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# General Information

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## 1.00 Purpose and Use of Manual

The Manual for Authorized Agents is designed to serve as a guide for Authorized Agents and other employees involved in the local administration of the Illinois Municipal Retirement Fund Regular and Sheriff's Law Enforcement Personnel (SLEP) plans.

The manual explains the:

- Rules for determining IMRF qualified positions (which employees should be enrolled in IMRF)
- Requirements for making claims for benefits (the forms and documents a member needs to apply for a benefit), and
- Procedures for filing reports of earnings and contributions (how you would submit members' wages and contributions to IMRF).

Sample filled-in forms are included in each section as an aid in filing complete and accurate reports.

The manual is organized as follows:

Section 1 - General Information	Section 6 - Member Accounts / Past Service / Employer Resolutions
Section 2 - Authorized Agent Responsibilities	Section 7 - Employer Contributions
Section 3 - Participation & Wages	Section 8 - Index
Section 4 - Reporting Wages & Contributions	Section 9 - Federal Taxes/Social Security
Section 5 - Member Benefits / Health Insurance Continuation	Appendix

IMRF recommends that each individual who works with IMRF have access to IMRF's website at [www.imrf.org](http://www.imrf.org). By visiting IMRF's website, employers can view and print this manual.

## 1.10 Organization of IMRF

### 1.10 A. Creation of IMRF

The Illinois Municipal Retirement Fund is created by Illinois law under Article 7 of the Illinois Pension Code (Illinois Compiled Statutes, Ch. 40, 5/7-101 to 5/7-225).

A separate benefit level is provided for county sheriffs and their deputies, certain forest preserve district rangers, certain airport authority police and certain police chiefs. This Sheriff's Law Enforcement Personnel (SLEP) plan is described in Section 5/7-109.3 and 5/7-142.1

A separate benefit level is also provided for certain elected county officials. This Elected County Official (ECO) plan was closed on August 8, 2011. It is available only to elected county officials who were participating in the plan as of that date.

### 1.10 B. Units of Government Covered

Under the Regular plan

The Pension Code specifies which units of government are required to be under IMRF and which units may choose whether or not they wish to join. The following are required to participate:

- All counties, except Cook.

- All school districts, except Chicago, and
- All cities, villages, and incorporated towns with a population of more than 5,000 which did not provide Social Security coverage for their employees before they reached a population of 5,000, except Chicago.

#### Under the Sheriff's Law Enforcement Personnel (SLEP) plan

The Pension Code specifies that counties (other than Cook) participate in SLEP. Forest preserve districts, airport authorities, and certain municipalities may participate in SLEP.

Members of this plan contribute an additional 3% (for a total of 7.5%, 6.5% prior to June 1, 2006) of their earnings for an increased pension amount. SLEP currently covers 101 counties, three forest preserve districts and certain municipalities and has a membership of more than 3,000 participating sheriffs, deputies and forest preserve district rangers and certain police chiefs.

When a unit of government joins IMRF, that unit is referred to as an "IMRF employer." A glossary can be found at the end of this section which provides definitions for commonly used IMRF terms.

### 1.10 C. Employees Covered

When an employee joins IMRF, he or she is referred to as an IMRF member. The Illinois Pension Code determines which persons are eligible for IMRF coverage. It provides the program for contributions by employers and members as well as retirement pensions and other benefits.

#### 1. Plan Tiers

P.A. 96-0889 created a second tier of benefits for IMRF's Regular and Elected County Official (ECO) plans. Effective January 1, 2011, IMRF will assign a benefit "tier" to an employee when he/she is enrolled in IMRF. (The ECO plan was closed to new members effective August 8, 2011. See 6.10F. Election of Elected County Official to Participate in ECO.)

P.A. 96-1495 created a second tier of benefits for IMRF's SLEP Tier 2 plan. Effective January 1, 2011, IMRF will assign a benefit "tier" to an employee when he/she is enrolled in IMRF's SLEP plan.

The plan tier is based on the member's participation date:

Tier 1: Members enrolled in any IMRF plan before January 1, 2011. If a Tier 1 member:

- Stops participating in IMRF and is re-enrolled in IMRF, the member will participate in Tier 1.
- Changes IMRF employers, the member will participate in Tier 1.
- Terminates participation, takes a refund of his or her contributions and is later enrolled in IMRF, the member will participate in Tier 1. (Member is not required to pay back the refund)

Tier 2: Members *first* enrolled in IMRF on or after January 1, 2011

EXCEPTIONS: Members enrolled in IMRF after December 31, 2010, will participate in Tier 1 if the member:

- Previously participated in IMRF or in a reciprocal retirement system (except the Judges or General Assembly retirement systems) even if the member took a refund of his or her contributions and has not yet repaid the refund  
or
- Purchases omitted service credit that creates a participation date before January 1, 2011.

SLEP Tier 2 Participation - A member may have participated in the Regular or ECO plan, or in a reciprocal system before January 1, 2011 as a Tier 1 member. However, if this Tier 1 member is *first* enrolled in SLEP on or after January 1, 2011 the member will participate in SLEP Tier 2.

#### **1.10 D. Administration of IMRF**

IMRF is governed by an eight-member Board of Trustees serving staggered five-year terms. Four members are elected by participating units of government (by employers), three are elected by members in participating status, and one trustee is elected by IMRF annuitants (individuals receiving an IMRF pension).

The IMRF Board of Trustees must meet at least four times per year, occasionally for more than one day, and frequently at other times. Board meetings are held in IMRF's Oak Brook office. Board members receive no compensation, but are reimbursed for expenses incurred in attending meetings and performing duties on behalf of IMRF.

The Executive Director is appointed by the Board of Trustees to perform administrative functions and to supervise IMRF staff. The Board also appoints medical and investment counsel, an actuary, and an auditor.

The Board of Trustees and its staff administers IMRF under the Illinois Pension Code as adopted by the General Assembly and approved by the Governor. It does not have the discretion to make changes in the law, excuse persons from participating, or change the amount of benefits paid or eligibility standards.

#### **1.10 E. Retirement Practices**

The Illinois Pension Code provides that it "shall not cause compulsory retirement of any member nor give any member any specific right to remain in service" (40 ILCS 5/7-218). Separation and retirement practices are not established by IMRF. They are governed by federal and state law, individual employer policies, and labor agreements.

In addition, several parts of the IMRF benefit plan are subject to employer option. That is, a unit of government must pass a resolution adopting the benefit, such as the Early Retirement Incentive.

#### **1.10 F. Freedom of Information Act (FOIA)**

The Freedom of Information Act (FOIA) is intended to ensure that members of the public have access to information about their government and their decision-making process. It requires all public bodies, including IMRF, to make their public records available for inspection and copying.

Under the FOIA, all records of a public body, like IMRF, are presumed to be open for inspection and copying. However, the FOIA also permits certain records to be withheld from inspection. If IMRF receives a FOIA request for information that under FOIA is considered open, IMRF is required by law to comply with that request.

IMRF records consist of information about our members and employers as well as our investment portfolio.

Detailed information on requesting FOIA information from IMRF, including costs and timelines, can be found in IMRF's Freedom of Information Act Booklet. You can also use Form 2.90, Request for Information or Records Pursuant to the State of Illinois Freedom of Information Act.

### **1.20 Social Security Coverage**

Social Security coverage of employees of IMRF employers is discussed in Section 9, Social Security appendix.

Section 9 also includes information on federal income tax withholding and reporting.

### **1.30 IMRF Field Representatives**

IMRF Field Representatives are available to assist you and your members. Eight field representatives across the state are available to answer questions one-on-one, speak to groups about IMRF benefits and law, provide assistance with reporting errors, and much more.

These and other services are provided at no charge to either members or employers. To find out more or to schedule a meeting, please call your field representative or call IMRF's Field Services Department at 1-800-ASK-IMRF (1-800-275-4673) Monday through Friday, 7:30 A.M. to 5:30 P.M. IMRF urges you to take full advantage of this service.

### 1.40 IMRF Member Service Representatives

IMRF Member Service Representatives are also available to assist you and your IMRF members over the telephone with questions regarding benefits, wage reporting, etc. You can contact an IMRF Service Representative Monday through Friday from 7:30 A.M. to 5:30 P.M. at 1-800-ASK-IMRF (1-800-275-4673).

An additional task is to work one-on-one with IMRF members who visit our Oak Brook or Springfield offices. A member may be approaching retirement, or a beneficiary may need help completing a death claim. An IMRF Member Service Representative can “walk” the member or beneficiary through the sometimes confusing claims process and help ensure a claim is paid promptly.

Members are required to schedule an appointment if they wish to meet with a Member Services Representative, whether the meeting is for a counseling session, a request for information, assistance completing forms, etc.

To schedule an appointment, the member would call 1-800-ASK-IMRF (1-800-275-4673). By scheduling an appointment, the Member Services Representative will be able to provide better service to our walk-in customers, as we will be prepared for the visit. Members who visit our offices without an appointment will meet with a Member Services Representative only when one becomes available.

Member Service Representatives serve IMRF employers on the Employer-only phone at 1-800-728-7971

### 1.50 Regional Counseling Center

IMRF’s Regional Counseling office is located in Springfield at:

Suite 101  
3000 Professional Drive  
Springfield, IL 62703

One goal of IMRF’s Springfield Regional Counseling office is to provide personalized service to our members in the Sangamon County area. Members can pick up blank forms, drop off completed forms, and speak with one of the three IMRF Member Service Representatives who staff the office.

To make an appointment with a Springfield Member Service Representative, the member would call 1-800-ASK-IMRF (1-800-275-4673) Monday through Friday, 7:30 A.M. to 5:30 P.M.

Members and employers should continue to mail all correspondence, forms, etc. to our Oak Brook office.

### 1.60 IMRF Benefits Booklets

General benefit booklets published by IMRF describe IMRF’s administration, employer and member contributions, and benefits available under IMRF. The Regular Tier 1 and Regular Tier 2 IMRF benefits booklet are available in Spanish.

You may obtain booklets by contacting IMRF’s Oak Brook office or by downloading the booklets from the IMRF website at [www.imrf.org](http://www.imrf.org).

Also, IMRF mails to the homes of all employees who first enroll in IMRF a “New Member Packet,” which provides information about their IMRF benefits and includes a benefit booklet describing the member’s IMRF plan.

### 1.70 Dissolution of Unit(s) of Government

When a unit of government is annexed, consolidated, or dissolved, IMRF must be notified so member records and employer reserve balances can be transferred to the new/annexing employer(s).

After the appropriate form and documentation is submitted to IMRF and the dissolution is completed, IMRF will **transfer all member records to the annexing/new employer(s)**. The Authorized Agent for the dissolving

employer does **not** need to submit termination forms, and the Authorized Agent for the new/annexing employer does **not** need to submit enrollment forms.

In addition, IMRF will charge the dissolving employer(s) receivable account(s) and credit the new/annexing employer receivable account(s) as required.

An employer's reserve account is used to fund members' retirement benefits. As a result of the dissolution, IMRF will credit or charge employer(s) reserve account(s) as needed. It is not uncommon for the Authorized Agent of the new/annexing employer to not recognize members listed on its Reserve Statement. This is the result of member records being transferred from a dissolving employer to the new/annexing employer.

The form used to inform IMRF of the dissolution depends on the how the employer is being dissolved. An employer can be dissolved in one of two ways:

1. **School District:** dissolution and annexation or consolidation of school district into a different school district(s)
2. **Non-School District Unit of Government:** dissolution and annexation or consolidation of a unit of government into a different unit(s) of government **Partial dissolution:** one unit of an IMRF employer becomes its own employer or joins with another IMRF employer.

#### **1.70 A. School District(s) dissolves and is annexed or consolidated into a different school district(s)**

The Superintendent for the Educational Service Region in which the dissolving school district(s) is located would submit IMRF Form 1.70, "Certificate of Dissolution—School Districts," (Exhibit 1A). The completed form should be submitted with a copy of the legal document that caused the annexation, e.g., legislation, referendum, or letter from legal authority authorizing the dissolution.

#### **1.70 B. Non-School District Unit of Government dissolved and annexed or consolidated into different unit(s) of government**

The Authorized Agent for the dissolving unit of government would submit IMRF Form 1.72, "Certificate of Dissolution—Non-School District Unit of Government" (Exhibit 1B). The completed form should be submitted with a copy of the legal document that caused the annexation, e.g., legislation, referendum, or letter from legal authority authorizing the dissolution.

If more than one unit of government is being dissolved, the Authorized Agent for any/either of the dissolving units can submit the form.

### **1.80 IMRF Website**

IMRF employers and members can access information about IMRF by visiting IMRF's website at [www.imrf.org](http://www.imrf.org)

#### **1.80 A. Secure Employer Access**

The secure Employer Access area of IMRF's website is designed to provide IMRF employers with information specific to their employer and members' accounts. Also, employers can enroll new members, submit IMRF Form 6.41 (termination form), Monthly Wage Reports, Form 3.20 (wage adjustment), Form 6.20 (member information changes) and Form 6.19 (member employment changes) through this secure website.

Employers can also view a variety of documents via the Documents Archive. These are some of the documents: Monthly Deposit Summary, Notice of enrollment, Termination of IMRF Participation, Election to Participate, Rate Notices, GASB notices and Reserve Statements.

Employers can also upload documents through Employer Access.

To gain access to this secure area, visit the Employer Access area of the IMRF website where the Authorized Agent can complete an online registration form.

There are three types of Employer Access accounts:

1. **Authorized Agent (AA) account:** Administers all accounts and has access to all Employer Access functions. The AA account is ultimately responsible for setting up and maintaining all other accounts.
2. **Security Administrator account:** Set up by the AA, has access to all the functions of an AA account. This type of account is a good choice when the Authorized Agent at your employer would prefer someone else to handle the day-to-day administration of IMRF and Employer Access. There can be only one Security Administrator account for each employer.
3. **Web Assistant account:** Set up and maintained by either the AA or Security Administrator. The ability to use Employer Access functions is limited by security permissions set up by the AA or Security Administrator.

IMRF employers (units of government) that have several instrumentalities and/or departments may wish to appoint Web Assistants. See section 2.60.

Web Assistants are responsible to the appointed Authorized Agent and would perform such functions as are delegated to them by the Authorized Agent and the governing body. In contacts with IMRF, they must operate through the appointed Authorized Agent. However, Web Assistants should have their own Web Assistant account.

Note: If you have a Web Assistant account and later become the AA at your employer, you must set up a new AA account for your use. You should not continue to use your Web Assistant account.

Your User ID functions as an electronic signature. **Each employee who submits information to IMRF through Employer Access should have his or her own Employer Access account.** Using another employee's account to submit information to IMRF is the same as signing that employee's name instead of your own on a form.

IMRF sends most employer communications electronically. We send these electronic communications to the email addresses in Employer Access. Each account owner should have his or her *own unique email address* entered into the contact information for the account.

#### **Keeping accounts active**

Logging in to your Employer Access account at least every 60 days (especially AA accounts) keeps the account active. After an account has been unused for 90 days, IMRF begins the steps to delete the account.

#### **Delete unused accounts**

You should delete unused accounts as soon as they are no longer needed (for example, when an employee leaves). While IMRF will eventually delete unused accounts, from a security standpoint it is better if you delete an account as soon as you are aware that it is no longer necessary.

### **1.80 B. Secure Member Access**

The secure Member Access area of IMRF's website is designed to provide IMRF members with information specific to their IMRF account. Members can calculate pension estimates using their **actual** final rate of earnings **and** service credit, submit a formal pension estimate and a member information change form, view and change their beneficiaries as well as apply for disability, retirement and refund (eligible members only). Members can also view and print various documents related to their IMRF member account and upload documents to IMRF through Member Access.

Retired members can view monthly payment details, view and change tax withholding, direct deposit, and beneficiary information, and update their personal information.

To gain access to this secure area, the member completes the online account request process. The member will receive a Registration Key via regular mail within seven business days. After entering the Registration Key and completing the online process, the member will have access to his or her account information.

Please note: Members **cannot** request a user ID and password by phone or email due to security restrictions.



## 1.90 Glossary of Terms

IMRF has developed a glossary of terms for your use. This glossary provides definitions for terms used in the administration of IMRF. Refer to other Sections in this manual for exceptions, restrictions, and details.

<b>403(b) plan</b>	A retirement plan that functions like a defined contribution plan and is similar to a 401(k) plan, but is offered by non-profit organizations, such as universities and some charitable organizations, rather than corporations. If you work for a school district or a public hospital, you may be familiar with an Internal Revenue Code Section 403(b) tax-deferred annuity.
<b>414(h)</b>	<p>Under Section 414(h) of the Internal Revenue Code, members make their contributions to IMRF on a tax-deferred basis. The member does not pay either federal or Illinois income tax on the money used to pay the contributions. A member's contributions will be subject to federal income tax, but not to Illinois income tax, when he or she receives them as a refund or as a pension or when the member's beneficiary(ies) receives them as a death benefit.</p> <p>This tax treatment is provided under the 414(h) tax deferral plan effective July 1, 1984, for all IMRF employers and adopted earlier by some employers.</p> <p>If a member made contributions before his or her employer adopted a 414(h) plan, those contributions were taxed at the time the member made them. They are not taxable when the member receives them as a refund or pension or when the member's beneficiary(ies) receives them as a death benefit.</p>
<b>457 plan</b>	A tax-exempt deferred compensation program that functions like a defined contribution plan and is made available to employees of state and federal governments and agencies. If you work for an IMRF employer other than a school district or public hospital, you may be familiar with a 457 deferred compensation plan.
<b>Active member</b>	See "participating member."
<b>Actuary</b>	A statistician who estimates future funding needs based on rates of mortality, disability, turnover, ages at retirement, rate of investment income, and salary trends.
<b>Amortization period</b>	<p>One of the pieces of information an actuary uses to calculate an IMRF employer contribution rate. Generally, each IMRF employer (unit of government) has an unfunded liability due to "prior service" of employees when the employer joined IMRF and due to benefit increases. (Prior service refers to the years and months an employee worked for a unit of government before that unit joined IMRF—assuming the position the employee held qualified for IMRF).</p> <p>The unfunded liability is the estimated cost of retirement benefits earned to date that have not been funded. That is to say, the employer has no assets with IMRF to pay those benefits. A portion of the unfunded liability must be paid each year; the portion is determined by the employer's structure.</p> <p>For most employers, the unfunded liability is amortized over a 21-year closed period in 2021 reducing to 15 years, and then rolling at 15 years. Participating instrumentalities (employers without taxing authority) amortize their unfunded liabilities over a 10-year open period.</p>
<b>Annuitant</b>	A person receiving an IMRF pension or surviving spouse pension.
<b>Annuity</b>	See "pension."
<b>Authorized Agent</b>	The employee designated by the employer (unit of government) to administer IMRF locally. Authorized Agents submit information to IMRF via the web through Employer Access.

<b>Beneficiaries</b>	The individual(s) or organization(s) a member chooses to receive his or her IMRF death benefits. The default beneficiary for a member is his or her estate. If a member wants any other arrangement, he or she must submit a Designation of Beneficiary form.
<b>Beneficiary Annuity</b>	A death benefit payment option; a lifetime annuity purchased with the lump sum death benefit similar to an annuity purchased from an insurance company. The monthly amount payable is based upon the beneficiary's age.
<b>Civil Union</b>	Under Illinois law the same rights of marriage apply to parties of a civil union. Therefore, the partner of a member who enters into a civil union will have the same rights as a spouse of a married member. A civil union partner will be eligible to receive an IMRF Surviving Spouse pension if the partner meets the eligibility requirements. See details. <a href="http://www.imrf.org/pubs/er_pubs/gen_memos/2011_gm/gm_613.html">http://www.imrf.org/pubs/er_pubs/gen_memos/2011_gm/gm_613.html</a>
<b>Conduit IRA</b>	An IRA account that holds a rollover from a qualified pension plan (like IMRF) and to which other money has not been added.
<b>Concurrent service</b>	<p>Concurrent service is earned in one of three ways:</p> <ul style="list-style-type: none"> <li>• A member is reported under the <b>same IMRF plan</b> by two or more employers. The member will earn only one total month of service credit for each month worked, regardless of the number of positions held, and the member's wages are combined for the calculation of benefits. If the concurrent service occurs during the member's "final rate of earnings" (FRE) period, it can increase the amount of his or her pension. Based upon the total earnings reported, the service credit for the concurrent month(s) is "allocated" between/among employers.</li> <li>• A member is reported under <b>different IMRF plans</b> by one or more employers. The member earns one month of service credit, but the salaries are not combined. The member's wages are recorded separately under each plan for the calculation of benefits. However, if a member is reported concurrently under the Regular Plan and SLEP plan and vests for a SLEP pension, each concurrent month will be treated as a month in two plans. When the member's pension is calculated, the calculation will apply the Regular plan formula to those months with Regular wages and the SLEP formula to those months with SLEP wages.</li> <li>• A member is reported under two or more <i>revised</i> Elected County Official positions. The member will earn one month of service credit for each Revised ECO position he or she holds. In addition, the member's wages are recorded separately under each position for the calculation of benefits.</li> </ul>
<b>Covered position</b>	See "qualified position."
<b>Creditable service</b>	Also known as service credit, service or pension credits. The total time as an IMRF member. Service is credited monthly while a member is working, when on an IMRF authorized leave of absence, or receiving disability benefits.
<b>Defined Benefit Plan</b>	Defined Benefit Plans (like IMRF) pay a monthly pension based upon the member's salary and length of service. As its name implies, an IMRF member's retirement benefits are "defined" in advance so he or she knows what the member will receive when the member retires. The benefit is determined by a formula calculation that includes a member's age, years of service credit, and salary history. The pension continues to improve monthly because it is tied to the member's length of service. The benefit is guaranteed, and is paid for as long as the member lives.
<b>Defined Contribution Plan</b>	Under a defined contribution plan, the future retirement benefit is based upon how much the participant contributed and the earnings made on those contributions. Employees of

	<p>a school district or hospital may be familiar with a Section 403(b) tax-deferred annuity. Employees of other IMRF employers may be familiar with a 457 deferred compensation plan. These plans function like defined contribution plans. However, in a pure defined contribution plan, the employer also makes contributions.</p>
<b>Direct Deposit</b>	<p>Direct Deposit allows IMRF to electronically deposit a pension payment or total and permanent disability benefit into the member's bank or other financial institution.</p>
<b>Disability benefits</b>	<p>While receiving IMRF temporary or total and permanent disability benefits, a member earns service credit and has the same death benefit protection as if he or she were working.</p>
<b>Divorce</b>	<p>The dissolution of a marriage or civil union.</p>
<b>Early Retirement Discount</b>	<p>Not to be confused with the IMRF ERI. The early retirement discount reduces a Regular plan member's pension if he or she retires before the full retirement age.</p> <p>Regular Plan Tier 1: Full retirement age 60 If a member retires between the age of 55 and 60 with less than 35 years of service credit, the pension is discounted (reduced) one-quarter percent for each month the member is less than age 60 or for each month the member has less than 35 years of service, whichever discount is smaller. If a member retires at age 55 with at least 35 years of service credit, there is no reduction</p> <p>Regular Plan Tier 2: Full retirement age 67 If a member retires between the ages of 62 and 67 with less than 35 years of service credit, the pension is discounted (reduced) one-half percent for each month the member is less than age 67 or for each month the member has less than 35 years of service, whichever discount is smaller. If a member retires at age 62 with at least 35 years of service credit, there is no reduction.</p> <p>SLEP Plan Tier 2: Full retirement age 55 If a member retires between the ages of 50 and 55, the pension is discounted (reduced) one-half percent for each month the member is less than age 55.</p>
<b>ECO</b>	<p>IMRF's Elected County Official Plan provides for an alternative benefit plan for elected county officials.</p> <p>The ECO plan was closed to new participants as of August 8, 2011.</p> <p>If a county has not adopted the ECO plan, it no longer has the option to do so. Elected County Officials currently participating in ECO remain in the plan.</p> <p>Members participating in the Original ECO plan are eligible to continue ECO through all subsequent employment, as long as they have not revoked their ECO participation.</p>
<b>ERI</b>	<p>The IMRF Early Retirement Incentive. At the employer's option, a member can purchase up to five years of service credit. For each period of service credit purchased, the member's age is increased accordingly.</p> <p>Under the Regular Plan Tier 1: The member must be at least age 50 and have at least 20 years of service credit (can include Reciprocal service).</p> <p>Under the Regular Plan Tier 2: The member must be at least age 57 and have at least 20 years of service credit (can include Reciprocal service).</p>

<b>EFTS</b>	Electronic Funds Transfer System. Employers submit payments to IMRF electronically over the telephone or via the web with our EFT System. Another type of EFTS is "Direct Deposit," where IMRF directly deposits a member's benefit payments into the member's checking or savings account.
<b>Employer</b>	A unit of government that joins IMRF.
<b>Employer Access</b>	<p>The secure Employer Access area of IMRF's website is designed to provide IMRF employers with information specific to their employer and members' accounts. Also, employers can now enroll new members, submit IMRF Form 6.41 (termination form), Monthly Wage Reports, and Form 3.20 (wage adjustment) through this secure website.</p> <p>There are three types of Employer Access accounts:</p> <ul style="list-style-type: none"> <li>• <b>Authorized Agent (AA) account:</b> Administers all accounts and has access to all Employer Access functions. The AA account is ultimately responsible for setting up and maintaining all other accounts.</li> <li>• <b>Security Administrator account:</b> This is set up by the AA and has access to all the functions of an AA account. This type of account is a good choice when the Authorized Agent at your employer would prefer to assign someone else to handle the day-to-day administration of IMRF and Employer Access. There can be only one Security Administrator account for each employer.</li> <li>• <b>Web Assistant account:</b> Set up and maintained by either the AA or Security Administrator. The ability to use Employer Access functions is limited by security permissions set up by the AA or Security Administrator. Individuals named as Web Assistants should have their own Web Assistant account.</li> </ul>
<b>Employer contributions</b>	The employer IMRF contribution rate is computed separately for each employer every year. Employer contributions pay a portion of the cost of retirement pensions, surviving spouse pensions, death benefit coverage, and disability benefits.
<b>Field Representatives</b>	IMRF Field Representatives work with employers and members and assist them with IMRF related questions. IMRF Field Representatives also conduct employee workshops, Authorized Agent Certification Programs, and other informational presentations.
<b>Final Rate of Earnings (FRE)</b>	<p>A member's Final Rate of Earnings (FRE) is the salary used to calculate the amount of retirement benefits.</p> <p>Under the Regular Tier 1 and SLEP Tier 1 plans: A member's highest total earnings during any 48 consecutive months within the member's last 10 years of IMRF service divided by 48. Usually, this is the average of the last 48 months of service. The earnings considered for each of the last three months cannot be more than 25 percent greater than the highest earnings in any of the first 45 months of the 48 consecutive months.</p> <p>Under the Regular Tier 2 plan: A member's highest total earnings up to the wage cap during any 96 consecutive months within the member's last 10 years of IMRF service divided by 96. Usually, this is the average of the last 96 months of service. <u>For members who began participation between January 1, 2011 and December 31, 2011, the earnings considered for each of the last three months cannot be more than 25 percent greater than the highest earnings in any of the first 93 months of the 96 consecutive months.</u> <u>For members who began participation on or after January 1, 2012, the earnings considered for each of the last 24 months cannot be more than 25 percent greater than the highest earnings in any of the first 72 months of the 96 consecutive months.</u></p>

	<p>Regular Tier 2 FRE cap: In 2021, the cap is \$116,740.42. This amount automatically increases annually by the lesser of 3% or by one-half of the increase in the Consumer Price Index (urban) for the preceding year.</p> <p>Under the SLEP Tier 2 plan:  A member's highest total earnings up to the wage cap during any 96 consecutive months within the member's last 10 years of IMRF service divided by 96. Usually, this is the average of the last 96 months of service. <u>For members who began participation between January 1, 2011 and December 31, 2011, the earnings considered for each of the last three months cannot be more than 25 percent greater than the highest earnings in any of the first 93 months of the 96 consecutive months. For members who began participation on or after January 1, 2012, the earnings considered for each of the last 24 months cannot be more than 25 percent greater than the highest earnings in any of the first 72 months of the 96 consecutive months.</u></p> <p>SLEP Tier 2 FRE cap: In 2021, the cap is \$116,740.42. This amount automatically increases annually by the lesser of 3% or by one-half of the increase in the Consumer Price Index (urban) for the preceding 12 months as of September. Overtime earnings for SLEP members are excluded from reportable earnings and are not included in the SLEP FRE.</p> <p>Under the <i>original</i> Elected County Official plan:  A member's FRE is the annualized salary payable on the last day of participation in the ECO plan divided by 12. The ECO monthly FRE does not include any lump sum payments for vacation, sick leave, overtime, personal leave, etc. The ECO monthly FRE does include the annual stipend. However, the stipend is "annualized," e.g., an annual stipend of \$2,500 increases the monthly FRE by \$208.33.</p> <p>Under the <i>revised</i> Elected County Official Tier 1 plan:  A member's FRE is the average of the highest consecutive 48 months of ECO service in the last 10 years held in a specific office with the same county. A separate ECO FRE is calculated for each elected county position held in the same county.</p> <p>Alternative FRE Calculation: Lifetime FRE  Most members' pensions are based on a formula that includes the member's Final Rate of Earnings (FRE) and years of service credit.</p> <p>The Illinois Pension Code provides for an alternative FRE formula when a member has higher earnings at the beginning of his or her career. This FRE is known as a "Lifetime FRE." This FRE averages all of a member's earnings reported by all of his or her IMRF employer(s) over the member's entire IMRF career.</p> <p>When a member retires, IMRF calculates the FRE using both methods and uses the FRE that provides the member with the larger pension.</p>
<b>Formula</b>	<p>Regular Tier 1 and Tier 2 plans:  1-2/3 percent of a member's FRE for each of the first 15 years of service credit, plus 2 percent of a member's FRE for each year of service credit in excess of 15 years.  The total pension at retirement cannot exceed 75 percent of the member's FRE.</p> <p>SLEP Tier 1 plan, member terminated SLEP on or after July 1, 2004:  Flat 2.5% of the member's FRE for each year of SLEP service credit. The total pension at retirement cannot exceed 80% of the member's FRE.</p> <p>SLEP Tier 1 plan, member terminated SLEP participation <b>before</b> July 1, 2004:  50 percent of the member's FRE for the first 20 years of SLEP service credit, plus 2 percent of the FRE for each year of service over 20 and under 30 years, plus one percent of FRE for each year of service over 30 years. The total pension at retirement cannot exceed 75 percent of the member's FRE.</p>

	<p><b>SLEP Tier 2 plan:</b> Flat 2.5% of the member's FRE for each year of SLEP service credit. The total pension at retirement cannot exceed 75% of the member's FRE.</p> <p><b>Original ECO plan:</b> 3% of ECO monthly FRE for each of the first eight years of ECO service credit, plus 4% of ECO monthly FRE for each of the next four years of ECO service credit, plus 5% of ECO monthly FRE for each year of ECO service credit in excess of 12 years to a maximum of 80%. A member does not need eight years of ECO service to qualify for the ECO formula. The ECO formula is applied to the ECO service regardless of the amount of that service. For example, if a member has one month of ECO service, the ECO formula will be applied to that one month and the Regular or SLEP formulas applied to the remaining service.</p> <p><b>Revised ECO Tier 1 plan:</b> Same as original ECO: 3% of ECO monthly FRE for each of the first eight years of ECO service credit, plus 4% of ECO monthly FRE for each of the next four years of ECO service credit, plus 5% of ECO monthly FRE for each year of ECO service credit in excess of 12 years to a maximum of 80%. However, a revised ECO plan member must hold the same elected county position in the same county for a minimum of eight years to qualify for the ECO retirement formula.</p>
<b>FRE</b>	See "Final Rate of Earnings."
<b>Hourly standard</b>	The hourly standard (either 600 or 1,000 hours a year) determines whether or not a position qualifies for IMRF participation. Your hourly standard can be found on the landing page of your Employer Access account.
<b>IRA</b>	Individual Retirement Account. A tax-deferred retirement account for an individual that permits individuals to set aside up to \$4,000 per year, with earnings tax-deferred until withdrawals begin at age 59-1/2 or later (or earlier, with an additional 10% tax).
<b>Member contributions</b>	<p>Members who participate in the Regular Tier 1 and Tier 2 plans contribute 4.50 percent of salary toward a future IMRF pension: 3.75 percent for the member and 0.75 percent for a surviving spouse pension.</p> <p>Tier 2 members do not contribute on wages above the wage cap.</p> <p>SLEP plan members contribute 7.50 percent of salary (up to the wage cap for Tier 2) on and after June 1, 2006, toward a future SLEP pension: 6.75 percent for the member and 0.75 percent for a surviving spouse pension. Before June 1, 2006, SLEP members contributed 6.50 percent of salary; 5.75 percent for the member and 0.75 percent for a surviving spouse pension. SLEP Tier 2 plan members do not contribute on overtime wages.</p> <p>Members in any ECO plan contribute 7.50 of salary toward a future ECO pension: 6.75 percent for the member and 0.75 percent for a surviving spouse pension.</p>
<b>Member Statement of Account</b>	See "Personal Statement of Benefits."
<b>Optional pension payout</b>	Members retiring from IMRF's Regular Tier 1 plan, and SLEP Tier 1 and Tier 2 plans:

	<p>If a member retires before age 62, he or she can choose IMRF's optional payout. The member would receive a larger pension until age 62 and a reduced pension thereafter. See "standard payment payout."</p> <p>Members retiring from IMRF's Regular Tier 2 plan: The optional payment payout is not available. A member must be at least age 62 to retire under IMRF's Regular Tier 2 plan.</p>
<b>Participating member</b>	<p>Also known as active member. A member currently working in an IMRF qualified position and making contributions to IMRF. A member on an IMRF authorized leave of absence or receiving IMRF disability benefits is also considered a participating member.</p> <p>For the purposes of an Authorized Agent submitting a petition or casting a ballot in an executive trustee election, a "member of IMRF" includes an employee who either is currently working in an IMRF-covered position and making contributions to IMRF or is receiving an IMRF pension.</p>
<b>Past service</b>	<p>A member can receive past service credit for service performed and earnings paid for a period prior to January 1 of the current year (January 1 through December 31). Past service falls into three categories of authorization:</p> <p>Requires Governing Body approval or prior resolution on file:</p> <ul style="list-style-type: none"> <li>• Military leave provided by Illinois Pension Code</li> <li>• Retroactive service for elected officials</li> <li>• Application for prior service</li> <li>• IMRF Benefit Protection Leave</li> <li>• Out-of-state service credit authorization</li> </ul> <p>Requires approval of Authorized Agent:</p> <ul style="list-style-type: none"> <li>• Application for retroactive service credit</li> <li>• Omitted service credit verification</li> <li>• General Assembly application for service</li> <li>• Certification of Sheriff's Law Enforcement service</li> </ul> <p>Requires application by member only:</p> <ul style="list-style-type: none"> <li>• Application for reinstatement of service (repay a refund)</li> <li>• Military leave provided under Federal law</li> <li>• Conversion of up to 120 months of Regular plan service to SLEP</li> </ul>
<b>Pension</b>	<p>Also known as an annuity. An IMRF pension is paid as long as the member lives.</p> <p>Under the Regular Tier 1 Plan</p> <ul style="list-style-type: none"> <li>• A member must have at least eight years of service credit and be age 55.</li> <li>• The pension is increased by 3 percent of the original amount each year.</li> </ul> <p>Under the Regular Tier 2 Plan</p> <ul style="list-style-type: none"> <li>• A member must have at least 10 years of service credit and be age 62.</li> <li>• The pension is increased by the <i>lower</i> of 3% or one-half of the increase in the Consumer Price Index for the preceding 12 months as of September. The increase is based on the original pension amount. The annual increase is payable when the member reaches age 67 or receives 12 months of pension payments, whichever occurs later. If the CPI decreases or is zero, no increase is paid.</li> </ul> <p>Under the SLEP Tier 1 plan</p> <ul style="list-style-type: none"> <li>• A member must have at least 20 years of SLEP service credit and be age 50.</li> </ul>

	<ul style="list-style-type: none"> <li>The pension is increased by 3 percent of the original amount each year.</li> </ul> <p>Under the SLEP Tier 2 plan</p> <ul style="list-style-type: none"> <li>A member must have at least 10 years of SLEP service credit and be age 55.</li> <li>The pension is increased by the lower of 3% or one-half of the increase in the Consumer Price Index for the preceding 12 months as of September. The increase is based on the original pension amount. The annual increase is payable when the member reaches age 60 or receives 12 months of pension payments, whichever occurs later. If the CPI decreases or is zero, no increase is paid.</li> </ul> <p>Under the Revised ECO Tier 1 plan</p> <ul style="list-style-type: none"> <li>A member must have at least eight years in the same elected county office with the same county and be age 55.</li> <li>The pension is increased by 3 percent of the original amount each year.</li> </ul>
<b>Pension credits</b>	See “creditable service.”
<b>Personal Statement of Benefits</b>	Each year IMRF mails to all members a Personal Statement of Benefits. This statement provides an annual report of a member’s salary, member contributions, service credit earned, and an estimate of IMRF benefit payments
<b>Public safety employee</b>	Public safety employees include individuals involved in crime and juvenile delinquency control or reduction, or enforcement of the criminal laws (including juvenile delinquency), including, but not limited to police, corrections, probation, parole, truant officers, and judicial officers; professional firefighters; officially recognized or designated public employee members of a rescue squad or ambulance crew; officially recognized or designated members of a legally organized volunteer fire department; officially recognized or designated chaplains of volunteer fire departments, fire departments, and police departments.
<b>Qualified position</b>	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
<b>Qualifying spouse</b>	To receive a surviving spouse pension, the surviving spouse must have been married to or in a civil union with the IMRF member for at least one year prior to the member’s last date of participation in IMRF (or in a reciprocal system, if appropriate), and the member must have a valid beneficiary form on file with IMRF naming the spouse as the only primary beneficiary.
<b>Reciprocal Act/System</b>	Reciprocity allows service credit earned with IMRF and one or more of 12 other Illinois public pension funds 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 pension
<b>Regular plan</b>	<p>Employees who work in positions that qualify for IMRF must participate in IMRF under the Regular plan. Two exceptions exist: participation in IMRF is optional for elected officials and city hospital employees.</p> <p>Members who participated in IMRF before January 1, 2011, participate in the Regular Tier 1 plan. Any future IMRF participation will be under Tier 1, even if the member changes employers or takes a refund and returns to participation.</p> <p>Members who <i>first</i> join IMRF on or after January 1, 2011, participate in the Regular Tier 2 plan. EXCEPTIONS: Members enrolled in IMRF on or after January 1, 2011, will participate in Tier 1 if the member:</p>



	<ul style="list-style-type: none"> <li>Previously participated in IMRF or in a reciprocal retirement system (except the Judges or General Assembly retirement systems) even if the member took a refund of his or her contributions and has not yet repaid the refund,</li> <li>or</li> <li>Purchases omitted service credit that creates a participation date prior to January 1, 2011.</li> </ul> <p>A small group of IMRF members work in positions that qualify for a different IMRF plan: the SLEP, ECO, or SLEPECO plan.</p>
<b>Reinstatement</b>	If a member takes a separation refund, he or she may be able to repay (with interest) IMRF and reinstate those years of service credit.
<b>Reversionary (Special Needs) Annuity</b>	Under a reversionary (Special Needs) annuity, a member chooses to receive a lower pension payment so his or her IMRF pension payments can revert (become payable) to some other individual upon the member's death.
<b>Roth IRA</b>	A type of IRA (Individual Retirement Account), established in the Taxpayer Relief Act of 1997, which allows taxpayers, subject to certain income limits, to save for retirement while allowing the savings to grow tax-free. Taxes are paid on contributions, but withdrawals, subject to certain rules, are not taxed at all.
<b>Seasonal employees</b>	Seasonal employees of school districts and special education cooperatives automatically receive 12 months of service credit if they are employed for the entire year. Seasonal employees of other IMRF employers can receive 12 months of service credit if they are employed the entire year and the employer applies to IMRF.
<b>Separation refund</b>	A member can receive a separation refund—a return of all his/her member contributions without interest—under certain conditions. If a member takes a refund, the member forfeits all of the service credit he/she earned.
<b>Service credit</b>	<p>Service credit is a member's total time under IMRF, stated in years and months. Service is credited monthly while a member is working, receiving IMRF disability benefits or while he or she is on IMRF's Benefit Protection Leave. A member earns one month of service credit for each month he or she:</p> <ul style="list-style-type: none"> <li>Works in a qualified position and makes a member contribution.</li> <li>Worked in a qualified position prior to his or her employer joining IMRF.</li> <li>Receives an IMRF disability benefit.</li> <li>Is on an IMRF Benefit Protection Leave (limited to 12 months).</li> <li>Purchases a month of past service credit.</li> </ul> <p>A member cannot earn more than one month of service credit for any given calendar month.</p>
<b>SLEP</b>	IMRF's Sheriff's Law Enforcement Personnel program is available to county sheriffs, deputy sheriffs, forest preserve rangers and airport police and certain police chiefs.
<b>SLEPECO</b>	Sheriffs who work for a county that has adopted the Elected County Official Plan and who elected to participate in ECO, participate as SLEPECO. (ECO was closed on 8/8/2011.)
<b>Social Security</b>	Social Security coverage for IMRF members is required, except for a limited number of firefighters and police officers, by an agreement between the State of Illinois and the Commissioner of Social Security under Section 218 of the Social Security Act.

	<p>IMRF members pay Social Security taxes on wages up to the wage base, and IMRF employers pay an equal amount. IMRF employers remit these taxes to the Internal Revenue Service.</p> <p>Applications for benefits and questions about Social Security should be directed to the local Social Security district office or representative or call 1-800-772-1213.</p>
<b>Special Needs (Reversionary) Annuity</b>	Under a Special Needs (reversionary) annuity, a member chooses to receive a lower pension payment so his or her IMRF pension payments can revert (become payable) to some other individual upon the member's death.
<b>Spouse</b>	An IMRF member's wife, husband, or civil union partner.
<b>Standard pension payout</b>	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. See "optional pension payout."
<b>Surviving spouse contributions</b>	<p>All IMRF members are required, by law, to contribute toward a surviving spouse pension.</p> <p>If a member retires and he or she does not have an eligible spouse (married or in a civil union for at least one year before he or she terminated IMRF participation), the member's surviving spouse contributions will be refunded, with interest. A member receiving a lump sum refund of surviving spouse contributions may choose to annuitize the refund, that is, receive the refund as an additional monthly pension.</p>
<b>Surviving spouse pension</b>	A monthly benefit payable for life to the qualifying spouse of certain deceased members. See Section 5.30.
<b>Tiers</b>	<p>Public Act 96-0889 created a second tier for IMRF's Regular and Elected County Official plans. A member's participation date determines his or her tier.</p> <p>Tier 1: Members enrolled in IMRF before January 1, 2011. If a Tier 1 member:</p> <ul style="list-style-type: none"> <li>• Stops participating in IMRF and is again enrolled in IMRF, the member will participate in Tier 1.</li> <li>• Changes IMRF employers, the member will participate in Tier 1.</li> <li>• Terminates participation, takes a refund of his or her contributions and is later enrolled in IMRF, the member will participate in Tier 1.</li> </ul> <p>Tier 2: Members <b>first</b> enrolled in IMRF on or after January 1, 2011 EXCEPTIONS: Members enrolled in IMRF on or after January 1, 2011, will participate in Tier 1 if the member:</p> <ul style="list-style-type: none"> <li>• Previously participated in IMRF or in a reciprocal retirement system, except for the judges or General Assembly retirement systems, even if the member took a refund of his or her contributions and has not yet repaid the refund, or</li> <li>• Purchases omitted service credit that creates a participation date prior to January 1, 2011.</li> </ul> <p>Public Act 96-1495 created a second tier for IMRF SLEP. A member's participation date determines his or her tier.</p> <p>Tier 1: Members first enrolled in SLEP before January 1, 2011:</p>

	<ul style="list-style-type: none"> <li>If a member ever participated in SLEP with any employer before January 1, 2011, that member always participates in Tier 1 even if that member terminated participation and took a refund of contributions.</li> </ul> <p>Tier 2: Members first enrolled in SLEP on or after January 1, 2011:</p> <ul style="list-style-type: none"> <li>A member will participate in SLEP Tier 2 even if that member participated in Regular IMRF Tier 1 or Tier 1 with a reciprocal retirement system. Some SLEP members will be participants in both Regular plan Tier 1 and SLEP plan Tier 2.</li> </ul>
<b>TRS</b>	Teachers' Retirement System.
<b>Voluntary Additional Contributions</b>	<p>A member may contribute up to an additional 10% of his or her earnings (or up to the wage cap for Tier 2) to the Voluntary Additional Contribution (VAC) program. At retirement, the member can take the VAC as a lump sum or possibly as an additional monthly pension.</p> <p>VAC are made after tax—they are not tax-deferred like 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).</p>
<b>Vesting</b>	<p>Vesting establishes a member's right to a guaranteed future monthly retirement benefit.</p> <ul style="list-style-type: none"> <li>A member is vested for a Regular Tier 1 plan pension when he or she earns eight years of any type of service credit.</li> <li>A member is vested for a Regular Tier 2 plan pension when he or she earns 10 years of any type of service credit.</li> <li>A member is vested for a SLEP pension when he or she earns 20 or more years of SLEP service.</li> </ul> <p>Also see "Reciprocal Act."</p>
<b>Wage Cap</b>	Under Tier 2, a member's wages are capped at \$ 116,740.42 (in 2021). The employer does not report any wages above the cap, and the member does not pay any contributions on wages above the cap. The wage cap is also applied when IMRF calculates member's benefits. The wage cap could automatically increase each year by the lesser of 3% or one-half of the increase in the Consumer Price Index (urban) (CPI-U) for the preceding 12 months as of September. If the CPI-U decreases or is zero, no increase is paid.
<b>Web Assistant</b>	<p>IMRF employers (units of government) that have several instrumentalities and/or departments may wish to appoint Web Assistants.</p> <p>Web Assistants are responsible to the appointed Authorized Agent and would perform such functions as are delegated to them by the Authorized Agent and the governing body. In contacts with IMRF, they must operate through the appointed Authorized Agent.</p> <p>The Authorized Agent should set up an Employer Access Web Assistant account for any Web Assistant. An Employer Access User ID functions as an electronic signature.</p>

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