



1941 - 2016

IMRF 75TH ANNIVERSARY



The **Illinois Municipal Retirement Fund (IMRF)** is the administrator of an agent multiple-employer public employee retirement system. Reflecting on its **75th Anniversary**, key events surface that illustrate the foundation of IMRF's commitment to providing **quality programs and service** to its members.

The Beginning

Legislation enacted by the 61st General Assembly of the State of Illinois spurred the establishment of the **Illinois Municipal Retirement Fund (IMRF)** on **July 29, 1939**. The vision of the newly established fund was to provide retirement, death, and disability benefits to employees of local government in Illinois.

IMRF's **original Board of Trustees**, including S.T. Anderson (Springfield), Manley A. Clark (Geneseo), H.S. Merz (Rockford), Dennie Simmons (Springfield), and Fred Yone (Rockford), drafted and submitted a letter advising state municipalities with a population of 5,000 or more of their right to join IMRF.

On **January 1, 1941**, IMRF formally began operations and collecting contributions from **five employers**: the City of Evanston, the City of Galesburg, the Village of Riverside, the Rockford Park District, and the City of Rockford. With their membership, the Board approved IMRF's **first investment** – a \$5,000 U.S. Treasury Bond paying 2½ percent.

E.G. Hansen was appointed the first executive director of IMRF, taking the position on January 1, 1946. After granting approval to hire a staff of four, the Board of Trustees authorized the young fund's relocation into an independent office, located at **175 W. Jackson Street** in Chicago.



Growth and Development

The **first benefit payments** were approved at the **March 28, 1941**, Board meeting. The payments consisted of one beneficiary and four retirement annuities. These were money purchase annuities, the only type available at the time. These annuities were funded by contributions made by the member and matched at a designated rate by the employer.

On **January 1, 1950**, IMRF introduced the first formula annuity. This provided for **retirement at age 65 or older**, with a minimum of 20 years' service. The minimum total salary to be considered was \$1,500; the annuity amount was limited to 60% of the final average salary.

The 1950 participation mandate for non-certified staff in all Illinois school districts (except those within the city of Chicago) **propelled the number of employers in IMRF** and the **number of members**. By January 1, 1951, all cities, villages, and incorporated towns with populations of 10,000 or more, all counties (except Cook), and all sanitary districts (except Metropolitan Chicago) were mandated by state legislation into IMRF, further growing membership and the number of employers.

IMRF's 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.

- Adopted September 26, 1991

The young IMRF withstood growing pains and expansion while adhering to state legislation. In 1955, IMRF was included in the **Retirement Systems Reciprocal Act**. This allowed total service with any public pension system in Illinois to be considered when determining an annuity.

In 1957, IMRF held a referendum in which members were asked if they wanted Social Security coverage. The referendum passed and **IMRF joined Social Security** retroactive to January 1, 1956.

By 1958, IMRF began filing **quarterly wage reports** with Social Security for participating members, replacing the previously filed monthly earnings reports. Additionally, IMRF began collecting wage data from employers, entering the data, and filing reports for each non-participating (Social Security only) employee.



1941

January 1: IMRF begins operations

1946

- January 1: E.G. Hansen is appointed as the first Executive Director of IMRF
- IMRF establishes an independent office at 175 W. Jackson Street, Chicago

1953

IMRF begins paying widow annuities



1957

IMRF members pass a referendum to join Social Security

1958

September 2: IMRF relocates its office to 20 N. Wacker Drive, Chicago

1965

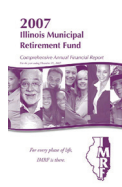
December 1: IMRF gains authority to write its own checks

1970

January: IMRF's staff uses display terminals to interface with the mainframe computer, leading to a dramatic increase in efficiency in processing benefit claims, employer reports, and other data.

1973

July 1: The counties' Sheriff's Law Enforcement Personnel (SLEP) receive their own pension plan within IMRF



1985

June: IMRF's Board of Trustees approves a plan to mail such items as member statements and trustee election ballots directly to member homes



1993

May: IMRF relocates its headquarters to the Drake Oak Brook Plaza, Oak Brook

- IMRF introduces a toll-free phone number: 1-800-ASK-IMRF (275-4673)



2001

November 5: IMRF opens its first Regional Counseling office in Springfield

2009

- U.S. Market corrects; IMRF's portfolio gains 24%
- IMRF implements a Continuous Process Improvement (CPI) program
- IMRF receives the Lincoln Foundation Bronze Award for Commitment to Excellence



2014

December: IMRF is a recipient of the Illinois Performance Excellence (ILPEX) 2014 Silver Award for "Progress Toward Excellence"

1940s

1950s

1960s

1970s

1980s

1990s

2000s

2010s



1941

The first five employers enter IMRF – City of Evanston, City of Galesburg, Village of Riverside, Rockford Park District, and City of Rockford



1948

January 1: House Bill 813 mandates participation by all Illinois school districts (except those in the city of Chicago) and all their employees (except those covered by the State Teachers' Retirement System)

- IMRF's offices move to 309 W. Jackson Boulevard, Chicago

1964

February 3: IMRF occupies its new offices at 100 S. Wacker Drive, Chicago



1968

IMRF establishes an in-house legal staff

1971

September: IMRF annuitants receive a 2 percent post-retirement increase.

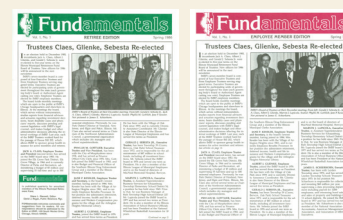


1982

IMRF adopts the "prudent person rule" for management of its investments

1986

Spring: IMRF introduces FUNDamentals newsletter, available in two editions: one for members and one for retirees



1997

IMRF's website, www.imrf.org, makes its online debut



2008

IMRF's portfolio loses 24% in the U.S. Recession

2010

April 14: Public Act 96-0889 creates a second tier of IMRF benefits for members who are first enrolled in IMRF on or after January 1, 2011

2015

February: IMRF introduces a new and improved version of its website, www.imrf.org, complete with a new logo design and new branding



2016

IMRF celebrates its 75th Anniversary, prepared to best serve its members and retirees into the future



Firm Foothold

Recognizing the diverse needs of its membership while maintaining the goal of **excellence in service**, IMRF grew to broaden its industry presence.

Illinois sheriff's deputies were given their own pension plan within IMRF on **July 1, 1973**. The new **Sheriff's Law Enforcement Personnel (SLEP)** plan was patterned after the State Police plan offered to many Illinois law enforcement personnel.

IMRF adopted the **"prudent person rule"** for management of its investments in **1982**. This allowed IMRF to make any type of investment as long as it could be demonstrated as an investment decision a "prudent" individual would make. The rule made possible a wide diversification of the fund's portfolio, which proved to reduce investment risk and grow return.

In April 2010, Public Act 96-0889 created a second tier of IMRF benefits for members who were enrolled in IMRF on or after January 1, 2011.

Today, all IMRF plans are referred to as **Tier 1** or **Tier 2**.

Inevitably, technology began to influence IMRF's development. IMRF claimed a portion of the office complex at the **Drake Plaza in Oak Brook** as its headquarters in **1993**. That same year, IMRF introduced a toll-free phone number, **1-800-ASK-IMRF** (275-4673),

IMRF's Vision:

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

- Adopted July 2, 2001; Revised August 24, 2007

allowing members and employers to quickly and more efficiently contact fund representatives.

IMRF entered the cyber era in **1997** with the debut of its website, **www.imrf.org**. Designed as a tool to best serve active members, retirees, and employers, the site has grown to provide up-to-date fund news, forms and publications, and a secure platform to send and receive information.

IMRF was one of the first pension funds in the nation to develop and implement a post-retirement program for retired members. The series of **workshop programs** held across the state educates retirees on a diverse range of financial and lifestyle topics.

In **February 2015**, IMRF launched a **new and improved version** of **www.imrf.org**. Inspired by feedback from customer surveys and focus groups, the website presents content written in plain language, Spanish language translation, and a more modern appearance with an enhanced logo and color scheme.



IMRF for the Future

In the 75 years since launching operations, IMRF has earned the confidence of its membership while maintaining high ethical standards. It is IMRF's goal to build on **this foundation of trust** into the future.

Today, IMRF remains funded by three sources—employee contributions, employer contributions, and investment returns—not the state of Illinois. The fund hires and monitors **dozens of professional firms** that invest its assets using a diversified investment strategy, resulting in **steady and responsible returns**. IMRF's investments include both U.S. and international stock; fixed income; real estate; and alternative investments like private equity, agriculture, and timberland. IMRF also holds cash in reserve to fund benefit payments.

At its 75th Anniversary, IMRF serves **2,976 different employers, 173,968 participating members, 118,440 inactive members, and 112,762 benefit recipients**. In 2014, IMRF achieved a **5.8% annual rate of return**, earning \$2 billion in investment income, with an investment portfolio totaling **\$34.7 billion**. IMRF was **93.1% funded on a market basis**, as of December 31, 2014, making it the **best-funded statewide retirement system in Illinois**. IMRF's goal today and into the future is to be **100% funded**, having available all monies needed to pay the benefits of current and future retirees.

Additionally, IMRF continues to enhance its processes to best serve its members. Effective procedures designed to improve IMRF's work processes include: the **Continuous Process Improvement (CPI) Program**, focusing on certain key work processes; the **Modernization Program**, a multi-year initiative designed to enhance IMRF's business flexibility/efficiency and customer focus; and adherence to the elements of the **Baldrige Criteria for Performance Excellence**, to ensure IMRF aligns its objectives, processes, and resources with its Vision.

These efforts have earned IMRF accolades within the industry. IMRF is the proud, **multiple recipient** of the **Illinois Performance Excellence (ILPEX) Award for Progress Toward Excellence**, the **Government Finance Officers Association of the United States and Canada (GFOA) Award for Outstanding Achievement** for its Comprehensive Annual Financial Report and Popular Annual Financial Report, and awards for plan funding and administration from the **Public Pension Coordinating Council**.

By continuously implementing progressive processes and methods, IMRF is poised to **best serve its members and employers**, with dedication and distinction, for **the next 75 years... and beyond**.



Locally funded, financially sound.

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