# Table of Contents

Introduction....................................................................................................................................................i

Explanation of terms used in this booklet..................................................................................................... ii

**Your IMRF survivor benefits**
Your first pension payment ............................................................................................................................1
Certificate of Benefits ....................................................................................................................................2
Direct deposit ................................................................................................................................................3
IMRF Benefit Statement .................................................................................................................................5
Pension increases under Tier 1 .......................................................................................................................5
Supplemental pension payment (13th Payment)............................................................................................5
Employer death benefit .................................................................................................................................6
Unpaid retirement benefits .............................................................................................................................6
Social Security and IMRF and private pensions .............................................................................................7
If you remarry ..............................................................................................................................................10

**Your IMRF account**
Member Access .............................................................................................................................................11
Address changes ...........................................................................................................................................12

**For your survivors**
IMRF benefits for your survivors ..................................................................................................................13

**Impact of state and federal income taxes on your pension**
State income tax ............................................................................................................................................14
Federal income tax .......................................................................................................................................15
Employer death benefit ................................................................................................................................17
Form W-4P: Withholding Certificate for Pension Payments ..........................................................................18
General information about IMRF ..................................................................................................................19

Revised January 2020
The purpose of this booklet is to provide you with information about your IMRF survivor’s benefits.

The information provided in this booklet is general. If you have specific questions regarding your individual benefits, please contact an IMRF Member Services Representative at 1-800-ASK-IMRF (275-4673) Monday through Friday, 7:30 AM to 5:30 PM. For more information about IMRF, visit www.imrf.org.

*The information contained in this booklet was accurate at the time of printing. All information is subject to change without notice.*

**Join the IMRF Community!**

Follow TheIMRF on Facebook, Twitter, and LinkedIn
Explanation of terms used in this booklet

Listed below are some of the terms used in this booklet.

**Annuitant**

A person receiving an IMRF pension or surviving spouse pension.

**Effective Date of Retirement**

The date you are first entitled to receive your IMRF pension. IMRF pensions start as of the first day of the month after participation terminates.
Your IMRF Survivor Benefits

**Your first pension payment**

Your pension becomes payable the first day of the month following the death of the retired member. Due to processing time, your first survivor’s pension payment may include payments for more than one month. You will receive a separate letter explaining what months the payment covers. The months the payment covers is also called the “benefit period.”

**Direct deposit of your pension payment**

IMRF verifies the routing and account numbers of your financial institution on your direct deposit form. If the verification is completed:

- **Before** we process your first payment, that payment will be directly deposited.
- **After** we process your first payment, you will receive a check for your first payment, and subsequent payments will be directly deposited.
Certificate of Benefits

This document, which is mailed separately, contains useful information and should be kept with your other important papers.

The Certificate of Benefits includes the:

• Amount of your monthly pension.
• Effective date of your pension.
• Annual increase you can expect to receive next January and every January thereafter.

IMRF members are guaranteed the return of all pension contributions they made plus interest. The Certificate of Benefits explains this guaranteed amount. If you should die before you receive the guaranteed amount, the balance, if any, will be paid to the primary beneficiaries your spouse named on his or her IMRF “Designation of Beneficiary” form.

The last section, “Income Tax Information,” explains how your benefit will be taxed.
Direct deposit of your pension payment

You receive your benefit payment by direct deposit. We believe this to be the most efficient payment method available. With direct deposit, your pension payment is:

- Secure—it cannot become lost, stolen, or delayed in the mail.
- Reliable—it is deposited into your account on time, every month.
- Convenient—you do not need to make special arrangements if you are away from home.

You can make changes to your direct deposit information by completing IMRF Form 1199, “Application for Direct Deposit,” quickly and easily through your Member Access account at www.imrf.org. You can also request Form 1199 by calling 1-800-ASK-IMRF (275-4673) or download the form at www.imrf.org.

Changes

If you are simply changing account numbers (but staying with the same financial institution), you can call 1-800-275-4673 and provide that change over the telephone. A new Form 1199 is required if you change financial institutions.

Questions?

For additional information you can visit IMRF’s website at www.imrf.org or contact IMRF at 1-800-ASK-IMRF (275-4673) Monday through Friday, 7:30 AM to 5:30 PM.
Direct deposit statement

Because your pension is electronically deposited into your financial institution, you will receive a statement for your first direct deposit transaction. After this, you will receive a direct deposit statement:

- In **January** to show your annual 3% increase.
- In **July** for the 13th Payment (if you are eligible).
- In **December** to show your total yearly payments and any deduction withheld (you will still receive a separate 1099-R form).
- Whenever your payment amount changes (for example if you’ve made changes in your tax withholding).

This statement will provide you with a breakdown of the current month’s payment as well as year-to-date figures. You can also view this information any time through your secure Member Access account at [www.imrf.org](http://www.imrf.org).
IMRF Benefit Statement
You will receive an annual Benefit Statement from IMRF every year in late November. These statements include information such as:

• The amount of your annual 3% increase.
• Information about your 1099-R Tax Form.
• The estimated amount of your next year’s 13th Payment (if you are eligible).

Pension increases for Tier 1
Your pension will increase by 3% of the original amount on January 1 of each year.

Example: A pension of $400 per month with an effective date of May 1, 2020.

The increase of January 1, 2021, and each January 1 thereafter will be: $12

$400 x 3% = $12 (3% of original amount)

Supplemental pension payment (13th Payment)
After the first full year of retirement, IMRF members receive a supplemental payment each July, in addition to their usual July benefit payment.

As a surviving spouse, you will continue to receive a supplemental payment each July. This payment will not be the same amount as your usual payment, but will be a percentage of your usual payment that varies from year to year.
Employer death benefit

A $3,000 employer-funded death benefit usually is payable upon the death of a retired member.

This benefit is paid to the member’s designated beneficiary. If no valid Designation of Beneficiary form is on file with IMRF, this $3,000 lump sum death benefit is paid to the member’s estate.

If you are the beneficiary of the death benefit, you will receive the $3,000 as a separate payment. Please refer to page 17 for important tax information regarding this payment.

Unpaid retirement benefits

You also may receive a separate payment if the retired member was entitled to any retirement benefits but did not receive them prior to his or her death.

If you should find any uncashed retirement checks that were issued to the member after the date of death, please return them to IMRF.
Social Security and IMRF and private pensions

**Will my IMRF benefits reduce my Social Security benefits?**

Usually not. However, the answer depends on which benefits you are asking about.

Your IMRF survivor’s benefits will not reduce:

- Any Social Security spouse benefit you may receive.
- Any Social Security survivor’s benefit you may receive.
- Any Social Security retirement benefit you may receive based on your own past earnings.
- Any other IMRF benefit you are entitled to, such as your own IMRF retirement pension.

If you are entitled to your own IMRF retirement pension, generally that pension will not reduce any Social Security benefit you may be entitled to, assuming you contributed to both IMRF and Social Security.

*continued...*
Social Security (continued)

I receive a private pension from a company I retired from several years ago. Will that private pension affect any of my IMRF or Social Security benefits?

The private pension will not affect any IMRF benefits you may receive. Whether it will affect any Social Security benefits depends on whether or not you contributed to Social Security while you were working.

A private pension from a job not covered by Social Security may result in lower Social Security benefits.

A private pension from a job covered by Social Security should not reduce any Social Security retirement or survivor’s benefit you are entitled to receive.

I receive a government pension from a position I retired from several years ago. Will that government pension affect any of my IMRF or Social Security benefits?

A government pension will not affect any IMRF benefits you may receive. Whether it will affect any Social Security benefits depends on whether or not you contributed to Social Security while you were working in the government position. A government pension from a job not covered by Social Security may result in lower Social Security benefits. A government pension from a job covered by Social Security should not reduce any Social Security benefits you are entitled to receive.
Social Security (continued)

How do I find out how much my Social Security benefits will be?

To find out how much your Social Security benefits will be, or to apply for such benefits, you should contact your nearest Social Security office or representative.

It is your responsibility to ensure that you are paid the full Social Security benefit you are entitled to receive.

IMRF Member Service Representatives can help you if your local Social Security office is attempting to reduce your benefits when a reduction should not be made.

When talking with your Social Security representative, please be sure to write down his or her name in case you need to contact an IMRF Member Service Representative at 1-800-ASK-IMRF (275-4673) for additional assistance with this matter.

Also, you need to follow up after you receive your first check for a Social Security retirement, spouse, or survivor’s benefit. At that time, call your local office and ask how the amount was calculated. It is important to get the name of each Social Security representative you speak with so that Social Security personnel can learn about IMRF and correct any errors they may make in advising you and calculating your benefits.
If you remarry or enter into a new civil union
If you remarry or enter into a new civil union, you will continue to receive your survivor’s pension for the rest of your life. This will have no effect on your pension.

Notify IMRF promptly
You should notify IMRF promptly if you remarry or enter into a new civil union. Even though there will be no change in your pension, we need to know if there has been a name or address change.
Your IMRF account

Member Access
With Member Access, you can view up-to-date information about your IMRF account. When you have a Member Access account, you can:

• View your pension payment history and payment detail.
• View documents such as your annual 1099-R tax forms and your yearly benefit statement.
• Change your contact information (including your address).
• Change your federal tax withholding.
• Change your direct deposit instructions.
• Register for retiree workshops.

How to sign up
Applying for an account is easy—go to www.imrf.org and look for the green box in the upper right hand corner, then click “Register.” (For your security and privacy, you cannot request or receive a user ID and password by phone or email.)
Address changes

Although your payments will be deposited directly, **IMRF will continue to mail your income tax statements and other correspondence.** If these documents are returned to us due to a change of address and the Post Office does not provide us with a new address, **your pension will be suspended.**

You can change your address online through your secure Member Access account. **Please note:** You can send an address change through Member Access *only if you have an existing account.* If you do not already have a Member Access account, **you must first correct your address with IMRF before you can register for a new account.**

You can also request IMRF Form 6.20R, “Annuitant Information Change,” by calling 1-800-ASK-IMRF (275-4673).

If an address change form is not available, any written notice will be acceptable. We require your personal signature to change mailing addresses if you submit your change of address in writing. This is done for your protection. Please include the last four digits of your Social Security number on any written correspondence you send to IMRF. (Remember to let us know if any other information changes, such as your phone number.)

---

You can change your address online quickly and easily through your Member Access account at www.imrf.org.

---

If someone else submits a change of address for you

A person legally appointed, such as a conservator, guardian, or trustee, can sign an address change only after receipt of a copy of their appointment.

An address change also can be signed by your representative payee provided an up-to-date form is on file.
For your survivors

IMRF benefits for your survivors

If upon your death any remaining member contributions and interest have not been paid as retirement and survivor’s pension payments:

• IMRF will pay any remaining balance in the member’s account to the primary beneficiary(ies) the member designated and which are on file with IMRF.

• If no named primary beneficiary survives, IMRF will pay any remaining member contributions and interest to the secondary beneficiary(ies) the member designated and which are on file with IMRF.

• If a benefit is payable upon your death and no primary beneficiary or secondary beneficiary survives, any remaining member contributions and interest will be paid to your estate.

If the total pension payments (retirement and survivor) have exceeded member contributions and interest, no benefit will be payable upon your death.
State income tax

Illinois state tax
Your survivor’s pension is **not** subject to Illinois state income tax.

If you do not live in Illinois, check with the department of revenue in your state of residence to find out:

• If your pension is subject to state tax
  and

• How it must be reported on your state income tax return.

IMRF will not honor any request to withhold state income tax for states outside of Illinois.
Federal income tax

Withholding on “Lump-Sum Distributions” to a surviving spouse

The Federal Unemployment Compensation Amendments Act of 1992 affects how IMRF must handle payments of lump-sum distributions. According to this act, a spouse by marriage receiving a lump-sum distribution has the right to “roll over” the taxable portion of the payment directly to an IRA or to another qualified pension plan. If he or she does not directly roll over the payment, then IMRF must withhold 20% of the taxable portion of the distribution. A “direct roll over” is a payment made by IMRF to the IRA or to the other qualified pension plan.

For example: If you receive the $3,000 employer death benefit and we pay you directly, we are required to withhold $600 (20%) for federal income taxes.

If you receive the $3,000 but ask IMRF to make the check payable to an IRA or other qualified plan, IMRF is not required to withhold the 20% for federal income taxes. Instead, the entire $3,000 is “rolled over” to the IRA or other qualified plan.

The 20% withholding rate is fixed by law. Individuals may apply the 20% to their tax liability for that year. The actual amount owed may be larger or smaller and will vary for individuals.

PA 96-1513 (Illinois Religious Freedom Protection and Civil Union Act, effective June 1, 2011) gives couples in a civil union the same state of Illinois rights and protections entitled to married couples.

Under current federal law, spouses by civil union and non-spouse beneficiaries may only roll over lump-sum distributions to an inherited IRA. For amounts not rolled over, IMRF will withhold 20%.

continued...
Federal income tax information (continued)

**Annual tax statement—Form 1099-R**

Every January IMRF will provide you with a 1099-R tax statement showing the gross amount of benefits you received the previous year. This form also will indicate the taxable portion of your survivor’s pension as well as any federal income tax that may have been withheld. Use this information for filing your federal and state income tax returns.

You can view your Form 1099-R quickly and easily through your Member Access account at [www.imrf.org](http://www.imrf.org).

**Filing federal taxes**

You must use Internal Revenue Service Form 1040 or Form 1040-SR, “U.S. Individual Income Tax Return,” when you file your annual federal tax return.

**IMRF cannot offer tax assistance**

IMRF is not in a position to offer tax assistance; if you have questions about the taxability of your pension, please contact the Internal Revenue Service or your tax consultant.
EMPLOYER DEATH BENEFIT

The $3,000 employer funded death benefit (see page 6) is taxable as income and IMRF will report it as such on IRS tax form 1099-R.

HOW TO REPORT THE EMPLOYER FUNDED DEATH BENEFIT

You would report the employer funded death benefit as income on your Form 1040 or Form 1040-SR, “U.S. Individual Tax Return.” This benefit, along with any other pension income, would be reported on the line designated “Total pensions and annuities.”

Further instructions for reporting employer funded death benefits are provided with your Form 1040 or Form 1040-SR.

CREDIT FOR THE ELDERLY OR THE DISABLED

The IRS allows a credit for eligible tax payers. Eligible taxpayers are either:

• Age 65 or greater

or

• Totally and permanently disabled.

In addition, your adjusted gross income must be below IRS limits.

To see if you are eligible for this credit, you can request IRS Publication 524, “Credit for the Elderly or the Disabled,” by calling 1-800-TAX-FORM (829-3676) or by discussing this with your tax advisor.
Form W-4P: Withholding Certificate for pension payments

Because pension payments are taxable, the Internal Revenue Service requires you to submit a completed Form W-4P to IMRF.

Amount of withholding

IMRF cannot determine the amount of withholding that is right for a particular member. If you are not sure about the amount, you should talk with your tax consultant.

You can update your withholding instructions quickly and easily through your Member Access account at www.imrf.org.

If you do not return Form W-4P

• If your pension during 2020 exceeds $2,095 a month, by law IMRF must withhold an amount based upon the IRS tax tables. That amount is based on a married individual claiming three withholding allowances.

• If your monthly pension payments during 2020 are $2,095 or less, no federal tax will be withheld.

The dollar amount ($2,095) is adjusted each year by the IRS.

You can change your withholding at any time simply by completing a new Form W-4P. Generally, if we receive your revised Form W-4P before we process your next payment, the change will be effective for that payment.
General Information about IMRF

The main IMRF office is located in Oak Brook:

**IMRF**
2211 York Rd.
Oak Brook, IL 60523-2337
Member Services Representatives: 1-800-ASK-IMRF (275-4673)

Member Services Representatives are available Monday through Friday, 7:30 AM to 5:30 PM Central Time. Appointments are required for walk-ins.

**Regional Counseling Center**
If you live in the Sangamon County area, you can also visit IMRF’s Regional Counseling Center in Springfield:

3000 Professional Dr., Ste. 101
Springfield, IL 62703

Information about IMRF and your benefits can also be found at [www.imrf.org](http://www.imrf.org).