP plan.

### **Forest Preserve District Rangers**

Forest Preserve District Commissions have the option of providing the SLEP plan to their law enforcement officers employed on a full-time basis.

If you are a forest preserve law enforcement officer, commonly referred to as a forest ranger, you will participate in IMRF's Regular plan unless your commission adopts the SLEP plan.

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## MEMBERSHIP IN SLEP

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### **Airport Police**

Airport authorities have the option of providing the SLEP plan to their full-time police officers.

If you are an airport police officer, you will participate in IMRF if your police duties are full-time and you are not eligible to participate in a local police pension plan.

You will participate in IMRF's Regular plan unless your airport authority adopts the SLEP plan.

### **Police Chiefs**

If you are a police chief, you may be entitled to participate in IMRF as a SLEP member. If you currently participate in a local police pension plan and are employed by an IMRF employer, you have the option of enrolling in SLEP.

If you are eligible to participate in SLEP, you may also transfer service as a police officer from a local police pension plan into SLEP.

If you are a newly hired police chief, you may participate in SLEP without first joining your local police pension fund. To do so, you must enroll in IMRF within the first three months of your appointment as police chief or within three months of the formation of a new police pension fund.

Once you elect to become a SLEP member, you remain a SLEP member as long as you perform police duties for any IMRF employer.

### **Police chiefs not eligible for SLEP**

The following police chiefs are not eligible to join SLEP:

- Police chiefs with IMRF municipalities that do not have a local police pension plan and are not required by law to form one (under 5,000 population).
- Police chiefs with IMRF municipalities that have a police pension plan, but the chief chose not to enroll in the plan during the eligibility period.
- Police chiefs with municipalities that do not participate in IMRF.
- Acting, temporary, interim, deputy, or any position other than an appointed police chief.

### What do you contribute to IMRF?

As a member of IMRF making contributions toward a SLEP pension, you contribute 7.50% of your salary: 3.75% for your Regular plan pension, 3% for the additional SLEP retirement benefit, and 0.75% for a surviving spouse pension.

Your contributions are tax-deferred; you do not pay either federal or Illinois income tax on the money used to make your contributions. Your contributions will be subject to federal income tax, but not to Illinois income tax, when you receive them as a refund or as a pension or when your beneficiary(ies) receives them as a death benefit.

This tax-deferred treatment of your contributions is provided under the 414(h) tax deferral plan effective July 1, 1984, for all IMRF employers and adopted earlier by some employers.

If you made contributions before your employer adopted a 414(h) plan, those contributions were taxed at the time you made them. They are not taxable when you receive them as a refund or pension or when your beneficiary(ies) receives them as a death benefit.

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**You cannot borrow from your member contributions** or use them as collateral for a loan. Your contributions cannot be garnished or seized by any creditor. As long as your contributions remain on deposit with IMRF, they are protected from your creditors.

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### Your employer's contributions

Your employer's contributions are not credited to individual member accounts. An employer's contribution consists of:

- Most of the pension costs for its members who reach retirement
- Most of the costs for survivors' pensions
- All costs for the Supplemental Benefit Payment ("13th payment")
- All of the costs for disability benefits
- All of the costs for death benefits

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## INCREASING YOUR RETIREMENT INCOME

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### Voluntary Additional Contributions

You may contribute up to an additional 10% of your earnings to the Voluntary Additional Contribution program. At retirement, your voluntary additional contributions may be taken as a lump sum or as an additional monthly pension.

Voluntary additional contributions are made on an after tax basis—they are not tax-deferred like your usual IMRF member contributions. Some members may be better served by contributing a portion of their salary on a pre-tax (tax-deferred) basis to their employer's deferred compensation plan, e.g., 457 or 403(b).

### Earning interest on your voluntary additional contributions

Unlike voluntary additional contributions themselves, the interest credited to your voluntary additional contribution account is tax-deferred. The rate of interest paid is currently 7-1/2%. This interest rate can change in the future. If the interest rate changes, IMRF will not notify voluntary additional contribution participants of the change.

Interest on voluntary additional contributions is credited differently from a traditional savings account:

- A traditional savings account credits interest on the current amount in the account.
- **IMRF credits interest at the end of the year on the beginning of the year amount.** Therefore, you will not earn any interest the first year your voluntary additional contributions are on deposit.

Although you can apply for a refund of your voluntary additional contributions at anytime, IMRF discourages such refunds. **If you are seeking a short-term savings vehicle, making voluntary additional contributions may not be the right choice.**

To begin making voluntary additional contributions, complete IMRF Form 6.30, "Election to Make Voluntary Additional Contributions," available from [www.imrf.org](http://www.imrf.org). Your employer would begin deductions on the first day of the second month after you submit Form 6.30. For example, if you submit the form in May, deductions would begin July 1.

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## VOLUNTARY ADDITIONAL CONTRIBUTIONS

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### Example of how interest is credited

The following example illustrates how interest is credited to voluntary additional contributions. (Assumes 7.50% interest rate does not change.)

**January 1, 2010** opening balance .....\$0.00  
VA contributions made during 2010.....\$400.00

**Interest credited on December 31, 2010** based upon

January 1, 2010, opening balance of \$0 x 7.50% .....\$0.00

**January 1, 2011** opening balance .....\$400.00  
VA contributions made during 2011.....\$500.00

**Interest credited on December 31, 2011** based upon

January 1, 2011 opening balance of \$400 x 7.50% .....\$30.00

**January 1, 2012** opening balance

2010 VA contributions .....\$400.00

2010 interest .....\$0.00

2011 VA contributions .....\$500.00

2011 interest .....\$30.00

Total January 1, 2012, opening balance.....\$930.00

**Interest credited on December 31, 2012** based upon

January 1, 2012 opening balance of \$930 x 7.50% .....\$69.75

### Refunds of voluntary additional contributions

You can apply for a refund of your voluntary additional contributions at any time, even while still participating in IMRF. Submit your request in writing including your Social Security number, name, address and signature. (Partial refunds are not allowed.)

If you stop participating in IMRF and apply for a separation refund (submit IMRF Form 5.10), your voluntary additional contributions must be refunded as well. The interest earned on the contributions will be subject to federal tax withholding. For more information on refunds of voluntary additional contributions, see page 12.

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## REFUND OF MEMBER CONTRIBUTIONS

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### When can you take a refund?

If you stop working for your IMRF employer and have:

#### **Less than eight years of SLEP and/or Regular service**

Your 7.50% (6.50% before June 1, 2006) SLEP contributions will be returned to you upon request.

#### **Eight or more years of SLEP and/or Regular service\***

*Less than age 55* — Your 7.50% (6.50% before June 1, 2006)

SLEP contributions will be returned to you upon request.

However, you will be giving up the right to a future pension.

*Age 55 or older* — If your service qualifies you for a Regular

plan pension of \$30 a month or more, you cannot withdraw

your contributions. You will receive them as part of your

Regular plan pension, and your SLEP contributions will be

refunded with interest. **Exception:** you can receive a refund

only if you will roll it over into another defined benefit

retirement plan to purchase qualifying service credit.

#### **20 or more years of SLEP service**

*Less than age 50* — All of your contributions will be returned to

you upon request. However, you will be forfeiting a right to

a future SLEP pension.

*Age 50 or older* — If you have 20 or more years of SLEP

service that qualifies you for a monthly SLEP pension, you

cannot withdraw your contributions. You will receive them

as part of your monthly pension. **Exception:** you can receive

a refund only if you will roll it over into another defined

benefit retirement plan to purchase qualifying service credit.

*\*You can convert up to 10 years of Regular plan service to SLEP. If you have at least 10 years of SLEP service after your Regular plan service, converting your Regular plan service may allow you to become eligible for a SLEP pension. See page 14.*

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## REFUNDS OF MEMBER CONTRIBUTIONS

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### How to apply for a refund

To apply for a refund, submit IMRF Form 5.10, “Application for Separation Refund.” **Federal tax law does not allow IMRF to pay a refund if you stop participating in IMRF but continue working for your same employer.**

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When you take a refund of your IMRF contributions, you forfeit—give up—all of your IMRF benefits. You will not be eligible for any retirement or disability benefit, and your beneficiary(ies) will not be entitled to any death benefit.

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### Federal withholding on all refunds

IMRF is required by federal law to withhold 20% of the taxable portion of your refund unless you elect to have the taxable portion directly rolled over to an IRA or other qualified retirement plan.

Depending on your age, you may also be liable for an additional 10% tax on the taxable amount. You may avoid the additional 10% tax on the refund by directly rolling your refund into an IRA or other qualified pension plan.

### Repaying a refund (redeposit of withdrawn contributions)

If you stop working for your IMRF employer and take a refund of your contributions, you may redeposit those withdrawn contributions (repay the refund) and reinstate your years of service credit.

To do so, you must return to work as a SLEP member. You would then complete and submit IMRF Form 6.03, “Application for Reinstatement of Service Credit.” You may redeposit the withdrawn contributions, plus interest, either in a lump sum or installments.

If you return to IMRF participation as a Regular plan or ECO plan member (other than as a sheriff), you are eligible to reinstate your service credit after two years of participation in your new position.

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## REFUNDS AT RETIREMENT

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### Refunds paid at retirement

You can receive a retirement refund in a lump sum or as an additional retirement annuity.

#### Refund of voluntary additional contributions

If you have voluntary additional contributions on deposit when you retire, you can receive the voluntary additional contributions and interest in a lump sum or as an additional monthly annuity. The additional monthly annuity is payable for life.

#### Refund of SLEP contributions

If you do not qualify for a SLEP pension when you retire, but you do qualify for a Regular plan pension, your SLEP contributions (currently 3%, 2% before June 1, 2006, and 1% before July 1, 1988) will be refunded with interest. You can receive the contributions in a lump sum or as an additional monthly annuity. The Regular plan pension is described in the “Your IMRF Benefits Under the Regular Plan” booklet.

#### Refund of surviving spouse contributions

If you do not have an eligible spouse when you retire (married to you for at least one year before you stopped participating in IMRF), IMRF will refund your surviving spouse contributions, with interest.

#### Converting a retirement refund into a monthly annuity

- A retirement refund cannot be converted to a monthly annuity payment unless the monthly payment is at least \$10 a month.
- If you have multiple refunds, e.g., surviving spouse and SLEP contribution refund, both must be converted to an annuity. You cannot choose to annuitize one refund but not the other. Also, you must convert the entire amount of the refund.
- The additional monthly annuity will be paid for your lifetime. However, there is no annual 3% increase and this annuity is not eligible for the supplemental benefit (“13th payment”).
- The original lump sum amount is the guaranteed minimum payout. There is no maximum payout.

- If you die before receiving annuity payments that equal the balance in your member account (member contributions plus interest less any benefits paid), the remainder will be paid to your beneficiary(ies).

### Contributions not received as a benefit

Upon your death, if IMRF has not returned all of your member contributions to you as either a refund or as a pension and a surviving spouse pension is not payable, your beneficiary(ies) will receive any balance in your member account (member contributions plus interest less any benefits paid).

### What is service credit?

Service credit is your total time under SLEP, stated in years and months. Your years and months of service credit partially determine the amount of your IMRF pension. (See page 21.) SLEP service with more than one SLEP employer is combined.

Service is credited monthly while you are working, receiving IMRF disability benefits, or while you make member contributions during an IMRF Benefit Protection Leave.

You earn one month of SLEP service credit for each month you:

- Work in a SLEP qualified position and make a SLEP member contribution
- Receive an IMRF disability benefit (you receive disability service credit)
- Are on an IMRF Benefit Protection Leave\* (BPL) of Absence (you receive BPL service credit, limited to 12 months)
- Purchase SLEP past service credit

*\* If your employer wishes to provide you with IMRF service credit and IMRF disability and death benefit protection while you are on a leave of absence, your employer's governing body would grant and file with IMRF an IMRF Benefit Protection Leave, IMRF Form 6.32. To be eligible for disability and death benefits, Form 6.32 must be filed **before** the disability or death occurs. For more information, refer to "Purchasing IMRF Past Service Credit" in the Member area of the IMRF website, [www.imrf.org](http://www.imrf.org).*

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## **PURCHASING SERVICE CREDIT**

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### **Enhancing your pension by purchasing additional service credit**

#### **Converting Regular service to SLEP**

If you have any Regular plan service, you can convert up to 10 years of Regular plan service credit to SLEP service credit. For the service to be eligible for conversion to SLEP, you must have earned your Regular plan service before you earned your SLEP service.

If you are not vested for a SLEP pension (have at least 20 years of SLEP service), converting your Regular plan service may allow you to vest for a SLEP pension.

To determine your costs to convert your Regular service, complete IMRF Form 6.09, "Conversion of Regular Service Credit to SLEP Service Credit." You can download Form 6.09 from [www.imrf.org](http://www.imrf.org).

#### **Converting/purchasing other service**

You may be eligible to receive or purchase other service credit, e.g., you:

- Took a refund of your IMRF contributions. You want to pay back the refund and reinstate your service.
- Worked in a position that qualified for IMRF, but your employer did not enroll you in IMRF.
- Wish to convert time served in the military to IMRF service.
- Were working for your employer when it joined IMRF. You were granted the maximum free service (20% of your service up to five years) and wish to purchase your remaining service.
- Will take a leave of absence from your job. While on leave, you want to earn IMRF service credit and you want your IMRF disability and death protection to continue.
- Are an elected official who held an office qualifying for IMRF. You now participate in IMRF and wish to purchase up to 50 months of previous elected official service.
- Are an elected official who held an office qualifying for IMRF. You now participate in IMRF and wish to purchase more than 50 months of previous elected official service credit.
- Have service credit with a public pension system in another state and wish to convert it to IMRF service credit.

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## WORKING FOR TWO EMPLOYERS AT THE SAME TIME

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For more information on converting or purchasing service credit, request the publication “Purchasing IMRF Past Service Credit,” from IMRF or refer to “Purchasing IMRF Past Service Credit” in the Member area of the IMRF website, [www.imrf.org](http://www.imrf.org).

### Concurrent service

#### **Working for two IMRF employers at the same time**

Members who work for two or more IMRF employers at the same time have “concurrent” service. Concurrent service occurs when a member is reported by more than one employer for the same month. However, by law, the member is eligible for only one month of service credit.

**If your employers report you under the same plan** (e.g., SLEP), you earn one month of service credit and your salaries from all positions are combined for that month. If the concurrent service occurs during your “final rate of earnings” period (see page 20), it can increase the amount of your pension.

**If your employers report you under the Regular and SLEP plans**, you earn one month of service credit but your salaries from the positions are not combined. If you continue to be reported under Regular and SLEP and you earn 20 or more years of SLEP service credit, each concurrent month will be treated as a month of service in two plans: one month Regular and one month SLEP. When your pension is calculated, the calculation will apply the Regular pension formula to those months with Regular wages and the SLEP pension formula to those months with SLEP wages.

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## CONVERTING SICK DAYS TO SERVICE CREDIT

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### What happens to your unused, unpaid sick days?

You may qualify for a maximum of one year (240 days) of additional service credit for unused, unpaid sick days earned with your last employer. The service credit is earned at the rate of one month for every 20 days of unused, unpaid sick leave or fraction thereof. For example:

Unused, unpaid sick days	Additional months of service credit
1-20	1 month
21-40	2 months
41-60	3 months
61-80	4 months
101-120	6 months
etc. up to 221-240 days	1 year

This additional service credit applies:

- *If you are leaving employment for retirement*—the sick leave must have been earned under an established sick leave plan available to all employees or a class of employees, and the effective date of your pension must be within 60 days of your termination. You must not have received compensation of any kind—including payment of amounts less than your usual salary—for the sick leave.
- *If you die while participating in IMRF and a surviving spouse pension is payable*—a surviving spouse pension is based on the pension you had earned up to the date of death. Therefore, IMRF includes your unused, unpaid sick days when calculating a surviving spouse pension. (See page 39.)

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**Please note:** converted sick leave service credit **cannot** be used to meet the:

- Eight-year requirement for a Regular plan pension
  - 20-year requirement for a SLEP pension
  - 20-year requirement for the IMRF Early Retirement Incentive
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## SERVICE IN OTHER ILLINOIS PUBLIC PENSION SYSTEMS

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### What is reciprocal service credit?

IMRF is under the Reciprocal Act, as are all other Illinois public pension systems except local police and fire pension funds. Under the Reciprocal Act, service credit may be combined at the date of retirement or death. The total of your combined service is then used to determine your eligibility for benefits and the amount of those benefits. You would receive a separate pension payment from each retirement system.

### What service can be used in a reciprocal pension?

You can use service credit of one year or more that is on file with a participating reciprocal system. You must have at least one year (12 months) of service credit with a single retirement system to combine service credit under the Reciprocal Act. (The one exception to this rule is if you participated in IMRF as a Teacher Aide.)

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**Please note:** Reciprocal service **cannot** be used in the calculation of a SLEP pension. You need 20 years of SLEP service credit to qualify for a SLEP pension.

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To be eligible to retire under the Reciprocal Act, the total amount of *your service credit with all retirement systems must meet or exceed the vesting requirements of each system.*

When you retire under the Reciprocal Act, each system calculates a pension based upon its pension formula and your years of service credit with that system. However, each system applies its formula to your highest average earnings with ANY of your reciprocal systems.

For example:

You retire with less than 20 years of SLEP service plus additional service credit with a reciprocal system(s).

Your SLEP service will be treated as Regular service. If you have at least eight years of IMRF service and your reciprocal service credit meets the vesting requirements of your reciprocal system(s), you have the option of retiring separately with

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## SERVICE IN OTHER ILLINOIS PUBLIC PENSION SYSTEMS

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IMRF and with your reciprocal system(s) OR retiring under the Reciprocal Act.

If you do not have at least eight years of IMRF service and/or your reciprocal service credit is NOT sufficient to meet the vesting requirements of your reciprocal system(s), instead of “losing” that service, you could retire under the Reciprocal Act and receive a proportional pension with each system.

Remember, to be eligible to retire under the Reciprocal Act, the total amount of *your service credit with all retirement systems must meet or exceed the vesting requirements of each system.*

### **Applying for a reciprocal pension**

The best way to apply for a reciprocal pension is to apply with all of your reciprocal systems *at the same time.*

You need to submit separate pension applications with each system you participated in. Most importantly, **be sure to tell each system that you are applying for a reciprocal pension.**

For more information on the Reciprocal Act and reciprocal pensions, please request a copy of the Reciprocal Act brochure from IMRF. You can also download the brochure from [www.imrf.org](http://www.imrf.org).

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**Please note:** reciprocal service credit cannot be used in the calculation of a SLEP pension.

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### How do you qualify for a SLEP pension?

- You must have at least 20 years of SLEP service credit.
- You must not be working in any position which qualifies for IMRF participation.
- You must be at least age 50.

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**Please note:** the following service credit **cannot** be counted toward the 20-year requirement for a SLEP pension:

- Unused, unpaid sick days converted to service credit
  - Regular service credit (that has not been converted to SLEP)
  - Service credit in an Illinois Reciprocal Retirement System
  - Service credit in a local police pension plan
  - Federal law enforcement service
- 

### Less than 20 years of SLEP service\*

If you retire with less than 20 years of SLEP service credit (not vested for a SLEP pension), but with eight or more years of SLEP and Regular service credit, your service will be combined to determine a Regular plan pension. Your SLEP contributions will be refunded with interest.

The Regular plan pension is described in the “Your IMRF Benefits Under the Regular Plan” booklet.

### 20 or more years of SLEP plus other IMRF service\*

If you retire with 20 or more years of SLEP service credit plus other periods of non-SLEP service under IMRF, you will receive a Regular plan pension in addition to your SLEP pension.

\* *You can convert up to 10 years of Regular plan service to SLEP. See page 14.*

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## HOW YOUR SALARY DETERMINES YOUR PENSION

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### Your final rate of earnings (FRE)

Your final rate of earnings (FRE) is your highest total earnings during any 48 consecutive months within your last 10 years of IMRF service divided by 48. Usually, this is the average of the last 48 months of service.

#### Simple FRE calculation

To calculate this IMRF member's FRE at retirement, the last four years (48 months) are used because his earnings were highest in the last 48 consecutive months:

July 2009 to June 2010 .....	\$48,000	Highest 48 months
July 2008 to June 2009 .....	\$46,000	
July 2007 to June 2008 .....	\$44,000	
July 2006 to June 2007 .....	\$42,000	
July 2005 to June 2006 .....	\$40,000	
July 2004 to June 2005 .....	\$38,000	
July 2003 to June 2004 .....	\$36,000	
July 2002 to June 2003 .....	\$34,000	
July 2001 to June 2002 .....	\$32,000	
July 2000 to June 2001 .....	\$30,000	

Total of last 48 consecutive months:

4 year total	=	\$180,000
Divided by 48	=	\$3,750
This member's FRE	=	\$3,750

#### Increase in salary during last three months

If your earnings for the last three months are more than 25% greater than your highest earnings in any of the previous 45 months, IMRF "reduces" those earnings when we calculate your FRE.

You are paid the higher amount by your employer, but IMRF uses a lesser amount in your FRE calculation.

### How is your pension amount calculated?

Your retirement benefit (defined benefit pension) is based on your final rate of earnings (FRE) and your years of IMRF service credit. Your IMRF pension is paid as long as you live and is increased on January 1 of each year after you retire by 3% of the monthly pension amount you first received. For more on pension payments and increases, refer to page 25.

### SLEP pension formula

The SLEP pension formula applies only to SLEP members with 20 or more years of SLEP service at age 50 or older. The SLEP pension formula 2.50% of your final rate of earnings for each year of SLEP service credit

For example:

- 20 years of service ..... 50% of final rate of earnings
- 25 years of service ..... 62.5% of final rate of earnings
- 30 years of service ..... 75% of final rate of earnings

The total pension at retirement cannot exceed 80% of your final rate of earnings (reached after earning 32 years of SLEP service).

### Example of a pension calculation

- 27 years of SLEP service credit
- Final rate of earnings (FRE) of \$5,000 per month.

$$2.50\% \times 27 \text{ years} = 67.5\% \times \$5,000 = \$3,375.00$$

Total monthly pension ..... \$3,375.00

### Estimating the amount of your future pension

- Pension estimate chart—turn to page 26.
- Estimate using your **current IMRF member information**—visit Member Access at [www.imrf.org](http://www.imrf.org) (see page 46).
- Formal pension estimate—call 1-800-ASK-IMRF (1-800-275-4673). We recommend you request a formal estimate if you are within five years of retirement.

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## APPLYING FOR YOUR PENSION

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### How to apply for your pension

IMRF's Member Retirement Planning Checklist, available from [www.imrf.org](http://www.imrf.org), can help you stay on track with your retirement planning.

One month before you plan to retire, submit IMRF Form 5.20, "Application for Retirement Annuity." IMRF will contact you if you need to submit copies of the documents listed on the application.

If you have service credit with any of the 12 reciprocal retirement systems in Illinois, please refer to page 17.

IMRF pensions are effective on the first day of the month after you terminate employment. IMRF pays pensions in advance on the first day of every month. For example, your August pension will be paid to you on August 1.

If you retire at any time during a month, you receive full service credit for that month, and your pension will be effective on the first day of the next month. If you retire on September 15, you will receive service credit for the month of September, and your pension will be effective on October 1. You will receive your first pension payment within 30 days of that date.

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**Please note:** IMRF can "back date" a pension only 12 months. If you no longer participate in IMRF but are at least age 50 with 20 years of SLEP service credit or if you are at least age 55 with at least eight years of SLEP and/or Regular service credit, we recommend you apply for your pension.

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### Direct Deposit

You will receive your pension payment by Direct Deposit. Direct Deposit ensures the security of your monthly pension by having your pension payment electronically deposited into your checking, savings, or brokerage account.

### **Pension payment options**

When you retire, your initial pension payments are always based on IMRF's Standard (straight life) plan. However, you may be eligible for other payment options.

#### **Standard (straight life) payout plan**

Under the Standard payout, you receive the same pension amount every month after you retire for the rest of your life, regardless of how long you live. Annually, that amount is increased by 3% of the original pension amount.

#### **Optional payout plan**

If you retire before age 62, IMRF's Optional payout permits you to choose a larger IMRF pension until age 62 and a smaller IMRF pension thereafter.

After we receive a member's retirement application and final wage report from his or her employer, IMRF will advise members under age 62 of the amounts payable under the Standard (straight life) payout and under the Optional payout.

The calculations of the Optional pension vary and can be computed on an individual basis only.

#### **Alternative payout: Special Needs (Reversionary) Annuity option**

Under the Special Needs (Reversionary) Annuity Option, you choose to have your pension payments "revert" (become payable) to someone else upon your death. This payment option is often selected by members whose spouses are not eligible for a surviving spouse pension (page 39) or who have children or other family members with special needs.

The person you name to receive the pension upon your death is called the "special needs beneficiary." The younger the age of the person you name, the greater will be the reduction in your monthly pension.

Retiring members choosing the Special Needs Annuity option must make this choice at the time of retirement by completing and submitting IMRF Form 5.20R available from [www.imrf.org](http://www.imrf.org). If you submit IMRF

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## PENSION PAYMENT OPTIONS

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Form 5.20R, you are **not** obligated to elect a Special Needs Annuity. **However, if you choose to receive a Special Needs Annuity, your decision is irrevocable—it cannot be canceled or changed.**

### **Your choices under the Special Needs Annuity option**

The percentage of the pension payable to the person you name (“special needs beneficiary”) depends on whether you have a spouse eligible for a surviving spouse pension (see page 39) when you retire:

#### **1. Your spouse is eligible for a surviving spouse pension**

Upon your death, your spouse will receive a surviving spouse pension equal to 50% of your unreduced Standard pension, that is, the Standard pension you would have been receiving had you not chosen a Special Needs Annuity.

The surviving spouse pension is *not* affected by the Special Needs Annuity. The surviving spouse pension will always equal 50% of your unreduced Standard pension.

You can elect a Special Needs Annuity that will provide your spouse—or any other person—an additional pension equal to 25%, 35%, or 40% of the reduced pension you will receive under the Special Needs Annuity option. You are not required to name your spouse, you can name any person to receive the Special Needs Annuity.

#### **2. You have no spouse or your spouse is not eligible for a surviving spouse pension**

You can elect a Special Needs Annuity that will provide any one person a pension equal to 50%, 75% or 100% of the reduced pension you will receive under the Special Needs Annuity option.

This option allows you to provide a lifetime annuity for your spouse if she or she is not eligible for a surviving spouse pension (see page 39).

Read more about the Special Needs Annuity at [www.imrf.org](http://www.imrf.org).

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## ANNUAL INCREASES / 13TH PAYMENT

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### Annual increases

An IMRF pension is paid as long as you live and is increased by 3% of the original amount on January 1 of each year after you retire. Unless the effective date of your pension is January 1, your first year increase will be less than 3%. In these cases, the increase is based on the number of months you are retired that first year.

### Example of a 3% increase

When this IMRF member retired, his monthly pension was \$1,000 and his pension was effective January 1. Because this member was retired a full year his first year of retirement, he will receive the full 3% increase beginning with year two. The increase is calculated as follows:

<b>Year</b>	<b>Monthly Amount</b>
1	\$1,000
2	\$1,030
3	\$1,060
4	\$1,090
5	\$1,120
10	\$1,270
15	\$1,420

### Supplemental benefit payment (“13th payment”)

Each July IMRF provides a supplemental benefit payment (“13th payment”) to IMRF retired members and surviving spouses.

To receive the supplemental benefit payment in 2010, you must have stopped participating in IMRF on or before June 30, 2009, and you and/or your surviving spouse must have received at least 12 months of IMRF pension payments through June 2010.

The supplemental benefit payment amount will vary, depending on the number of retired members eligible for this payment, as well as the total amount contributed by employers to pay this benefit. Regardless, the payment will be less than your monthly pension payment.

## PENSION ESTIMATE CHART

(You can calculate pension estimates using your current account information by logging into your Member Access account at [www.imrf.org](http://www.imrf.org))

1. Find your final rate of earnings (see page 20) in the first column.
2. Find your years of SLEP service credit (top line). All service must be as a Sheriff's Law Enforcement employee.
3. Your estimated pension at age 50 or older will be the amount shown at the point where your earnings line and service column intersect.

Monthly Final Rate of Earnings	Y E A R S O F					
	20	21	22	23	24	25
	A M O U N T			O F M O N T H L Y		
2,000	1,000	1,050	1,100	1,150	1,200	1,250
2,500	1,250	1,313	1,375	1,438	1,500	1,563
3,000	1,500	1,575	1,650	1,725	1,800	1,875
3,500	1,750	1,838	1,925	2,013	2,100	2,188
4,000	2,000	2,100	2,200	2,300	2,400	2,500
4,500	2,250	2,363	2,475	2,588	2,700	2,813
5,000	2,500	2,625	2,750	2,875	3,000	3,125
5,500	2,750	2,888	3,025	3,163	3,300	3,438
6,000	3,000	3,150	3,300	3,450	3,600	3,750
6,500	3,250	3,413	3,575	3,738	3,900	4,063
7,000	3,500	3,675	3,850	4,025	4,200	4,375
7,500	3,750	3,938	4,125	4,313	4,500	4,688
8,000	4,000	4,200	4,400	4,600	4,800	5,000

\*The total pension at retirement cannot exceed 80% of your final rate of earnings. You earn the maximum SLEP pension at 32 years of SLEP service credit.

## PENSION ESTIMATE CHART

**Example:** 26 years of SLEP service credit and final rate of earnings of \$4,000 will provide a SLEP pension of \$2,600 per month at age 50 or older.

**If you are within five years of retirement,** we recommend you request a formal pension estimate by calling an IMRF Member Services Representative at 1-800-ASK-IMRF (1-800-275-4673).

**Social Security benefits are in addition to the figures shown below.**

S L E P   S E R V I C E   C R E D I T						
26	27	28	29	30	31	32*
S L E P   P E N S I O N   ( I N   D O L L A R S )						
1,300	1,350	1,400	1,450	1,500	1,550	1,600
1,625	1,688	1,750	1,813	1,875	1,938	2,000
1,950	2,025	2,100	2,175	2,250	2,325	2,400
2,275	2,363	2,450	2,538	2,625	2,713	2,800
2,600	2,700	2,800	2,900	3,000	3,100	3,200
2,925	3,038	3,150	3,263	3,375	3,488	3,600
3,250	3,375	3,500	3,625	3,750	3,875	4,000
3,575	3,713	3,850	3,988	4,125	4,263	4,400
3,900	4,050	4,200	4,350	4,500	4,650	4,800
4,225	4,388	4,550	4,713	4,875	5,038	5,200
4,550	4,725	4,900	5,075	5,250	5,425	5,600
4,875	5,063	5,250	5,438	5,625	5,813	6,000
5,200	5,400	5,600	5,800	6,000	6,200	6,400

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## EARLY RETIREMENT INCENTIVE

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### Early Retirement Incentive

IMRF employers may adopt a resolution providing their IMRF members with an Early Retirement Incentive (ERI).

Members who retire under ERI may purchase from one month up to five years of additional service credit. For each month of service purchased, the age used to calculate the retirement benefit will be increased by the same number of months. ERI example:

You are 52-1/2 years (52 years, 6 months) and have 21 years of service credit:

- You purchase 2-1/2 years (2 years, 6 months)\* of additional service credit.
- The age used to calculate your retirement benefit increases from 52-1/2 years to 55 years.
- The service credit used to calculate your retirement increases from 21 years to 23 years and 6 months.

To be eligible to retire under the IMRF ERI:

- Your employer must adopt ERI.
- You must be participating in IMRF on the effective date of your employer's ERI program.
- You must be at least age 50 and have at least 20 years of service credit by your date of retirement (the 20 years cannot include converted sick leave service credit).
- For each year of service credit you purchase, you will pay 7.50% (4.50% for Regular, 7.50% for ECO) of your highest 12 consecutive months of salary within your final rate of earnings period.

*\*The example uses 2 years 6 months for illustrative purposes only.*

*Under ERI, a member can purchase up to five years of service credit.*

The information provided here is a **brief summary of ERI**.

Other requirements and limitations apply. Please contact IMRF or visit [www.imrf.org](http://www.imrf.org) for more information.

### Returning to work after retirement

Once you begin receiving your IMRF pension, you **must contact** IMRF if you return to employment or compensated elected office with a unit of government that participates in IMRF. This applies **even if you are considering independent contract work** with a unit of government that participates in IMRF.

Performing work for any unit of government that participates in IMRF while you are receiving an IMRF pension can affect your pension status.

Failure to inform IMRF of a return to work that qualifies for IMRF participation could result in significant financial repercussions for you. If your return to work results in a situation where you are again eligible for IMRF participation, not only would you be responsible for any benefit prepayments, but you would also be responsible for any unpaid member contributions that should have been deducted from your paycheck once you began working again.

The following information illustrates the general rules regarding returning to work; however, **you must contact IMRF to discuss your individual situation and how your pension**, and current financial situation, **may be affected**.

#### Your pension will be stopped if you:

- Return to work for an IMRF employer in a position that qualifies for IMRF participation. You must participate with full IMRF and Social Security deductions from your salary. When you again retire, your new pension will be recalculated to take into account your additional service credit and your new final rate of earnings.
- Return to work for any Illinois public pension system paying you a pension under the Reciprocal Act. It is your responsibility to advise all systems if you return to work.
- Hold an elected position that qualifies for IMRF participation. Your pension will be stopped if it is based on any service earned in that position during any term of office.

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## RETURNING TO WORK

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- If you retire under the IMRF Early Retirement Incentive and return to work for any IMRF employer in any position, you will lose the ERI age and service credit increases (enhancements) and will pay IMRF for any pension payments you received that resulted from the ERI. (**Exception:** you can hold an elected position and continue to receive your ERI pension if you choose to not participate in IMRF and your pension is not based on any service earned in that position during any term of office.)

If your pension is stopped because you return to work for an IMRF employer, your IMRF pension will resume when:

- Your employer submits an online termination of IMRF participation for you terminating your participation and
- You re-apply for your pension by submitting IMRF Form 5.20, “Application for Retirement Annuity,” available from [www.imrf.org](http://www.imrf.org).

### **Your pension will continue if you:**

- Return to work for an IMRF employer in a position that does not qualify for IMRF participation (see ERI note above). However, you will be required to pay Social Security taxes on your salary.
- Return to work for any private company or governmental agency not covered by IMRF.
- Hold an elected office that qualifies for IMRF participation, but you do not elect to participate in IMRF, and your pension is not based on any service earned in that office.

### **Check your IMRF Member Statement of Account**

If you return to work, you will receive an IMRF Member Statement of Account the following year.

Your Member Statement will show only the service credit you earned, contributions you made, and earnings your employer(s) reported since you returned to work. The service credit you earned before your retirement will not be shown on your Statement.

You can also check your Member Access account (see page 46.)

### Disability Benefits

IMRF's Member Disability Checklist, available from [www.imrf.org](http://www.imrf.org), can guide you through the disability application process.

The information presented here is a brief summary. For a complete explanation of IMRF disability benefits, contact IMRF at 1-800-ASK-IMRF (1-800-275-4673) and request a copy of the IMRF Disability Benefits booklet or visit [www.imrf.org](http://www.imrf.org).

### Safety Officers Disability Wage Continuation Law

If you suffer an injury in the line of duty that prevents you from performing your duties, you are entitled to a continuation of salary up to one year. This salary is subject to SLEP member contributions of 7.50%.

You will earn SLEP service credit, and your IMRF death and disability protection will continue as if you were working. If you are still disabled when salary continuation stops, IMRF disability benefits may be payable.

### IMRF's disability protection

If your application for IMRF disability benefits is approved, while you are receiving disability benefits, you:

- Continue to earn IMRF service credit as if working (at no cost to you).
- Continue to be covered by IMRF death benefit protection.
- Receive monthly disability benefit payments equal to 50% of your average monthly salary based on your salary for the 12 months prior to the month you became disabled.
- Are assured that your future pension would be based on your full salary, not your reduced disability benefit.

If you receive Social Security disability and/or workers' compensation benefits, IMRF pays the difference between those benefits and 50% of your average monthly salary. When Social Security and/or workers' compensation exceeds 50% of salary, IMRF pays a minimum monthly benefit of \$10.

*continued...*

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## IMRF DISABILITY BENEFITS

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### Why bother applying for \$10 per month?

**Your service credit is protected** – Without being on IMRF disability or an IMRF Benefit Protection Leave, you will not earn service credit for any month you are not paid by your employer, even if you are receiving workers' compensation.

**Your pension is protected** – If you retire with IMRF, IMRF will use your earnings at the time of your disability rather than the lower disability benefit payment to determine your final rate of earnings (FRE). Because your FRE determines your pension, you protect your pension while on IMRF disability.

**Your family is protected** – Your IMRF death benefit protection (one year's salary plus any balance in your member account less any benefit prepayments) also continues while you receive disability benefits.

### Eligibility for disability benefits

You may be eligible for disability benefits if you:

- Have at least 12 consecutive months of IMRF service credit since being enrolled in IMRF.
- Have service credit in each of the 12 months immediately preceding the date of disability.
- Are unable to perform—because of any illness, injury or other physical or mental condition—the duties of any position which might reasonably be assigned to you by your current IMRF employer.
- Are not receiving any salary from any IMRF employer.

### How to apply for disability benefits

It is your responsibility to apply for IMRF disability benefits when it is determined that you will be disabled for more than 30 consecutive days.

You can obtain Form 5.40, "Member's Application for Disability Benefits" from [www.imrf.org](http://www.imrf.org). However, you should not file an application prior to becoming disabled if you are still able to work.

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## IMRF DISABILITY BENEFITS

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If you receive salary, sick or vacation pay for more than 30 days following the date you become disabled, you should apply for disability benefits if you will be disabled beyond the last day you will be paid.

Disability payments cannot be paid retroactively for more than six months from the date you file the application. You may lose one or more monthly payments if you do not apply promptly for IMRF disability benefits.

**You should apply for IMRF disability benefits even if you are collecting workers' compensation benefits.**

IMRF disability benefits are not paid for the first 30 days you are disabled. Temporary disability benefits are effective on the 31st day following the date you became disabled, if you are no longer receiving salary, sick, or vacation pay from your employer.

### **How long are disability benefits paid?**

**Temporary disability benefits** are paid for a period of time equal to one-half of your IMRF service credit at the time of disability, but not more than 30 months, as long as you remain disabled.

**Total and permanent disability benefits** are paid after you have exhausted your temporary benefits. If you have fewer than five years of service credit, your claim for total and permanent disability benefits will be subject to a pre-existing condition exclusion. To qualify for total and permanent disability benefits, you must be totally and permanently disabled and unable to engage in any substantial gainful employment.

The information provided here is a **brief summary of IMRF's disability benefits. Other requirements and limitations apply.** For more information, contact IMRF and request a copy of the publication *IMRF Disability Benefits* or visit [www.imrf.org](http://www.imrf.org).

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## SURVIVOR BENEFITS

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### Death Benefits

The amount paid as a death benefit varies depending on your membership status (active, inactive, or retired) and years of service credit.

For information on beneficiaries, see page 37. For information on surviving spouse pensions, refer to page 39.

### Active member death benefits

You are actively participating in SLEP if you are working in a position qualified for IMRF/SLEP participation, receiving IMRF disability benefits, on seasonal leave, or on an IMRF Benefit Protection Leave.

#### **Less than one year of service credit**

*Death is job related* – A lump sum death benefit is paid to your beneficiary(ies) regardless of your years of service credit.

The lump sum is equal to one year's salary plus a refund of your member contributions.

*Death is **not** job related* – Your member contributions are refunded to your beneficiary(ies).

**More than one year but less than eight years of service credit**, a lump sum death benefit (one year's salary plus any balance\* in your member account) is paid to your beneficiary(ies).

**Eight or more years of service credit**, the lump sum death benefit described above is paid to your beneficiary(ies). If you are married and named your spouse as your only primary beneficiary, your spouse could choose a monthly surviving spouse pension (see page 39) plus \$3,000 instead of the lump sum benefit.

\*Member contributions plus interest paid to the date of death less any benefit prepayments

### **Inactive member death benefits**

If you die while not participating in SLEP, but have contributions on deposit and have:

#### **Less than eight years of IMRF and/or SLEP service credit**

Any age – Any balance\* in your member account is paid to your designated beneficiary(ies).

#### **More than eight but less than 20 years of IMRF and/or SLEP service credit**

*Less than age 55* – Any balance\* in your member account is paid to your designated beneficiary(ies).

*Age 55 or older* – Married to your spouse for at least one year before you terminated your IMRF participation and named your spouse as your only primary beneficiary—he or she can choose a surviving spouse pension (see page 39) based on the Regular plan formula plus a \$3,000 death benefit, or a \$3,000 death benefit plus a refund of any balance\* in your member account.

Not married—a refund of any balance\* in your member account and the \$3,000 death benefit is paid to your designated beneficiary(ies).

#### **20 or more years of SLEP service credit**

*Less than age 50* – The balance\* in your member account is paid to your designated beneficiaries.

*Age 50 or older* – Married to your spouse for at least one year before you terminated your IMRF participation and named your spouse as your only primary beneficiary—he or she can choose a surviving spouse pension (see page 39) based on the SLEP plan formula plus a \$3,000 death benefit, or any balance\* in your member account and a \$3,000 death benefit.

Not married—any balance\* in your member account and the \$3,000 death benefit is paid to your designated beneficiary(ies).

*\*Member contributions plus interest paid to the date of death less any benefit prepayments*

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## **SURVIVOR BENEFITS**

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### **Retired member death benefits**

If you die while receiving a SLEP pension, a \$3,000 death benefit is payable to your beneficiary(ies).

If you were married for at least one year prior to the date you stopped participating in IMRF, a monthly surviving spouse pension (see page 39) may also be payable (in addition to the \$3,000).

If a surviving spouse pension is not payable, your beneficiary(ies) will also receive the remainder of any balance (member contributions plus interest less any benefit payments) in your member account not paid out as a pension.

### How to name beneficiaries

Naming beneficiaries for your IMRF death benefit is an important decision. This section provides a brief summary of whom a member can name as beneficiary.

Detailed information and instructions are provided on IMRF Form 6.11, “Designation of Beneficiary,” and IMRF Form 6.11A, “Designation of Beneficiary for Annuitants (Retirees),” both available at [www.imrf.org](http://www.imrf.org).

It is always a good idea to **review your designation of beneficiary every few years**. This way, you can be certain your designation is accurate and up-to-date.

### Naming children as beneficiaries

If you wish to name a child or children as your primary or contingent (secondary) beneficiary(ies), and the child(ren) named is younger than 18 years of age, you may want to include on your Designation of Beneficiary form certain language from the Illinois Uniform Transfers to Minors Act.

The language is provided on the back of the Designation of Beneficiary form (Form 6.11 or 6.11A) available at [www.imrf.org](http://www.imrf.org).

### Active and Inactive SLEP members

#### Married members

If you are married, your spouse is automatically your primary beneficiary (unless you exclude your spouse on your Designation of Beneficiary form). As **sole** primary beneficiary, your spouse may be eligible for a surviving spouse pension (see page 39).

However, you can choose to exclude your spouse and instead name any person, organization, or your estate as your primary beneficiary. If you choose to exclude your spouse as your primary beneficiary, only the lump sum death benefit is payable (see page 34). Your spouse would not be eligible for a surviving spouse pension.

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## **BENEFICIARIES**

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If you divorce, your ex-spouse is no longer considered a beneficiary. If you want any other arrangement, you must file a new designation of beneficiary form.

### **Unmarried member**

If you are unmarried (single, divorced or widowed), you can name any person, organization, or your estate as your primary beneficiary.

If you marry, your spouse automatically becomes your primary beneficiary. If you want any other arrangement, you must file a new designation of beneficiary.

### **Members receiving a SLEP pension**

On the date the member stopped participating in IMRF, he or she was

#### **Married for at least one year**

By law your spouse is your primary beneficiary and will receive a surviving spouse pension (see page 39) plus \$3,000. You cannot exclude your spouse from receiving a surviving spouse pension. The Illinois Pension Code determines who is eligible to receive a surviving spouse pension.

However, if you wish, you can name someone other than your spouse—any person, organization, or your estate—as beneficiary(ies) for the \$3,000 death benefit.

#### **Married for less than one year or not married**

You can name any person, organization, or your estate as beneficiary(ies) for the \$3,000 death benefit. A surviving spouse pension is not payable.

### Surviving spouse pension

Regardless of which pension payment option a member chose, a surviving spouse's monthly pension equals one-half of the member's Standard monthly pension.

Or, in the case of a member who dies while participating in IMRF (see page 34), one half of the Standard pension the member had earned at the date of death.

If at retirement you choose a Special Needs Annuity (see page 23) and name your spouse as your Special Needs beneficiary, the amount of the additional pension payable to your spouse will be determined by your Special Needs Annuity choice.

### Increases in surviving spouse pensions

Surviving spouse pensions are

- Increased each January 1 by 3% of the original amount. The first year may be prorated unless the effective date of the benefit is January 1.
- Payable for the lifetime of the surviving spouse, even if the spouse remarries.

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**Please note:** IMRF can “back date” a surviving spouse pension only 12 months.

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### Surviving spouse pension payout plans

Surviving spouse pensions are based upon IMRF's Standard (straight life) payout plan. Under the Standard payout, the spouse receives the same pension amount every month for the rest of his or her life, regardless of how long the spouse lives.

However, if the surviving spouse is under age 60, IMRF will advise the spouse of the amounts payable under both the Standard (straight life) payout and under the Optional payout (see page 23).

*continued...*

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## **SURVIVING SPOUSE PENSION**

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Under the Optional payout, the spouse can choose a larger IMRF pension until age 60 and a smaller IMRF pension thereafter.

The calculations of the Optional pension payout vary and can be computed on an individual basis only.

### **Death of a person receiving a surviving spouse pension**

Upon the death of a person receiving a surviving spouse pension, no death benefit is payable.

However, if any balance in the member's account (member contributions plus interest less any benefits paid) has not been paid as retirement and survivor's pension payments, IMRF will pay the remainder to the primary beneficiary(ies) designated by the deceased retired member and on file with IMRF.

If no primary beneficiary survives, IMRF will pay the secondary beneficiary(ies) designated by the deceased retired member and on file with IMRF.

If no primary or secondary beneficiary(ies) survives, any remaining balance in the member's account (member contributions plus interest less any benefit payments) will be paid to the surviving spouse's estate.

## **If You Divorce**

The IMRF retirement pension is considered to be marital property. Therefore, your IMRF benefits may be subject to a division of assets between you and a former spouse.

### **Free information available**

If you are divorcing, no later than two to three months before your court date, contact IMRF at 1-800-ASK-IMRF (1-800-275-4673) and ask for the “Divorce Information Packet,” and the “Qualified Illinois Domestic Relations Orders–Forms, Instructions and General Information” booklet.

Divorce and QILDRO information is also available online at [www.imrf.org](http://www.imrf.org).

### **Qualified Domestic Relations Orders (QDRO)**

Qualified Domestic Relations Orders (QDRO) are court orders requiring a retirement plan to split retirement benefits between a member and the member’s former spouse. QDROs are provided for under a federal law which governs private sector pension plans. Government plans, such as IMRF, are exempt from that federal law.

### **Qualified Illinois Domestic Relations Order (QILDRO)**

IMRF is governed by the Illinois Pension Code which does not allow IMRF to honor a QDRO. Instead, IMRF may split pensions, refunds, and lump sum death benefits with a Qualified Illinois Domestic Relations Order (QILDRO). Survivor benefits are not subject to a QILDRO.

A QILDRO is significantly different from a QDRO. A QILDRO must state a dollar amount of the benefit to be paid to the member’s ex-spouse. If the QILDRO states a percentage, a second court order (called a QILDRO Calculation Court Order) must be filed with IMRF when the member retires or applies for a refund (see note below).

Also, a QILDRO requires IMRF to split the benefit at the time it is actually paid. IMRF cannot pay the ex-spouse’s share of the refund or pension before the member applies for and receives the benefit.

*continued...*

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## IF YOU DIVORCE

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The **rules regarding QILDROs were changed** by Public Act 94-0657 signed into law on August 22, 2005, and effective July 1, 2006. It changes the method of dividing retirement benefits and contribution refunds under a QILDRO. It also adds lump sum death benefits to the types of benefits payable under a QILDRO. For more information, contact IMRF.

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### Social Security

As an IMRF member, you also contribute to Social Security; therefore you are entitled to the benefits of both IMRF and Social Security. **Your IMRF retirement benefits do not affect your Social Security benefits, or vice versa**, in any way.

At retirement, generally you are entitled to full benefits from both. That is to say, your IMRF benefits are never reduced because you receive Social Security benefits. **Your Social Security benefits generally are not reduced because you receive IMRF benefits.** The **only exception** to this rule is if you earned service credit with IMRF during years that you did not also contribute to Social Security.

Social Security coverage for IMRF members is required by an agreement between the State of Illinois and the Social Security Administration under Section 218 of the Social Security Act. Exceptions are made for a limited number of firefighters and police officers.

You pay Social Security taxes on wages up to the wage base, and your employer pays an equal amount. Your employer remits these taxes to the Internal Revenue Service.

Applications for benefits and questions about Social Security should be directed to your Social Security district office or representative or call 1-800-772-1213.

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## HEALTH INSURANCE CONTINUATION

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### Health Insurance Continuation

IMRF offers two publications that provide details regarding health insurance and IMRF:

- *Health Insurance Continuation through your Employer-Sponsored Plan* — This booklet discusses health insurance continuation through your employer.
- *Health Insurance - IMRF Endorsed Health Plans* — This booklet discusses and provides details about the health insurance plans endorsed by IMRF.

You can obtain a copy of those booklets by calling 1-800-ASK-IMRF or by downloading them from the Publications area of [www.imrf.org](http://www.imrf.org).

### Illinois Public Act 86-1444

Public Act 86-1444 is Illinois legislation covering IMRF retiree health insurance continuation. It requires most, but not all, IMRF employers who offer health insurance to their active employees to offer the same health insurance to disabled employees, retirees, and surviving spouses at the same premium rate for active employees.

This law is separate from and different than the federal COBRA law, which requires employers to offer insurance continuation to certain employees, former employees, and their dependents.

### Under Illinois law

Under the Illinois Insurance Code, an IMRF employer who offers health insurance to its active employees must allow an IMRF member who retires or a member who goes on IMRF disability to continue on the employer's insurance. Please note: "an IMRF member who retires" includes:

- Regular plan members who terminate employment and are eligible to receive a pension—are at least age 55 with at least eight years of service credit—even if they defer taking the pension or
- SLEP plan members who terminate participation (at any age) with at least 20 years of SLEP credit

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## HEALTH INSURANCE CONTINUATION

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According to the Illinois Department of Insurance—the agency that provides the official interpretation of the law—the employer may reduce the insurance benefits for insureds who become eligible for Medicare. There may be COBRA eligibility for dependents when the member becomes Medicare eligible.

### **Paying premiums**

The disabled member, retiree, or surviving spouse may be required by the employer to pay both the employer and employee portions of the premiums.

As a general rule, the Illinois Insurance Code continuation provision does not require IMRF employers to pay any portion of the premium for members on continuation. However, it does not override the provisions of a collective bargaining agreement or employer policy requiring the employer to pay insurance premiums for retired or disabled members.

### **Additional information**

Health insurance continuation coverage is a complex subject. You should be aware of the various rules, under both the Illinois Insurance Code and the federal COBRA law, that will apply to you when you retire or if you become disabled.

Check with your employer's personnel office regarding your COBRA rights and your rights under the Illinois Insurance Code. You will also find additional information on the IMRF website, [www.imrf.org](http://www.imrf.org).

The IMRF member continuation provision is found in the Illinois Insurance Code at section 367j (215 ILCS 5/367j).

If you have questions regarding Health Insurance Continuation, contact your employer's personnel office.

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## **YOUR MEMBER ACCOUNT**

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### **Member Access area of the IMRF website**

You can view your current IMRF account information and submit changes to that information online by applying for a secure Member Access account. Visit IMRF's website at [www.imrf.org](http://www.imrf.org) and click on the "Member Access" button on the left side navigation bar. Then click on the "Register here" link. For your security and privacy, you cannot request a User ID and password by phone or email.

### **Member Statement of Account**

Each year, IMRF mails to all IMRF members a Member Statement of Account which provides an account of wages reported, contributions made and service earned for the previous year.

Your Member Statement also includes estimates of your IMRF benefits: retirement, disability, death, and refund. When you receive your Member Statement of Account, review it carefully and verify that the wages and contributions reported for you agree with your records.

### **Keep your records up-to-date**

You should notify IMRF via your secure online Member Access account whenever you change your address. Any changes to your IMRF information must be made via your Member Access account or in writing with your signature.

To ensure the safety and security of your personal and financial information, we cannot take address changes via email or by telephone. Also we can provide only limited information about your IMRF account by email or telephone.

If you stop participating in IMRF and become an inactive member, a limited number of changes can be made to your IMRF records.

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You can add missing service credit only if you are actively participating in IMRF or in a reciprocal retirement system.

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If you think your employer did not report you correctly, notify IMRF as soon as possible.

### Questions

#### IMRF Member Services Representatives

If you have a question regarding your IMRF benefits, your IMRF Member Statement of Account, or service credit, you can call an IMRF Member Services Representative at 1-800-ASK-IMRF (1-800-275-4673). Member Services Representatives are available Monday through Friday, from 7:30 a.m. to 5:30 p.m. Please have your Social Security number available when you call.

Spanish speaking Member Services Representatives are also available. You can also visit IMRF on the web at [www.imrf.org](http://www.imrf.org).

#### How IMRF operates

The IMRF SLEP plan currently serves approximately 130 units of government and has a membership of approximately 4,000 participants. However, IMRF is still a local program. Each SLEP employer builds up a savings account to provide pensions for its SLEP members.

Your employer has appointed one of its employees to serve as your IMRF Authorized Agent. Your IMRF Authorized Agent handles the operation of the plan locally.

You can view and print blank forms from [www.imrf.org](http://www.imrf.org).

#### How IMRF is administered

IMRF is established under statutes adopted by the Illinois General Assembly. It is governed by a Board of eight trustees; seven must be participating members and one trustee must be receiving an IMRF annuity (pension). Four trustees are elected by employers, three are elected by participating members, and one is elected by IMRF annuitants (individuals receiving an IMRF pension). Trustees receive no compensation, only reimbursement for expenses.

The Board appoints an Executive Director who is responsible for all administrative functions and supervision of staff.

The Board also appoints medical and investment consultants, an actuary, and an independent auditor.

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## DICTIONARY OF TERMS

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For details and exceptions on the following terms and benefits, contact IMRF.

### **13th payment**

See “Supplemental Benefit Payment.”

### **Active member**

See “participating member.”

### **Annuitant**

A person receiving an IMRF pension or surviving spouse pension.

### **Annuity**

See “pension.”

### **Authorized Agent**

The employee designated by your employer (unit of government) to administer IMRF locally.

### **Beneficiaries**

The individual(s) or organization(s) you choose to receive your IMRF death benefits.

### **Board of Trustees**

A group of eight persons organized to administer the Illinois Municipal Retirement Fund; seven must be participating members and one trustee must be receiving an IMRF annuity (pension). Four trustees are elected by employers, three are elected by participating members, and one is elected by IMRF annuitants.

### **Concurrent service**

Concurrent service occurs if you are reported by more than one employer under the same plan for the same month. However, by law, you are credited with only one month of service, but your salaries are combined for that month. If you are reported under different plans, the service is treated as one month in two plans and your salaries are not combined.

### **Contribution**

Member contributions: the percentage of an IMRF member’s gross salary withheld by the IMRF employer and submitted to IMRF each month.

IMRF holds the member contributions until the member requests a refund or qualifies to receive a pension.

The percentage withheld is determined by Illinois law and is dependent on the member’s plan: Regular Plan 4.50%, Sheriff’s Law Enforcement Plan 7.50%, Elected County Official Plan 7.50%.

### **Covered position**

See “qualified position.”

### **Defined Benefit (DB) Plan**

Defined benefit plans (like IMRF) pay a monthly pension based upon your salary and length of service. As its name implies, your retirement benefits are “defined” in advance so you know what you will receive when you retire. Your benefit is determined by a calculation that uses your age, years of service, and salary history. Your pension continues to improve monthly because it is tied to your length of service. Your benefit is guaranteed and is paid for as long as you live.

### **Defined Contribution (DC) Plan**

Under a defined contribution plan, a participant’s retirement income is based upon how much is contributed and on the performance of investment choices the participant selected.

### **Direct Deposit**

Retiring members receive their pension payments via Direct Deposit. IMRF electronically deposits a pension payment or a total and permanent disability benefit into the member’s bank or other financial institution.

### **Disability benefits**

While receiving IMRF temporary or total and permanent disability benefits, you earn service credit and have the same death benefit protection as if you were working.

### **Early Retirement Discount**

Not to be confused with the IMRF Early Retirement Incentive (ERI). Under the early retirement discount, if you retire under IMRF’s Regular plan between the ages of 55 and 60 with less than 35 years of service credit, your pension is discounted (reduced) by the lesser of 1/4% for each month you are less than age 60 or 1/4% for each month of service credit less than 35 years.

### **Early Retirement Incentive (ERI)**

At the employer’s option, a member can purchase up to five years of service credit to qualify sooner for retirement. For each period of service credit purchased, the member’s age is increased accordingly. The member must be at least age 50 and have at least 20 years of service credit (can include Reciprocal service).

### **ECO**

The IMRF Elected County Official Plan provides an alternative benefit plan for elected county officials.

### **EFTS**

Electronic Funds Transfer System. See “Direct Deposit.”

### **Eligible spouse**

See “qualifying spouse.”

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## DICTIONARY OF TERMS

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### **Field Representatives**

IMRF Field Representatives work with employers and members.

### **Final rate of earnings**

Final rate of earnings (FRE) is the salary used to calculate the amount of retirement benefits. (A separate FRE is calculated for disability and death benefits.) Under the Regular and SLEP plans: highest total earnings during any 48 consecutive months within the member's last 10 years of IMRF service divided by 48. Usually, the average of the last 48 months of service.

### **Formula**

The SLEP plan formula to calculate a pension is 2-1/2% of your final rate of earnings for each year of SLEP service credit. Refer to the appropriate benefit booklet for the Regular and ECO formulas.

### **Hourly standard**

The hourly standard (either 600 or 1,000 hours a year) determines whether a position qualifies for IMRF participation.

### **Member contributions**

Regular plan members contribute 4.50% of salary toward a future Regular pension. Sheriff's Law Enforcement Plan and Elected County Official Plan members contribute 7.50%.

### **Member Statement of Account**

Mailed to all members each year. This statement provides an annual report of your salary, member contributions, service credit earned, and an estimate of IMRF benefit payments.

### **Optional payout plan**

If a member retires before age 62, he or she can choose IMRF's Optional payout plan. Under this payout option, the member receives a larger pension until age 62 and a reduced pension thereafter. See "Standard payout plan."

### **Participating member**

A member currently working in an IMRF qualified position and making contributions to IMRF. If you are on an IMRF Benefit Protection Leave of Absence or receiving IMRF disability benefits, you are considered a participating member.

### **Pension**

A monthly IMRF pension is paid as long as the member lives. It is increased by 3% of the original amount each year. You need at least 20 years of SLEP service and be age 50 to apply for a SLEP pension. You need at least eight years of any service credit and must be at least age 55 to apply for a Regular plan pension.

### **Pension credits**

See “service credit.”

### **Pre-existing condition**

IMRF disability benefits may not be payable if the condition that caused the disability is pre-existing—you had the condition which resulted in your current disability when you began participating in IMRF. If you have less than five years of service credit, you are subject to the pre-existing exclusion for total and permanent disability benefits. (If a member became disabled on or after 1/1/2002, he or she is not subject to the pre-existing exclusion for temporary disability benefits.)

### **Qualified position**

Also known as covered position. An IMRF qualified position is one which will equal or exceed an employer’s annual hourly standard. An employee is required to participate in IMRF if he or she works in an IMRF qualified position. (Exception: Elected officials and city hospital employees have the option of participating.)

### **Qualifying spouse**

To receive a surviving spouse pension, the surviving spouse must have been married to the IMRF member for at least one year prior to the member’s termination from IMRF (or reciprocal system, if appropriate).

### **Reciprocal Act/System, Reciprocity**

Reciprocity is an agreement between IMRF and 12 other Illinois public pension funds that allows a member’s service credit to be considered together to determine eligibility for and the amount of retirement benefits. Reciprocal service cannot be used in the calculation of a SLEP or ECO pension.

### **Reinstatement**

If you take a separation refund, you may be able to repay IMRF (with interest) and reinstate those years of service credit.

### **Reversionary annuity**

See “Special Needs Annuity.”

### **Separation refund**

You can receive a separation refund—a return of all your member contributions without interest—if you terminate your employment with an IMRF employer. If you take a refund, you forfeit—give up—all of your service credit and all IMRF benefits.

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## DICTIONARY OF TERMS

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### **Service credit**

Service credit, service, or pension credits. Your total time as an IMRF member. Service is credited monthly while you are working, on an IMRF Benefit Protection Leave, or receiving IMRF disability benefits. Your pension continues to improve monthly because it is tied to your length of service.

### **SLEP**

IMRF's Sheriff's Law Enforcement Personnel plan is available to county sheriffs, deputy sheriffs, forest preserve rangers, airport police, and certain police chiefs.

### **Special Needs Annuity**

Also known as the Reversionary Annuity. Under the Special Needs option, you choose to receive a reduced pension and, upon your death, your pension payments "revert" (become payable) to someone else.

### **Standard payout**

Also known as a straight life payout. Under the straight life payout, a member receives the same pension amount every month after he or she retires for the rest of his or her life, regardless of how long he or she lives. Annually, IMRF pensions are increased by 3% of the original pension amount. See "optional payout"

### **Supplemental benefit payment**

IMRF "13th payment." An additional benefit payment that is paid each July to eligible IMRF retirees and surviving spouses.

### **Surviving spouse contributions**

All IMRF members are required, by law, to contribute toward a surviving spouse pension. If when you retire you do not have an eligible spouse (married to you for at least one year before you terminated IMRF participation), your surviving spouse contributions will be refunded, with interest.

### **Surviving spouse pension**

One-half of the member's Standard monthly pension.

### **Vested**

Vesting establishes your right to a guaranteed future monthly retirement benefit. You are vested for a Regular plan pension when you earn eight years of any type of service credit. You are vested for a SLEP pension when you earn 20 or more years of SLEP service. Also see "Reciprocal Act."





Have a question about your IMRF benefits?

**Ask IMRF!**

**IMRF Member Services**

**Representatives**

**1-800-ASK-IMRF**

**(1-800-275-4673)**

*Tenemos representantes que hablan español.*

**Monday through Friday 7:30 a.m. to 5:30 p.m.**

*Please have your Social Security number available when you call.*

### **IMRF Vision**

To provide the highest quality retirement services to our members, their beneficiaries, and employers.

### **IMRF Mission Statement**

To efficiently and impartially develop, implement, and administer programs that provide income protection to members and their beneficiaries on behalf of participating employers in a prudent manner.

### **IMRF Values**

#### **Accuracy**

Performing our duties in an accurate and timely manner ensures our members receive the service and benefits to which they are entitled.

#### **Accountability**

Accepting responsibility for our actions cultivates the trust of our coworkers, members, and employers.

#### **Respect**

Recognizing the worth, uniqueness and importance of ourselves, our coworkers, and our membership builds collaboration and cooperation.

#### **Empathy**

Being aware of the feelings of others and how our actions affect them enables us to be responsive to the needs of our membership.

#### **Honesty**

Acting in a truthful, ethical, and professional manner builds confidence with our membership and the public.

#### **Courage**

Recognizing the need for new ideas and being willing to change strengthens our ability to meet future challenges and opportunities.

## **Illinois Municipal Retirement Fund**

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