Your Benefits

Regular Plan

Helping you build a secure retirement

Locally funded, financially sound.
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As a member of IMRF, you are on the road to building a secure future.

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

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

Second Tier of Benefits
Public Act 96-0889 created a second tier for IMRF’s Regular Plan. Effective January 1, 2011, IMRF assigns a benefit “tier” to a member when he or she is enrolled in IMRF. The tier is determined by the member’s first IMRF participation date.

If you first participated in IMRF:

• **Before January 1, 2011**, you participate in Regular Tier 1.
  Your benefits are described in this booklet.

• **On or after January 1, 2011***, you participate in Regular Tier 2.
  Please refer to IMRF’s Regular Tier 2 booklet.

*Exception: If you have any IMRF or reciprocal retirement system participation prior to January 1, 2011 (except participation in the Judges or General Assembly Retirement Systems), and are enrolled in IMRF after January 1, 2011, you will participate in Tier 1.

Notes
Your rights and obligations as an IMRF member are governed by Article 7 of the Illinois Pension Code. The salary considered for pension purposes and the benefits paid cannot exceed the limits set by the Internal Revenue Code (see Sections 1-116, 1-117, 7-224 of the Illinois Pension Code).

If you participate in the Sheriff’s Law Enforcement Personnel (SLEP) plan or Elected County Official (ECO) plan, please contact IMRF for information describing these plans.

This booklet applies to IMRF members in participating status on or after July 21, 2010. If you terminated IMRF participation before that date, your benefits may be different than those described here.
The following is a brief summary of benefits available to you as an active member in IMRF’s Regular Tier 1 plan. An active member works for an IMRF employer and makes contributions to IMRF. This summary also includes the requirements to be eligible for those benefits.

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

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

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

See page 9 for more information on refunds.

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

Vesting refers to the number of years of service credit you need to qualify for an IMRF pension. Under Regular Tier 1, you qualify for an unreduced pension at age 60 (normal retirement age) if you have at least eight years of service credit or at age 55 if you have 35 or more years of service credit.

Exceptions to the normal retirement age exist but may affect the amount of your pension. See page 20 for more information on qualifying for an IMRF pension.
Disability benefits
Generally, you are eligible for monthly payments up to 50% of your monthly earnings if you—

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

See page 33 for more information or refer to the IMRF disability booklet for a complete explanation.

Death benefits
The amount IMRF pays as a death benefit will vary depending on the amount of your service credit. See page 37 for more information on death benefits. If you have:

• **Less than one year of service credit,**
  – And the death is not job related: your beneficiary(ies) will receive the return of your member contributions.
  – And the death is job related: your beneficiary(ies) will receive one year’s salary plus your member contributions.

• **More than one year of service credit:**
  – Your beneficiary(ies) will receive one year’s salary plus any balance* in your member account.

* Member contributions plus interest to date of death less any benefit prepayments
- **Eight or more years** of service credit:
  
  - Your spouse (if you were married or in a civil union for at least one year and named your spouse as your only primary beneficiary) will receive a surviving spouse pension plus a $3,000 lump sum payment.
  
  or
  
  - Your beneficiary(ies) will receive one year’s salary plus any balance* in your member account.

**Benefit tiers**
IMRF assigns a benefit “tier” to a member when he or she is enrolled in IMRF. The tier is determined by the member’s *first* IMRF participation date.

If you first participated in IMRF or in a reciprocal retirement system (with the exception of the Judges’ and General Assembly retirement systems) **before January 1, 2011**, you participate in Tier 1. Your benefits are described in this booklet.

If you first participated **on or after** January 1, 2011, you participate in Tier 2. Please refer to the Regular Tier 2 benefit booklet.

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*Member contributions plus interest to date of death less any benefit prepayments*
Why you participate in IMRF

Illinois state law requires you to participate in IMRF if you work in a position that qualifies for IMRF. Your position qualifies for IMRF if the number of hours you are expected to work equals or exceeds your employer’s “annual hourly standard.” The actual hours you work may be more or less than the hours your position is expected to work.

Your employer’s hourly standard is either 600 or 1,000 hours a year.

All school and special education districts are under an annual hourly standard of 600 hours.

Exceptions to IMRF’s membership requirements

• City hospital employees—If you are a city hospital employee, you have the option of participating in IMRF if your position meets the eligibility requirement. To participate, submit IMRF Form 6.21, “Election to Participate for Qualifying Position.” You cannot revoke your election to participate.

• Elected officials—If you are an elected official, you have the option of participating in IMRF if your position meets the eligibility requirement. To participate, submit IMRF Form 6.21, “Election to Participate for Qualifying Position.” You cannot revoke your election to participate.

In addition, every two years your governing body must file a resolution with IMRF certifying that your position meets the annual hourly standard, and you must be prepared to document the time actually required to perform the duties of the office.
Member Contributions

What do you contribute to IMRF?

Your member contributions
As a member of IMRF making contributions toward a Regular plan pension, you contribute 4.50% of your salary: 3.75% for your pension and 0.75% for a surviving spouse pension.

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

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

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

* 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.
MEMBER CONTRIBUTIONS

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

• A portion of the pension costs for its members who reach retirement and for survivors’ pensions.
• All costs for the Supplemental Benefit Payment (“13th Payment”)
• All of the costs for disability benefits.
• All of the costs for death benefits.

**Fact:** Returns on IMRF’s investments typically fund the majority of retirement benefits. For every dollar paid in a pension, on average 24 cents comes from employers (taxpayers).

Making additional contributions to IMRF
You can increase your retirement savings by making additional contributions to IMRF. You may contribute up to an additional 10% of your salary to IMRF’s Voluntary Additional Contributions (VAC) program. At retirement, your VAC may be taken as a lump sum or as an additional monthly pension.

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

Earning interest on your VAC
Unlike VAC themselves, the interest credited to your VAC account is tax-deferred. Visit [www.imrf.org](http://www.imrf.org) for the current interest rate. This interest rate can change in the future. If the interest rate changes, IMRF may not notify VAC participants of the change.
MEMBER CONTRIBUTIONS

VAC interest is credited differently from a traditional savings account:

- A traditional savings account credits interest on the current amount in the account.

- **IMRF credits interest at the end of the year on the beginning of the year amount.** Therefore, you will not earn any interest the first year you begin making VAC.

Although you can apply for a refund of your VAC at any time, IMRF discourages such refunds. If you are seeking a short-term savings vehicle, VAC may not be the right choice.

To begin making VAC, submit IMRF Form 6.30, “Election to Make Voluntary Additional Contributions.” Deductions begin as soon as IMRF receives your application and your employer begins reporting your VAC to IMRF.

If you reach 40 years of service and choose to stop making IMRF contributions, you must also stop making Voluntary Additional Contributions.

**Refunds of Voluntary Additional Contributions**

You can apply for a refund of your VAC at any time, even while still participating in IMRF. However, the interest earned must stay on deposit until you stop working for your IMRF employer. You would submit a “Request for Refund of Voluntary Additional Contributions (VAC)” form. (Partial refunds are not allowed.)

If you stop participating in IMRF and apply for a separation refund (submit an “Application for Separation Refund”), your VAC must be refunded as well. The interest earned on the contributions will be subject to federal tax withholding. For more information on refunds of VAC, see page 11.
MEMBER CONTRIBUTIONS

When can you take a refund?

**For members who participate in IMRF under Tier 1**
If you stop working for your IMRF employer and have:

**Less than eight years of service:** Your 4.50% IMRF contributions will be returned to you upon request.

**Eight or more years of service:**

*Less than age 55*—Your 4.50% IMRF contributions will be returned to you upon request. However, you will be giving up the right to a future pension.

*Age 55 or older*—If your service qualifies you for a monthly pension of $100 or more, you cannot withdraw your contributions; you will receive them as a part of your monthly pension. **Exception:** You can receive a refund only if you will roll it over into another defined benefit retirement plan to purchase qualifying service credit.

**To apply for a refund**

**Apply online**
Sign into your Member Access account, hover on “My Account,” and then click “Apply for a Refund of Contributions.”

**Apply with Form 5.10**
You can also apply by submitting IMRF Form 5.10, “Application for Separation Refund,” available at [www.imrf.org](http://www.imrf.org).

You are not eligible for a refund if you stop participating in IMRF but continue working for the same employer.

**Please note:** When you take a refund of your IMRF contributions, you forfeit—give up—all of your IMRF benefits. You will not be eligible for any retirement or disability benefit, and your beneficiary(ies) will not be entitled to any death benefit.
Federal withholding on all refunds
IMRF is required by federal law to withhold 20% of the taxable portion of your refund unless you elect to have the taxable portion directly rolled over to an IRA or other qualified retirement plan.

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

Repaying a refund

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

To do so, you must again participate for two years in IMRF or in another Illinois public pension system under the Reciprocal Act.

Apply online
Sign into your Member Access account, hover on “My Account,” select “Tools,” select “Secure Online Forms,” and then click “Apply for Reinstatement of IMRF Service Credit.”

Apply with Form 6.03
You can also apply by submitting IMRF Form 6.03, “Application for Reinstatement of Service Credit,” available at www.imrf.org.

You may redeposit the withdrawn contributions, plus interest, either in a lump sum or installments.

Refunds paid at retirement
You can receive a retirement refund in a lump sum or as an additional retirement annuity (see next page).
Refund of Voluntary Additional Contributions
If you have Voluntary Additional Contributions on deposit when you retire, you can receive the Voluntary Additional Contributions and interest in a lump sum or, if your account balance is $4,500 or more, as an additional monthly annuity. The additional monthly annuity is payable for life.

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

If your spouse is not eligible for a surviving spouse pension, you can provide him or her with a benefit which is similar to a surviving spouse pension by electing a Special Needs Annuity at retirement. See page 24.

Converting a retirement refund into a monthly annuity:
• A retirement refund cannot be converted into a monthly annuity payment unless the monthly payment is at least $10 a month.
• You cannot convert part of a retirement refund to an annuity.
• The additional monthly annuity will be paid for your lifetime. There is no annual increase, and this annuity is not eligible for the supplemental benefit payment (“13th Payment”).
• The original lump sum amount is the guaranteed minimum payout. There is no maximum payout.

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

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

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

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

• Work in a qualified position and make a member contribution
• Worked in a qualified position prior to your employer joining IMRF (member payment may be required)
• Receive an IMRF disability benefit
• Are on an IMRF Benefit Protection Leave of Absence (see bottom of page 15)
• Purchase past service credit

Enhancing your pension by purchasing additional service credit

You may be eligible to receive or purchase other service credit if, for example, you:

• Took a refund of your IMRF contributions and want to pay back the refund and reinstate your service.
• Worked in a position qualified for IMRF, but your employer did not deduct contributions and did not report your wages or contributions to IMRF.
• Wish to convert time served in the military to IMRF service.
• Were working for your employer when it joined IMRF. You were granted the maximum free service (20% of your service up to five years) and wish to purchase your remaining service.
• Are an elected official who held an office qualifying for IMRF. You now participate in IMRF and wish to purchase previous elected official service credit.

• Have service credit with a public pension system in another state and wish to convert it to IMRF service credit.

• Will take a leave of absence from your job. While on leave, you want to earn IMRF service credit and want your IMRF disability and death protection to continue.

For more information, you can download the booklet “Purchasing IMRF Past Service Credit” from the member publications area of www.imrf.org.

What is a seasonal position?

You work in a seasonal position (and are considered an IMRF “seasonal” member) if your position requires you to work at least six months in a row but less than 12 months in a 12-month period. This does not refer to a calendar 12 months of January through December, but to any 12-month period.

An example of a seasonal position:

1) A member works at a school district and works the months of September, October, November, December, January, February, March, April, and May.

2) The member’s “off season” months (months she doesn’t work but is still considered an employee) are June, July, and August. The member is not paid during those months.

3) The next month, September, the member goes back to work as usual.

This example assumes that the member is considered an employee during her “off season” months. If so, the member will receive IMRF service credit for the entire 12-month period and not just for the months she worked.
If her employer does not consider her an employee during her off season months, she will receive service credit for the number of months actually worked in which she made a member contribution.

In other words, if you are employed by your employer for 12 months (even if you are on “seasonal leave” during part of that time), you will receive 12 months of IMRF service credit.

**What determines your seasonal pattern?**

If you are a seasonal employee, you will automatically receive seasonal service credit if your employer identifies your position as seasonal when you are enrolled in IMRF. Your months of seasonal service credit are based upon your “seasonal pattern.”

The seasonal pattern is determined by the type of employer:

**School Districts, Educational Districts, and Educational Regions:**
Seasonal employees receive seasonal service credit for June, July, August, and September. (Employer can designate a different seasonal pattern.)

**Park Districts and Forest Preserve Districts:**
Seasonal employees receive seasonal service credit for October, November, December, January, February, and March. (Employer can designate a different seasonal pattern.)

**All other employers who have seasonal employees:**
IMRF will contact the employer to determine the seasonal pattern. For you to receive seasonal service credit automatically, your employer must indicate on your Notice of Enrollment in IMRF that you work in a seasonal position.

Once your seasonal pattern is determined, you will automatically receive seasonal service credit for the seasonal months unless:

- Your employer does not report wages for the months you normally work (your “on season” months), or
- Your employer submits a Notice of Termination for you, or
• You are on an IMRF Benefit Protection Leave* (BPL) of Absence (you receive BPL service credit), or
• You receive an IMRF disability benefit payment (you receive disability service credit).

Concurrent service

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

If your employers report you under the same plan (e.g., the Regular plan), you earn one month of service credit and your salaries from all positions are combined for that month. If the concurrent service occurs during your “Final Rate of Earnings” period (see page 18), it can increase the amount of your pension.

What happens to your unused, unpaid sick days?
You may qualify for a maximum of one year (240 days) of additional service credit for unused, unpaid sick days:

If you retire from a school district, your sick days from your current and any previous school district employer(s) may be included in the calculation of your future pension.

If you do not retire from a school district, only your sick days from your last employer will be included in the calculation of your future pension.

* If your employer wishes to provide you with IMRF service credit and IMRF disability and death benefit protection while you are taking a leave of absence, your employer’s governing body would grant and file with IMRF an IMRF Benefit Protection Leave, IMRF Form 6.32. To be eligible for disability and death benefits, Form 6.32 must be filed before the disability or death occurs. For more information, refer to “Purchasing IMRF Past Service Credit” in the member publications area of the IMRF website, www.imrf.org.
You earn one month of service credit for every 20 days of unused, unpaid sick leave or fraction thereof. For example:

<table>
<thead>
<tr>
<th>Unused, unpaid sick days</th>
<th>Additional months of service credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-20</td>
<td>1 month</td>
</tr>
<tr>
<td>21-40</td>
<td>2 months</td>
</tr>
<tr>
<td>41-60</td>
<td>3 months</td>
</tr>
<tr>
<td>61-80</td>
<td>4 months</td>
</tr>
<tr>
<td>101-120</td>
<td>6 months</td>
</tr>
<tr>
<td>etc. up to 240 days</td>
<td>1 year</td>
</tr>
</tbody>
</table>

To convert the sick days to service credit, the sick days must meet certain criteria. You must not have received compensation of any kind—including payment of amounts less than your regular salary—for the sick leave. The sick leave must have been accumulated under a written plan established by your employer and available to all employees or to a class of employees.

This additional service credit applies:

- *If you are leaving employment for retirement.* The sick leave must have been earned under an established sick leave plan available to all employees or a class of employees, and the effective date of your pension must be within 60 days of your last day of participation in IMRF.

- *If a member dies while participating in IMRF and a surviving spouse pension is payable.* Because a surviving spouse pension is based on the pension the deceased member had earned, IMRF includes unused, unpaid sick days when calculating a surviving spouse pension (see page 41).

**Please note:** Converted sick leave service credit cannot be used to meet the following service requirements:

- Eight years for an IMRF pension,
- 35 years for an unreduced pension under age 60, or
- 20 years for the IMRF Early Retirement Incentive.
What is reciprocal service credit?

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

To be eligible to retire under the Reciprocal Act, you need:

• At least 12 months of service in each system* and

• The total amount of your service credit with all retirement systems must meet or exceed the vesting requirements of each system.

You would receive a separate pension payment from each retirement system.

Applying for a reciprocal pension

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

You need to submit separate pension applications with each system you participated in. Most importantly, be sure to tell each system that you are applying for a reciprocal pension. For more information on the Reciprocal Act and reciprocal pensions, you can download the Reciprocal Act brochure from the member publications area of www.imrf.org.

* A former school district teacher aide who transfers to a position covered by TRS may apply less than 12 months of IMRF service toward a reciprocal pension.
Your Final Rate of Earnings (FRE)

Under the Regular Tier 1 plan, your Final Rate of Earnings (FRE) is your highest total earnings during any 48 consecutive months within your last 10 years of IMRF service divided by 48. Usually, this is the average of the last 48 months of service.

Simple FRE calculation

To calculate this IMRF member’s Tier 1 FRE at retirement (we assume he retires in June 2020), the last four years (48 months) are used because his earnings were highest in the last 48 consecutive months:

<table>
<thead>
<tr>
<th>Period</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2019 to June 2020</td>
<td>$31,600</td>
</tr>
<tr>
<td>July 2018 to June 2019</td>
<td>$30,650</td>
</tr>
<tr>
<td>July 2017 to June 2018</td>
<td>$30,000</td>
</tr>
<tr>
<td>July 2016 to June 2017</td>
<td>$29,400</td>
</tr>
<tr>
<td>July 2015 to June 2016</td>
<td>$28,800</td>
</tr>
<tr>
<td>July 2014 to June 2015</td>
<td>$28,200</td>
</tr>
<tr>
<td>July 2013 to June 2014</td>
<td>$27,700</td>
</tr>
<tr>
<td>July 2012 to June 2013</td>
<td>$27,150</td>
</tr>
<tr>
<td>July 2011 to June 2012</td>
<td>$26,600</td>
</tr>
<tr>
<td>July 2010 to June 2011</td>
<td>$26,000</td>
</tr>
</tbody>
</table>

Total of last 48 consecutive months:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>4 year total</td>
<td>$121,650</td>
</tr>
<tr>
<td>Divided by 48</td>
<td>$2,534</td>
</tr>
<tr>
<td>This member’s FRE</td>
<td>$2,534</td>
</tr>
</tbody>
</table>
Increase in salary during last three months
If your earnings for the last three months are more than 25% greater than your highest earnings in any of the previous 45 months, IMRF “reduces” those earnings when we calculate your FRE.

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

Alternative FRE formula: Lifetime FRE
If a member has higher earnings at the beginning of his or her career, an alternate FRE is used. The Lifetime 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.

Please note: When you retire, IMRF will calculate your FRE using both methods and will use the FRE that provides you with the larger pension.
How do you qualify for a Regular Tier 1 pension?

- You must have at least eight years of service credit (can include reciprocal service, see page 17).

- You must not be working in any position which qualifies for IMRF coverage. An elected official holding an office that qualifies for IMRF participation can remain in the office and receive an IMRF pension if:
  - The elected official chose to not participate in IMRF when first elected, and
  - His/her pension is not based on any service earned in that elected position during any term of office.

- You must be at least age 55.
  - If you retire between age 55 and 60 and have less than 30 years of service credit, your pension will be reduced by 1/4% for each month you are under age 60.
  - If you retire between age 55 and 60 and have at least 30 but less than 35 years of service credit, your pension will be reduced by the lesser of
    - 1/4% for each month you are under age 60
    or
    - 1/4% for each month of service credit less than 35 years.
  - If you retire at age 60 or older or if you have 35 years of service credit, your pension will not be reduced.

Please note: Unused, unpaid sick days converted to service credit cannot be used to meet the eight-year requirement for an IMRF pension or the 35-year requirement for an unreduced pension under age 60.
How is your pension calculated?

Your pension is based on your Final Rate of Earnings (FRE) and your years of IMRF service credit. Your IMRF pension is paid as long as you live. Under Tier 1, your pension is increased annually on January 1 by 3% of the monthly pension amount you first received.

**Regular plan pension formula**

- 1-2/3% (.01667) of your Final Rate of Earnings for each of the first 15 years of service credit, plus
- 2% (.02) of your Final Rate of Earnings for each year of service credit more than 15 years.

*For example:*

<table>
<thead>
<tr>
<th>After earning</th>
<th>Your pension would equal*</th>
</tr>
</thead>
<tbody>
<tr>
<td>8 years of service</td>
<td>13% of your FRE</td>
</tr>
<tr>
<td>10 years of service</td>
<td>16% of your FRE</td>
</tr>
<tr>
<td>15 years of service</td>
<td>25% of your FRE</td>
</tr>
<tr>
<td>20 years of service</td>
<td>35% of your FRE</td>
</tr>
<tr>
<td>25 years of service</td>
<td>45% of your FRE</td>
</tr>
<tr>
<td>30 years of service</td>
<td>55% of your FRE</td>
</tr>
<tr>
<td>35 years of service</td>
<td>65% of your FRE</td>
</tr>
<tr>
<td>40 years of service</td>
<td>75% of your FRE</td>
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</table>

The total pension at retirement (including any portion attributable to converted sick leave) cannot exceed 75% of your Final Rate of Earnings.

*Assumes retirement at age 60 or later.*
Estimating the amount of your future pension
- Pension estimate chart—turn to page 28.
- Estimate using your current IMRF member information—visit the Member Access area of www.imrf.org (see page 44).
- Formal pension estimate—call 1-800-ASK-IMRF (275-4673). We recommend you request a formal estimate if you are within five years of retirement.

How to apply for your pension
IMRF’s Member Retirement Planning Checklist, available from www.imrf.org, can help you stay on track with your retirement planning.

Apply online
One month before you plan to retire, sign into your Member Access account, hover on “My Account,” select “Tools,” select “Secure Online Forms,” and click “Apply for an IMRF Pension.”

Apply with Form 5.20
One month before you plan to retire, submit IMRF Form 5.20, “Application for Retirement Annuity,” available at www.imrf.org. IMRF will contact you if you need to submit copies of the documents listed on the application.
If you have service credit with any of the 12 reciprocal retirement systems in Illinois, please refer to page 17.

IMRF pensions are effective on the first day of the month after you retire. IMRF pays pensions in advance on the first day of every month. For example, your August pension will be paid to you on August 1. If you retire at any time during a month, you receive full service credit for that month, and your pension will be effective on the first day of the next month.

If you retire on September 15, you will receive service credit for the month of September, and your pension will be effective on October 1. You will receive your first pension payment within 30 days of that date.

Please note: IMRF can “back date” a pension only 12 months. If you no longer participate in IMRF but are at least age 55, we recommend you apply for your pension.

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

When you retire, your initial pension payments are always based on IMRF’s Standard (straight life) payout. However, you may be eligible for other payment options. (Also see retirement refunds, page 10.)

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

Optional payout
Under Tier 1, if you retire before age 62, IMRF’s Optional payout permits you to choose an increased IMRF pension until age 62 and a reduced IMRF pension thereafter.

After we receive your retirement application and final wage report from your employer, IMRF will send you an “Option Letter” that provides the amounts payable under the Standard (straight life) payout and under the Optional payout. The calculations of the Optional payout vary and can be computed on an individual basis only.

Alternative Payout: Special Needs option
Under the Special Needs (Reversionary) Annuity option, you choose to have your pension payments “revert” (become payable) to someone else upon your death. This payment option is often selected by members whose spouses are not eligible for a surviving spouse pension (page 41) or who have children or other family members with special needs.

The person you name to receive the pension upon your death is called the “Special Needs Beneficiary.” The younger the age of the person you name, the greater the reduction in your monthly pension.

If you wish to consider the Special Needs Annuity option, submit Form 5.20R, “Special Needs Annuity Application to IMRF.”
Your choices under the Special Needs Annuity option
The percentage of the pension payable to the person you name (“Special Needs Beneficiary”) depends on whether you have a spouse eligible for a surviving spouse pension (see page 41) when you retire:

You retire under Tier 1 and

Your spouse is eligible for a surviving spouse pension:

- When you select the Special Needs option, you receive a smaller pension. Upon your death, your spouse would receive a surviving spouse pension equal to 50% of your unreduced Standard pension, that is, the Standard pension you would have been receiving had you not chosen the Special Needs Annuity.
- The surviving spouse pension is not affected by the Special Needs Annuity. The surviving spouse pension will always equal 50% of your unreduced Standard pension.
- You can elect a Special Needs Annuity that will provide your spouse—or 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.

You have no spouse or your spouse is not eligible for a surviving spouse pension:

- When you select the Special Needs option, you receive a smaller pension. You can select a Special Needs Annuity that will provide any one individual a pension equal to 50%, 75% or 100% of your reduced pension payable under the Special Needs Annuity.
- If your spouse is not eligible for a surviving spouse pension, this option allows you to provide a benefit which is similar to IMRF’s surviving spouse pension (see page 41).

You can download the Special Needs Annuity brochure from the member publications area of www.imrf.org.
Annual increases

Your IMRF pension is paid as long as you live. Under Tier 1, your pension is increased by 3% of the original amount on January 1 of each year after you retire. If your pension effective date is something other than January 1, your first year increase will be based on the number of months you are retired that first year.

Example of a 3% increase

When this IMRF member retired under Tier 1, her monthly pension was $500 and her pension was effective January 1. Because this member was retired a full year her first year of retirement, she will receive the full 3% increase beginning with year two. The increase is calculated as follows:

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Supplemental benefit payment ("13th Payment")

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

To receive the supplemental benefit payment in 2020, you must have stopped participating in IMRF on or before June 30, 2019, and you and/or your surviving spouse must have received at least 12 months of IMRF pension payments through June 2020.

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

1. Find your Final Rate of Earnings (definition on page 18) in the first column.
2. Find your years of service credit (top line).
3. Your estimated pension at age 60 or older will be the amount shown at the point where your earnings line and service column intersect.

**Example:** 25 years of service credit and Final Rate of Earnings of $2,000 will provide an IMRF pension of $900 per month at age 60 or older.

### YEARS OF REGULAR SERVICE CREDIT

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You can also calculate an estimate using your actual IMRF member information by visiting the Member Access area of www.imrf.org (see page 44).

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

**Social Security benefits are in addition to the figures shown below.**
Early Retirement Incentive under Tier 1

IMRF employers may adopt a resolution providing their IMRF members with an Early Retirement Incentive (ERI). Tier 1 members who retire under ERI may purchase from one month up to five years of additional service credit. For each month of service purchased, the age used to calculate the retirement benefit is increased by the same number of months. ERI example:

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

To be eligible to retire under the IMRF ERI under Regular Tier 1:

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

Note: The information provided here is a brief summary of ERI. Other requirements and limitations apply. Please contact IMRF or visit www.imrf.org for more information.

*The example uses 2 years 6 months for illustrative purposes only. Under ERI, a member can purchase up to five years of service credit.
Returning to work after retirement

Once you begin receiving your IMRF pension, you must contact IMRF if you return to employment or compensated elected office with a unit of government that participates in IMRF or in any of the other 12 reciprocal retirement systems in Illinois, such as the State Employees’ Retirement System, Teachers’ Retirement System, or the Cook County or Chicago public pension systems.

This rule applies even if you are considering independent contract work with a unit of government that participates in IMRF or in a reciprocal retirement system.

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

**Failure to inform IMRF of a return to work that qualifies for IMRF participation could result in significant financial repercussions for you.**

If your return to work results in a situation where you are again eligible for IMRF participation and/or where your pension payments should have been stopped, you will suffer the financial impact.

If you are considering returning to work for an IMRF employer (or for a reciprocal employer if you retired under the Reciprocal Act), you must **contact IMRF to discuss your individual situation** and how your pension, and current financial situation, may be affected.

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**Do not rely on an employer’s knowledge of return-to-work rules in order to make your decision about returning to work. Contact IMRF first.**
Check your IMRF Personal Statement of Benefits
If you return to work, you will receive an IMRF Personal Statement of Benefits the following year.

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

You can also check your Member Access account (see page 44).
Disability Benefits

Disability benefits

IMRF’s Member Disability Booklet, available from www.imrf.org, can guide you through the disability application process.

Disability benefits may be payable for any injury or illness whether work-related or not. If your application for IMRF disability benefits is approved, while you are receiving disability benefits, you:

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

For a complete explanation of your disability benefits, contact IMRF at 1-800-ASK-IMRF (275-4673) and request a copy of the IMRF Disability Benefits booklet.

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

Why bother applying for $10 per month?

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

Your pension is protected—If you retire with IMRF, IMRF will use your earnings at the time of your disability rather than the lower disability benefit payment to determine your Final Rate of Earnings (FRE). Because your FRE determines your IMRF retirement benefit, you protect your IMRF pension while on IMRF disability.
Your family is protected—Your IMRF death benefit protection (one year’s salary plus any balance in your member account) also continues while you receive disability benefits.

Eligibility for disability benefits
The following is a brief explanation of IMRF disability benefits. For detailed information, please refer to www.imrf.org.

You may be eligible for disability benefits if you:

- Have at least 12 consecutive months of IMRF service credit since being enrolled in IMRF.
- Have service credit in each of the 12 months immediately preceding the date of disability.*
- Are unable to perform—because of any illness, injury, or other physical or mental condition—the duties of any position which might reasonably be assigned to you by your current IMRF employer.
- Are not receiving any salary from any IMRF employer.
- Receive treatment for your disabling condition as soon as you stop working, and your physician(s) certifies your disability and provides evidence of your disability to IMRF.

Impact of terminations and resignations
If you become disabled and are eligible to receive IMRF disability benefits, your eligibility for disability benefits will not be affected if your employer terminates your employment.

However, if you voluntarily resign from your position, your disability benefits will stop on the effective date of your resignation. Contact IMRF for more information.

* If you have a one-, two-, or three-month gap in service within those preceding 12 months, you may still be eligible for IMRF disability benefits if you have 12 consecutive months of service credit anytime prior to the gap in service, and you participated with the same IMRF employer immediately before and after the gap.
Why you might not be eligible for disability benefits

Seasonal leave—You are protected by disability coverage only if you earn service credit for the off-season months. For more on seasonal employment, see page 13.

IMRF Benefit Protection Leave—While you are on a leave of absence, you are protected by disability coverage only if your employer files a formal leave authorization form with IMRF (IMRF Form 6.32, see bottom of page 15).

Condition started after employment terminated—You might not be (or remain) eligible for disability benefits if your disability results from a condition that was diagnosed after your employer terminated your employment.

Addiction/self-inflicted injury—You will not be eligible for disability benefits if the disability results from an addiction to narcotic drugs or from a self-inflicted injury.

For more information on when disability benefits are or are not payable (including information on pre-existing conditions), refer to the IMRF Disability Benefits booklet.

How to apply for disability benefits

It is your responsibility to apply for IMRF disability benefits when it is determined that you will be disabled for more than 30 days in a row. However, you should not file an application prior to becoming disabled if you are still able to work.

Apply online
Sign into your Member Access account, hover over “My Account,” select “Secure Online Forms,” then click “Apply for IMRF Disability Benefits.”

Apply with Form 5.40
You can also apply for disability benefits by submitting IMRF Form 5.40, “Member’s Application for Disability Benefits,” available at www.imrf.org.
A member may receive salary, sick, or vacation pay for more than 30 days following the date he or she becomes disabled. If this is the case, you should apply for disability benefits if you will be disabled beyond the last day you will be paid.

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

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

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

**How long are disability benefits paid?**

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

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

If you become totally and permanently disabled, assuming you remain disabled you may receive IMRF total and permanent disability benefits until the later of the following:

- You reach full Social Security retirement age or
- The last day of the month which is five years after you became eligible for IMRF temporary disability benefits.
Death and Survivor Benefits

Death benefits

The amount paid as a death benefit varies depending on your
• Membership status (active, inactive, or retired) and
• Years of service credit

For information on beneficiaries for the IMRF death benefit, see page 39.

Members actively participating in IMRF Tier 1
You are actively participating in IMRF if you are working in a position qualified for IMRF participation, receiving IMRF disability benefits, on seasonal leave, or on an IMRF Benefit Protection Leave.

Less than one year of service credit

*Death is job related*—A lump sum death benefit is paid to your beneficiary(ies) regardless of your years of service credit. The lump sum is equal to one year’s salary plus a refund of your member contributions.

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

More than one year but less than eight years of service credit

A lump sum death benefit [one year’s salary plus any balance* in your member account] is paid to your beneficiary(ies).

Eight or more years of service credit

The lump sum death benefit described above is paid to your beneficiary(ies). If you are married or in a civil union for at least one year and named your spouse as your only primary beneficiary, your spouse could choose a monthly surviving spouse pension (see page 41) plus $3,000 instead of the lump sum benefit.

* Member contributions plus interest paid to the date of death less any benefit prepayments
Members not actively participating
If you previously participated in IMRF Tier 1 and die while not participating in IMRF, but have contributions on deposit and are:

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

Age 55 or older and not eligible to receive a pension
Any balance* in your member account is paid to your beneficiary(ies).

Age 55 or older and eligible to receive a pension

- If you were married or in a civil union for at least one year before the date you stopped participating in IMRF and you named your spouse as your only primary beneficiary, he or she can choose either a surviving spouse pension (see page 41) plus a $3,000 death benefit, or a $3,000 death benefit plus a refund of any balance* in your member account.

- If you are single, widowed or divorced, a refund of any balance* in your member account and the $3,000 death benefit is paid to your designated beneficiary(ies).

* Member contributions plus interest paid to the date of death less any benefit prepayments
Members receiving an IMRF pension

A $3,000 death benefit is payable to your beneficiary(ies).

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

If you were married or in a civil union for at least one year prior to the date you stopped participating in IMRF and married to or in a civil union with the same spouse on the effective date** of your pension, a monthly surviving spouse pension (see page 41) may also be payable (in addition to the $3,000).

How to name beneficiaries

Naming beneficiaries for your IMRF death benefit is an important decision. This section provides a brief summary of whom a member can name as beneficiary for the IMRF death benefit. It is always a good idea to review your designation of beneficiary every few years. This way, you can be certain your designation is accurate and up-to-date.

Naming beneficiaries online

Sign into your Member Access account, hover over “My Account,” select “Secure Online Forms,” and then click “Change Beneficiary Information.”

Naming beneficiaries with Form 6.11

You can also name your beneficiaries by submitting IMRF Form 6.11, “Designation of Beneficiary,” available at www.imrf.org.

**Effective date of retirement: the date a member is first entitled to receive pension benefits. The effective date may be earlier than the date of the first pension payment.
Note: Public Act 96-1140 changed a member’s automatic beneficiary from the spouse to the member’s estate. If you are vested, married or in a civil union, and have no valid beneficiary form on file, a lump sum death benefit will be payable to your estate, and your surviving spouse may not be able to choose a surviving spouse pension (see page 41).

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

The language is provided on the Designation of Beneficiary form (paper or online).

Active and Inactive IMRF members
Married members or members in a civil union
A member’s automatic beneficiary is the member’s estate. If you are vested, married or in a civil union, and have no valid beneficiary form on file, a lump sum death benefit will be payable to your estate, and your surviving spouse may not be able to choose a surviving spouse pension (see page 41).

If you name your spouse as your primary beneficiary and you later divorce, your former spouse is no longer considered a beneficiary. If you want any other arrangement, you must file a new designation of beneficiary.

Single, widowed, or divorced members
You can name any person, organization, or your estate as your primary beneficiary.
Members receiving an IMRF pension

The automatic beneficiary for the $3,000 lump sum benefit is the member’s estate. If a retired member has no valid beneficiary form on file, the $3,000 lump sum death benefit will be paid to the member’s estate.

On the date the member stopped participating in IMRF, the member was:

• **Married or in a civil union for at least one year**
  By law the spouse will receive a surviving spouse pension. The $3,000 lump sum death benefit will be paid to the member’s designated beneficiary(ies).

• **Married or in a civil union for less than one year or single/widowed/divorced**
  The member can name any person, organization, or his or her estate as beneficiary(ies) for the $3,000 lump sum death benefit. A surviving spouse pension is not payable.

Surviving spouse pension under Tier 1

(If your spouse is not eligible for a surviving spouse pension, you can provide him or her with a benefit which is similar to a surviving spouse pension by electing a Special Needs Annuity at retirement. See page 24.)

Regardless of which pension payment option the member chose, a surviving spouse’s monthly pension under Tier 1 will equal one-half of the member’s Standard monthly pension (see page 24).

Or, in the case of a member who dies while participating in IMRF Tier 1 (see page 37), one-half of the Standard pension the member had earned at the date of death.

Surviving spouse pensions under Tier 1 are:

• Increased each January 1 by 3% of the original amount. The first year may be prorated unless the effective date of the benefit is January 1.

• Payable for the lifetime of the surviving spouse, even if the spouse remarries.
Surviving spouse pension payment options
Surviving spouse pensions are based upon IMRF’s Standard (straight life) payout. Under the Standard payout, the spouse receives the same pension amount every month for the rest of his or her life, regardless of how long the spouse lives.

However, if the surviving spouse is under age 60, IMRF will advise the spouse of the amounts payable under both the Standard (straight life) payout and under the Optional payout (see page 24).

Under the Optional payout, the spouse can choose an increased IMRF pension until age 60 and a reduced IMRF pension thereafter.

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

Death of a person receiving a surviving spouse pension
Upon the death of a person receiving a surviving spouse pension, no death benefit is payable. However, if any balance in the member’s account (member contributions plus interest less any benefits paid) has not been paid as retirement and survivor’s pension payments, IMRF will pay the remainder to the primary beneficiary(ies) designated by the deceased retired member and on file with IMRF.

If no primary beneficiary survives, IMRF will pay the secondary beneficiary(ies) designated by the deceased retired member and on file with IMRF. If no primary or secondary beneficiary(ies) survives, any remaining balance in the member’s account (member contributions plus interest less any benefit payments) will be paid to the surviving spouse’s estate.
Members Must Know

If you divorce

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

Qualified Domestic Relations Orders (QDRO)

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

Qualified Illinois Domestic Relations Order (QILDRO)

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

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

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

Free information available

If you are divorcing, no later than two to three months before your court date, contact IMRF at 1-800-ASK-IMRF (275-4673) and ask for the How Divorce Can Affect Your IMRF Benefits and the Qualified Illinois Domestic Relations Orders (QILDROs) booklets.

You can also download these booklets from the member publications area of www.imrf.org.
MEMBERS MUST KNOW

Member records

Member Access area of the IMRF website
You can view your IMRF account information, submit changes to that information and apply for benefits online with Member Access.

To register for an account, visit www.imrf.org and click on the “Register” link in the green box at the top right of the page. You will be guided through the registration process. For your security and privacy, you cannot request a User ID and password by phone or email.

Personal Statement of Benefits (“Member Statement”)
Each year, IMRF mails to all IMRF members a Personal Statement of Benefits, which provides an account of wages reported, contributions made, and service earned for the previous year.

The Statement also includes estimates of your IMRF benefits: retirement, disability, death, and refund.

Note: You can view your IMRF Personal Statement of Benefits with Member Access at www.imrf.org by hovering on “My Account,” clicking “Documents,” and then clicking “Member Statements.”

Keep your records up-to-date
You should notify IMRF in writing (including your signature) whenever you change your address. Any changes to your IMRF information must be made with your Member Access account or in writing with your signature.

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

If you stop participating in IMRF and become an inactive member, a limited number of changes can be made to your IMRF records.
Please note: You can add missing service credit only if you are actively participating in IMRF or in a reciprocal retirement system.

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

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

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

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

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

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

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

• *Health Insurance Continuation through your Employer-Sponsored Plan*—This booklet discusses health insurance continuation through your employer.

• *Health Insurance - IMRF Endorsed Health Plans*—This booklet discusses and provides details about the health insurance plans endorsed by IMRF.

You can obtain a copy of those booklets by calling 1-800-ASK-IMRF (275-4673) or by downloading them from the Retiree Publications area of www.imrf.org.

**Illinois Public Act 86-1444**

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

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

**Under Illinois law**

Under the Illinois Insurance Code, an IMRF employer who offers health insurance to its active employees must allow an IMRF member who retires or a member who goes on IMRF disability to continue on the employer’s insurance. (Please note: “An IMRF member who retires” includes Regular Tier 1 members who terminate employment and are eligible to receive a pension—are at least age 55 with at least eight years of service credit—even if they defer taking the pension).

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

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

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

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

Check with your employer’s personnel office regarding your COBRA rights and your rights under the Illinois Insurance Code.

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

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

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

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

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

**How IMRF operates**

IMRF serves about 3,000 employers: cities, villages, counties, school districts, townships, and various special districts, such as parks, forest preserves, and sanitary districts. Although total participation exceeds 400,000 IMRF is a local program. Each employer builds up an account to provide future benefits for its own employees.

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

**Questions**

**Member Services Representatives**

If you have a question about IMRF, you can call an IMRF Member Services Representative at 1-800-ASK-IMRF (275-4673). Member Services Representatives are available Monday through Friday, from 7:30 AM to 5:30 PM. Spanish-speaking Member Services Representatives are also available.

Please have your IMRF Member ID or Social Security Number available when you call.

You can also visit IMRF online at [www.imrf.org](http://www.imrf.org).
Glossary

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

**13th Payment**  
See “Supplemental Benefit Payment.”

**Active member**  
See “participating member.”

**Annuitant**  
A person receiving an IMRF pension or surviving spouse pension.

**Annuity**  
See “pension.”

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

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

**Board of Trustees**  
A group of eight persons organized to administer the Illinois Municipal Retirement Fund; seven must be participating members and one Trustee must be receiving an IMRF annuity (pension). Four Trustees are elected by employers, three are elected by participating members, and one is elected by IMRF annuitants (retirees). IMRF is the only public pension system in Illinois whose entire Board is elected. Board members serve without compensation.

**Civil union**  
Public Act 96-1513 was effective June 1, 2011, and conferred the rights of marriage available under Illinois law to parties to 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.

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

**Contribution**  
Member contributions: the percentage of an IMRF member’s gross salary withheld by the IMRF employer and submitted to IMRF each month. IMRF holds the member contributions until the member requests a refund or qualifies to receive a pension or when the member’s beneficiaries receive a death benefit. The percentage withheld is determined by Illinois law and is dependent on the member’s plan: Regular Plan 4.50%, Sheriff’s Law Enforcement Plan and the Elected County Official Plan 7.50%.
Covered position
See “qualified position.”

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

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

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

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

Divorce
The dissolution of a marriage or civil union.

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

Early Retirement Incentive (ERI)
At the employer’s option, a member can purchase up to five years of service credit to qualify sooner for retirement. For each period of service credit purchased, the member’s age is increased accordingly. Under Tier 1, the member must be at least age 50 and have at least 20 years of service credit (can include Reciprocal service).

ECO
The IMRF Elected County Official Plan provides an alternative benefit plan for elected county officials. This plan is closed to new members.

EFTS
Electronic Funds Transfer System. See “direct deposit.”

Eligible spouse
See “qualifying spouse.”
Field Representatives
IMRF Field Representatives work with employers and members.

Final Rate of Earnings
Final Rate of Earnings (FRE) is the salary used to calculate the amount of retirement benefits. (A separate FRE is calculated for disability and death benefits.) Under the Regular Tier 1 and SLEP plans: highest total earnings during any 48 consecutive months within the member’s last 10 years of IMRF service divided by 48. Usually, the average of the last 48 months of service. Also see “Lifetime Final Rate of Earnings.”

Formula
The Regular plan formula to calculate a pension is 1-2/3% (.01667) of the “Final Rate of Earnings” (FRE) for each of the first 15 years of service credit, plus 2% (.02) of the FRE for each year of service credit in excess of 15 years. Refer to the appropriate benefit booklet for the SLEP and ECO formulas.

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

Lifetime Final Rate of Earnings (FRE)
If you have higher earnings at the beginning of your career, IMRF uses a Lifetime FRE to calculate your pension. The Lifetime FRE averages all of your earnings reported by all of your IMRF employer(s) over your entire IMRF career. IMRF calculates your FRE using both methods and uses the FRE that provides the larger pension. Also see “Final Rate of Earnings.”

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

Member Statement of Account (or Member Statement)
See Personal Statement of Benefits.

Optional payout
If a Tier 1 member retires before age 62, he or she can choose IMRF’s Optional payout. Under this payment option, the member receives a larger pension until age 62 and a reduced pension thereafter. See “Standard Payout.”

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

Pension
A monthly IMRF pension is paid as long as the member lives. Under Tier 1, you need at least eight years of service credit and must be at least age 55 to apply for an IMRF pension, and the pension is increased by 3% of the original amount each year.

Pension credits
See “service credit.”
Personal Statement of Benefits
Also known as “Member Statement of Account” or “Member Statement.” Mailed to all members each year and available in Member Access. This statement provides an annual report of your salary, member contributions, service credit earned, and an estimate of IMRF benefit payments.

Pre-existing condition
IMRF disability benefits may not be payable if the condition that caused the disability is pre-existing—you had the condition which resulted in your current disability when you began participating in IMRF. If you have less than five years of service credit when you became disabled, you are subject to the pre-existing exclusion for total and permanent disability benefits.

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

Qualifying spouse
To receive a surviving spouse pension, the surviving spouse must have been married to 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.

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

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

Reversionary Annuity
See “Special Needs Annuity.”

Seasonal employees
Seasonal employees of school districts and special education cooperatives automatically receive 12 months of service credit if they are employed for the entire year. Other seasonal employees can receive 12 months of service credit if they are employed the entire year and the employer indicates the member is seasonal when the member is enrolled.

Separation refund
You can receive a separation refund—a return of all your member contributions without interest—if you end your employment with your IMRF employer. If you take a refund, you forfeit—give up—all of your service credit and all IMRF benefits.
Service credit
Service credit, service, or pension credits. Your total time as an IMRF member. Service is credited monthly while you are working, on an IMRF Benefit Protection Leave, or receiving IMRF disability benefits. Your pension continues to increase monthly because it is tied to your length of service.

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

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

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

Supplemental benefit payment
IMRF “13th Payment.” An additional benefit payment that is paid each July to eligible IMRF retirees and surviving spouses.

Surviving spouse contributions
All IMRF members are required, by law, to contribute toward a surviving spouse pension. If when you retire you do not have an eligible spouse (married to you for at least one year before you stopped participating in IMRF and married to you on the effective date of your pension), your surviving spouse contributions will be refunded, with interest.

Surviving spouse pension
Under Tier 1, one-half of the member’s Standard monthly pension.

Tier
“Tier” specifies the type of benefits for which a member may be eligible. Tier status is determined by a member’s first date of participation. If you first participated in IMRF (or in a reciprocal system, with the exception of the Judges’ Retirement System and the General Assembly Retirement System) before January 1, 2011, you participate in Tier 1. Members who first participated after that date participate in Tier 2.

Vested
Vesting establishes your right to a guaranteed future monthly retirement benefit. You are vested for a Regular Tier 1 pension when you earn eight years of any type of service credit. You are vested for a SLEP pension when you earn 20 or more years of SLEP service. Also see “Reciprocal Act.”
HAVE A QUESTION ABOUT YOUR IMRF BENEFITS?

Ask IMRF!
IMRF Member Services Representatives
1-800-ASK-IMRF (275-4673)
Tenemos representantes que hablan español.
Monday through Friday 7:30 AM to 5:30 PM
Please have your IMRF Member ID available when you call

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

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

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

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

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

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

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

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

IMRF OFFICE LOCATIONS:

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

Tier 1 Regular Plan 01/2020