Special Needs Annuity

Wish you could provide greater retirement security to your spouse or to another special person in your life?

Locally funded, financially sound.
IMRF’s Special Needs Annuity may provide the answer. By choosing a smaller pension when you retire, you can provide a monthly survivor pension separate from the IMRF surviving spouse pension and the $3,000 lump sum death benefit.

This estate planning tool allows you to choose to receive a smaller IMRF pension so that upon your death you can provide:

- Your spouse with a pension in addition to the IMRF surviving spouse pension, or
- Some other individual with a monthly pension, for example, your current spouse if he or she is not eligible for an IMRF surviving spouse pension, or a child, an ex-spouse, or any other person.

**How does IMRF reduce your pension if you choose the Special Needs Annuity?**

When you retire, an estimated “total pension payout” for your monthly pension is calculated. That is, the total amount of all pension payments you can expect to receive.

Under the Special Needs option, you choose to have your IMRF pension payments “revert” (become payable) to someone else upon your death.

However, the “total pension payout” to you and to the individual you name cannot be greater than the total pension payout if you did not choose this option.

**What choices do you have under the Special Needs Annuity?**

The pension payable to the individual you name (the Special Needs Beneficiary) depends upon whether your spouse is eligible for an IMRF Surviving Spouse pension:

1. **Your spouse is eligible for a surviving spouse pension (married or in a civil union for at least one year before you stop participating in IMRF)**
   - Upon your death, your spouse would receive a surviving spouse pension equal to 50% of your unreduced Standard pension, that is, the pension you would have been receiving had you not chosen a Special Needs Annuity.
   - You can elect a Special Needs Annuity that will provide your spouse—or some other person—an additional pension equal to 25%, 35%, or 40% of the adjusted (reduced) pension you had been receiving. (You are not required to name your spouse. You can name some other individual as your Special Needs Beneficiary.)

2. **You have no spouse or your spouse is not eligible for a surviving spouse pension**
   - Upon your death, a surviving spouse pension is not payable.
   - You can elect a Special Needs Annuity that will provide any one individual a pension equal to 50%, 75% or 100% of your reduced pension, that is, the adjusted (reduced) pension you will receive if you choose a Special Needs Annuity.
   - In cases where a member’s spouse is not eligible for a surviving spouse pension, this option allows the member to provide a benefit which is similar to IMRF’s surviving spouse pension.
Examples of amounts payable under Special Needs Annuity

The examples below are based on the Member retiring at age 60. Amounts vary if retiring at a different age.

1. Your spouse is eligible for IMRF Surviving Spouse pension
   (Married or in a civil union for at least one year before stopping IMRF participation)
   You can elect a 25%, 35%, or 40% Special Needs option

   Example assumes you name 55-year-old spouse as Special Needs Beneficiary

<table>
<thead>
<tr>
<th>Normal Pension</th>
<th>If you take the 25% election</th>
<th>If you take the 35% election</th>
<th>If you take the 40% election</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Normal Standard Pension</td>
<td>Surviving Spouse Pension</td>
<td>Your Adjusted Pension</td>
<td>Surviving Spouse Pension</td>
</tr>
<tr>
<td>$1,000</td>
<td>$500</td>
<td>$950</td>
<td>$738</td>
</tr>
</tbody>
</table>

   Example assumes you name someone other than your spouse as Special Needs Beneficiary
   (You can name anyone. In this example, we assume the member named an 18-year-old)

<table>
<thead>
<tr>
<th>Normal Pension</th>
<th>If you take the 25% election</th>
<th>If you take the 35% election</th>
<th>If you take the 40% election</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Normal Standard Pension</td>
<td>Surviving Spouse Pension</td>
<td>Your Adjusted Pension</td>
<td>Surviving Special Needs Pension for 18-year-old</td>
</tr>
<tr>
<td>$1,000</td>
<td>$500</td>
<td>$895</td>
<td>$500</td>
</tr>
</tbody>
</table>

2. Your spouse is not eligible for IMRF Surviving Spouse pension
   You can elect a 50%, 75%, or 100% Special Needs option

   Example assumes you name a 55-year-old as Special Needs Beneficiary*

<table>
<thead>
<tr>
<th>Normal Pension</th>
<th>If you take the 50% election</th>
<th>If you take the 75% election</th>
<th>If you take the 100% election</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Normal Standard Pension</td>
<td>Your Adjusted Pension</td>
<td>Special Needs Pension for 55-year-old</td>
<td>Your Adjusted Pension</td>
</tr>
<tr>
<td>$1,000</td>
<td>$905</td>
<td>$453</td>
<td>$864</td>
</tr>
</tbody>
</table>

   Example assumes you name an 18-year-old as Special Needs Beneficiary*
   (You can name anyone. In this example, we assume you named an 18-year-old)

<table>
<thead>
<tr>
<th>Normal Pension</th>
<th>If you take the 50% election</th>
<th>If you take the 75% election</th>
<th>If you take the 100% election</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your Normal Standard Pension</td>
<td>Your Adjusted Pension</td>
<td>Special Needs Pension for 18-year-old</td>
<td>Your Adjusted Pension</td>
</tr>
<tr>
<td>$1,000</td>
<td>$810</td>
<td>$405</td>
<td>$740</td>
</tr>
</tbody>
</table>

*Could be your spouse (if he or she is not eligible for the IMRF surviving spouse pension) or some other person. You can name any person as your Special Needs Beneficiary.
Limitations and restrictions of a Special Needs annuity

   At retirement, you will receive an “Option Letter” that will provide the amounts payable under the various options.
   After receiving the Option Letter, you:
   A. Select the Special Needs option you want, or
   B. Cancel your decision to elect a Special Needs Annuity option

2. You can name only one individual to receive this pension. You cannot name a trust or institution.

3. You can name any person to receive the Special Needs Annuity, whether or not a relative or spouse.

4. If you choose to receive a reduced pension, you cannot change the:
   — Individual who will receive the Special Needs pension after your death
   — Amount of the reduced pension you will receive

5. If the individual you name (the “Special Needs Beneficiary”) dies before you, the pension that would have been paid to him or her is no longer payable. Your pension will not be adjusted.

   Once you agree to reduce your pension, the reduction is permanent.

Ask IMRF!
IMRF Member Services Representatives
1-800-ASK-IMRF
(275-4673)
Tenemos representantes que hablan español.
Monday through Friday 7:30 AM to 5:30 PM

Please have your IMRF Member ID number available when you call.

Want more information?
After reading this brochure, if you are still interested in the Special Needs Annuity, you can request a Special Needs Annuity calculation.

You would complete IMRF Form 5.20R, “Special Needs Annuity Application,” and submit it to our office.

MAIN OFFICE AND MAILING ADDRESS
2211 York Rd., Ste. 500
Oak Brook IL 60523-2337

SPRINGFIELD REGIONAL COUNSELING CENTER
3000 Professional Dr., Ste. 101
Springfield, IL 62703

Members and employers should mail all correspondence, forms, payments, etc. to our Oak Brook office (Ste. 500, 2211 York Rd., Oak Brook, IL 60523-2337).