Your Benefits

Revised Elected County Official Plan

(Closed to new members August 8, 2011)

Helping you build a secure retirement

Locally funded, financially sound.
**Employer and Member Information**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is the Revised Elected County Official (ECO) plan?</td>
<td>1</td>
</tr>
<tr>
<td>Features of the Revised ECO Tier 1 plan</td>
<td>2</td>
</tr>
<tr>
<td>Elected officials participation in IMRF</td>
<td>2</td>
</tr>
<tr>
<td>ECO plan closed</td>
<td>3</td>
</tr>
<tr>
<td>Eligibility for the Revised ECO Tier 1 plan</td>
<td>3</td>
</tr>
</tbody>
</table>

**Employer Information**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ECO employer rates</td>
<td>4</td>
</tr>
<tr>
<td>Rescinding the ECO plan</td>
<td>4</td>
</tr>
</tbody>
</table>

**Member Information**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>What you contribute to IMRF</td>
<td>5</td>
</tr>
<tr>
<td>Making additional contributions to IMRF</td>
<td>6</td>
</tr>
<tr>
<td>Refunds of member contributions</td>
<td>6</td>
</tr>
<tr>
<td>Refunds paid at retirement</td>
<td>7</td>
</tr>
<tr>
<td>Revised ECO Tier 1 service credit</td>
<td>8</td>
</tr>
<tr>
<td>Converting existing Regular or SLEP service credit</td>
<td>9</td>
</tr>
<tr>
<td>Salary/ECO Final Rate of Earnings</td>
<td>10</td>
</tr>
</tbody>
</table>

**Revised ECO Tier 1 retirement benefits**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chart to estimate ECO pension</td>
<td>11</td>
</tr>
<tr>
<td>Pension payment options</td>
<td>14</td>
</tr>
<tr>
<td>Annual increases</td>
<td>15</td>
</tr>
<tr>
<td>“13th Payment”</td>
<td>16</td>
</tr>
<tr>
<td>Returning to work after retirement</td>
<td>18</td>
</tr>
</tbody>
</table>

**Disability benefits**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19</td>
</tr>
</tbody>
</table>

**Death and survivor benefits**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>22</td>
</tr>
</tbody>
</table>

**Members Must Know**

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you divorce</td>
<td>27</td>
</tr>
<tr>
<td>Member accounts</td>
<td>27</td>
</tr>
<tr>
<td>Social Security</td>
<td>28</td>
</tr>
<tr>
<td>Continuing health insurance after you retire</td>
<td>29</td>
</tr>
<tr>
<td>About IMRF &amp; Questions</td>
<td>30</td>
</tr>
<tr>
<td>Dictionary of Terms</td>
<td>30</td>
</tr>
</tbody>
</table>
What is the Revised Elected County Official Plan?

The Revised IMRF Elected County Official plan (ECO) is an alternative benefit plan for elected county officials providing enhanced disability, retirement, and death benefits.

Public Act 96-0889 created a second tier for IMRF’s Revised Elected County Official Plan. Effective January 1, 2011, IMRF will assign a benefit “tier” to an elected official when he or she is enrolled in IMRF. The tier is determined by the member’s first participation date.

If you joined ECO:

• Prior to January 26, 2000, you participate in the original ECO program. Please refer to IMRF’s Original ECO Plan booklet.

• Between January 26, 2000 and December 31, 2010, you participate in Tier 1 of the revised ECO program described in this booklet.

• On or after January 2, 2011 and before August 8, 2011*, you participate in Tier 2 of the revised ECO program. Contact IMRF for more information.

ECO Plan closed

• The ECO Plan was closed to new members effective August 8, 2011. If a current elected county official has not elected to participate in ECO, he/she no longer has the option to do so. Future elected county officials may not elect ECO.

• If a county has not adopted the ECO plan, it no longer has the option to do so.

Your rights and responsibilities as an IMRF ECO member

This booklet provides you with a brief summary of your benefits as a Revised ECO Tier 1 participant. You can also obtain information about IMRF and print IMRF forms by visiting IMRF Online at www.imrf.org. IMRF benefits are in addition to those provided by Social Security.

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 IRC (in Sections 1-116, 1-117, 7-224 of the Illinois Pension Code).

* Exception: If you have any IMRF or reciprocal retirement system participation prior to January 1, 2011, and were enrolled in IMRF and elect ECO after January 1, 2011, you participate in Revised ECO Tier 1.

This booklet is designed to provide information about Tier 1 of the ECO plan to both members and employers.
Features of the Revised ECO Tier 1 plan

• The ECO plan is an employer option. The county must have first adopted the plan before August 8, 2011, for an elected county official to participate in it. If a county has not adopted the ECO plan, it no longer has the option to do so. A county may rescind a prior adoption of the plan.

• The election to participate in ECO applies only to the current term of office. If an ECO member is elected to a different office:
  • In a different county, he or she is not eligible for ECO in that new county.
  • In the same county, he or she can participate in ECO by completing a new “Election By Elected County Official to Participate in IMRF Elected County Official Plan,” at the beginning of the new term of office.

• ECO plan members contribute 7.50% of earnings toward an enhanced pension formula.

• A Revised ECO Tier 1 member’s Final Rate of Earnings (FRE) is the average of the highest consecutive 48 months of Revised ECO Tier 1 ECO service in the last 10 years held in a specific office with the same county.

• A separate ECO FRE is calculated for each elected county position held.

• An ECO member must hold the same elected county position in the same county for a minimum of eight years to qualify for the Revised ECO Tier 1 retirement formula.

• ECO service credit is earned on the same basis and under the same conditions as service credit under the Regular and SLEP plans.

• Eligibility for disability benefits under the ECO plan differs from eligibility for disability benefits under the Regular or SLEP plans.

• Upon the death of an ECO member actively participating in ECO (making ECO member contributions) or receiving an ECO pension, survivor benefits may be payable to both the spouse and to minor children.

Elected officials participation in IMRF

Elected officials have the option of participating in IMRF’s Regular plan if the elected official’s position qualifies for IMRF coverage (i.e., the position held requires the elected official to work a number of hours per year that meets or exceeds the IMRF hourly standard, which is either 600 or 1,000 hours as chosen by the employer’s governing body).

If an elected official wishes to participate in IMRF, he or she completes Form 6.21, “Election to Participate for Qualifying Position.” The election to participate is irrevocable for that office.
Elected county officials had the option of participating in the IMRF Elected County Official plan. If an elected county official joined the ECO plan:

- Prior to January 26, 2000, the official participates in the original ECO program. Please refer to IMRF’s Original ECO Plan booklet.
- Between January 26, 2000, and December 31, 2010, the official participates in Tier 1 of the Revised ECO program described in this booklet.
- On or after January 1, 2011, but before August 8, 2011, the official participates in Tier 2 of the Revised ECO program. *(See page 1 for exception.)* Contact IMRF for more information.

**ECO plan closed**

- The ECO Plan was closed to new members effective August 8, 2011. If a current elected county official has not elected to participate in ECO, he/she no longer has the option to do so. Future elected county officials may not elect ECO.

**Eligibility for the ECO plan**

Prior to August 8, 2011, if an elected county official wished to participate in the ECO plan:

- The county board must have passed a resolution adopting the IMRF ECO plan.
- The elected county official must have been holding elected office on the date he or she elects to participate in the ECO plan.
- Elected offices include, but are not limited to:
  - **County Clerk Coroner**
  - **Assessor (if elected) State’s Attorney**
  - **Members of County Board Recorder**
  - **Treasurer Auditor**
  - **Sheriff Circuit Court Clerk**
  - **Persons appointed to fill a vacancy in an office normally filled by county wide election**

- Participation in the ECO plan is not automatic. The elected county official must have elected to participate in writing when he or she began participation in IMRF by completing an “Election by Elected County Official to Participate in the revised Elected County Official Plan.”

- Participation in the ECO plan expires at the end of an elected county. If after August 8, 2011, an ECO member is elected to a different office:
  - In the same county, he or she can participate in ECO by completing a new “Election by Elected County Official to Participate in the revised Elected County Official Plan.”
  - In a different county, he or she is not eligible for ECO in that new county.

- An ECO member may stop participating in the ECO plan at any time and return to Regular (or SLEP) coverage by completing IMRF Form 6.28, “Revocation of Election to Participate in Elected County Official Plan.”

However, if the ECO plan member chooses to stop participating in the ECO plan, the decision is irrevocable. The elected county official may not re-enroll in the ECO plan at a later date, even if he or she is elected to another county office.
**ECO employer rates**

- If a county has members participating in both the Original and Revised ECO Tier 1 and/or Tier 2 plans, a single employer rate will be established encompassing all plans.

- If a Revised ECO plan member converts existing Regular or SLEP service earned as an elected county official to ECO service, the member’s **ECO employer** will be charged for the additional benefit costs.

- Counties have the authority to require officials who are converting Regular or SLEP service to ECO service to also pay the county’s additional costs.

- Employer costs for Revised ECO are charged the same way Regular and SLEP costs are charged to employers.
  - Under Revised ECO, a county is responsible only for costs of benefits payable to the member for service earned with that county.
  - If a Revised ECO plan member stops working for the county but later participates in ECO through another county:
    1. The member’s “first” ECO county is responsible only for costs of benefits the member earned while participating in ECO through that county.
    2. The member’s “second” ECO county is responsible only for costs of benefits the member earned while participating in ECO through the “second” county.

**Rescinding the Elected County Official plan**

Once the ECO plan has been adopted, the county may rescind the resolution. However, the county’s current ECO members would remain “grandfathered” in the ECO plan.
What do you contribute to IMRF

Member contribution rates for IMRF plans are as follows:

- 7.50% of earnings for ECO members (including SLEP members)
  - 6.75% for the member’s ECO pension
  - 0.75% for a survivor’s pension
- 7.50% of earnings for SLEP members
  - 6.75% for the member’s SLEP pension
  - 0.75% for a surviving spouse pension
- 4.50% of earnings for Regular plan members
  - 3.75% for the member’s Regular plan pension
  - 0.75% for a surviving spouse pension

If you participated in ECO under a different county and were elected to an ECO eligible position in a county that has not adopted ECO, you would participate in Regular or SLEP as appropriate.

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.

If you leave office without eight years of ECO service in the same elected county position with the same county (you do not qualify for an ECO pension), your additional ECO contributions would be refunded with interest, either when you retire (if you are vested) or when you apply for a separation refund. If you retire, you can receive the refund as a lump sum or monthly annuity.

Read more about retirement refunds on page 6.
Making additional contributions to IMRF

You can increase your retirement savings by making additional contributions to IMRF up to an additional 10% of your earnings to the Voluntary Additional Contributions (VAC) program. At retirement, your Voluntary Additional Contributions may be taken as a lump sum or as an additional monthly pension. VAC are after tax—they are not tax-deferred like usual IMRF member contributions. Some members may be better served by contributing a portion of their salary on a pre-tax (tax-deferred) basis to their employer’s deferred compensation plan, e.g., 457 or 403(b).

Earning interest on your VAC

Unlike VAC themselves, the interest credited to your VAC account is tax-deferred. Visit 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.

Interest on Voluntary Additional Contributions 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 your Voluntary Additional Contributions are on deposit.

Although you can apply for a refund of your Voluntary Additional Contributions at anytime, IMRF discourages such refunds. If you are seeking a short-term savings vehicle, making Voluntary Additional Contributions may not be the right choice.


Refunds of Voluntary Additional Contributions

You can apply for a refund of your Voluntary Additional Contributions at any time, even while still participating in IMRF. You would submit a “Request for Refund of Voluntary Additional Contributions (VAC)” form. (Partial refunds are not allowed.)

If you stop participating in IMRF, stop working for your IMRF employer and apply for a separation refund (submit IMRF Form 5.10), your Voluntary Additional Contributions must be refunded as well. The interest earned on the contributions will be subject to federal tax withholding. For more information on refunds of Voluntary Additional Contributions, see page 7.

Refunds of member contributions

If you apply for a separation refund of your IMRF contributions, like any other refund of member contributions paid when a member stops participating in IMRF and stops working for his or her IMRF employer, separation refunds under the ECO plan are payable without interest.
How to apply for a refund

Submit IMRF Form 5.10, “Application for Separation Refund.” You are not eligible for a refund if you stop participating in IMRF but continue working for the same employer.

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. If you return as a SLEP member or as a sheriff in the ECO plan, you can repay the refund after you again participate in IMRF for at least 1,000 hours.

You would complete and submit IMRF Form 6.03, “Application for Reinstatement of Service Credit.” You may redeposit the withdrawn contributions, plus interest, either in a lump sum or installments.

Refunds paid at retirement

If you do not hold the same elected position for eight years with the same county (which means you are not eligible for the ECO formula), your ECO service will be treated as Regular or SLEP service, as appropriate. See page 12.

If you retire under the Regular Plan, you will receive a refund of your additional ECO contributions (3%) plus interest.

You can receive a retirement refund in a lump sum or as an additional retirement annuity (see below).

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 (married to you 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, but you wish to provide him or her with a pension upon your death, at retirement you can choose the Special Needs Annuity option. See page 15.)

Converting a retirement refund into a monthly annuity

• A retirement refund cannot be converted to a monthly annuity payment unless the monthly payment is at least $10 a month.

• If you have multiple refunds, e.g., surviving spouse and voluntary additional contribution refund, both must be converted to an annuity. You cannot choose to annuitize one refund but not the other. Also, you must convert the entire amount of the refund.

• The additional monthly annuity will be paid for your lifetime. However, there is no annual 3% increase and this annuity is not eligible for the supplemental benefit (“13th Payment”).

• The original lump sum amount is the guaranteed minimum payout. There is no maximum payout.

• If you die before receiving annuity payments that equal the balance in your member account (member contributions plus interest less any benefits paid), the remainder will be paid to your beneficiary(ies).

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 paid to the date of death, less any benefits paid).

ECO service credit

Service credit is your total time under IMRF, stated in years and months. ECO service credit is earned on the same basis and under the same conditions as service credit under the Regular and SLEP plans:

• You receive one month of service credit for each month you work in a position qualified for IMRF participation and make an IMRF member contribution.

However, as an elected official, you may be paid irregularly (i.e., quarterly or semi-annually). You will receive service credit for the unpaid months (months in which you do not receive earnings) if you are paid at least once a year and the county has notified IMRF of the unpaid months.

• As an elected official, you may also be eligible to apply for a maximum of 50 months of retroactive service credit. To apply for the retroactive credit, you would complete IMRF Form 6.04, “Application for Retroactive Service Credit.” (Note: you need a minimum of eight years in the same position with the same county to be eligible for the ECO formula.) If your county board adopted the consenting resolution before January 1, 2002, you may purchase more than 50 months of retroactive service credit.
• ECO service credit is eligible to be used under the Reciprocal Act; however, the ECO formula applies only to the ECO service. Reciprocal service cannot be used to vest for an ECO pension.

• You are eligible for up to five years’ Early Retirement Incentive (ERI) service credit if you meet the ERI eligibility requirements and if your employer has passed the ERI resolution.

If you stop participating in IMRF and become an inactive member, a limited number of changes can be made to your IMRF record. 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.

Converting existing service credit

You may convert existing Regular or SLEP service credit you earned as an elected county official to ECO service credit. (Note: you need a minimum of eight years in the same position with the same employer to be eligible for the ECO formula.)

Your cost to convert existing service is as follows:

• 3% of earnings plus interest for each month of Regular service credit converted
• 0% to 3% (depending on the original SLEP contribution) of earnings plus interest for each month of SLEP service credit converted.

Counties have the authority to require elected officials who convert Regular or SLEP service to ECO service to also pay the county’s additional costs.

A county may pass a resolution requiring you to pay the additional employer contributions. Once the resolution is passed, it is irrevocable.

• If you joined ECO before your county passes the resolution, your cost to convert existing service would not include your county’s additional costs.
• If you joined ECO after your county passes the resolution, you would be required to pay the county’s costs for your converted service.

Converting your service will allow you to maximize your pension. Your cost to convert your service would be estimated. IMRF is unable to calculate the exact cost because it depends on when you retire and your final salary at retirement.

To convert the service, you would complete IMRF Form 6.06, “Conversion of Regular or SLEP Service to ECO Service.” Once IMRF receives your application, we will calculate your cost and mail you a payment schedule and information on payment options.

If you wish to maximize your pension at the least possible cost, submit Form 6.06 and IMRF will provide you with an estimate of your cost. If you have not converted all of your service by the time you retire, when you retire IMRF will provide you with a final payment to convert the balance of your service.
If you took a refund of your Regular or SLEP service

If you previously earned Regular or SLEP service credit as an elected county official but forfeited that service by taking a refund, that service may be reestablished as ECO service.

To do so, you would participate in IMRF or a reciprocal retirement system for two years after the date of the refund, then repay the refund. If you return as a SLEP member or as a sheriff in the ECO plan, you can repay the refund after you again participate in IMRF for at least 1,000 hours.

You can repay the refund and convert the elected county official Regular or SLEP service credit to ECO simultaneously. You may also pay the cost and convert retroactive service simultaneously.

Converting/purchasing other service

You may be eligible to receive or purchase other service credit, e.g.,

• Your position qualified for IMRF, but your employer did not deduct contributions and did not report your wages or contributions to IMRF.
• You wish to convert time served in the military to IMRF service.
• You 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.
• You are an elected official who held an office qualifying for IMRF. You now participate in IMRF and wish to purchase up to 50 months of previous elected official service.
• You are an elected official who held an office qualifying for IMRF. You now participate in IMRF and wish to purchase more than 50 months of previous elected official service credit.
• You have service credit with a public pension system in another state and wish to convert it to IMRF service credit.

For more information on converting or purchasing service credit, visit the IMRF website at www.imrf.org.

Salary/Revised ECO Tier 1 Final Rate of Earnings

Your Final Rate of Earnings (FRE) is the salary used to calculate the amount of disability, retirement, and death benefits.

Under the Regular Tier 1 and SLEP plans, a member’s FRE is the average of the highest 48 months within the last 10 years of service. Usually this is the average of the last 48 months of service.

Under the Revised ECO Tier 1 plan, your retirement FRE is the average of the highest 48 months of ECO service:

• In the last 10 years of service in a specific office with the same county or
• The number of years held in a specific office (minimum eight years) with the same county
The Revised ECO Tier 1 FRE does not include any lump sum payments for vacation, sick leave, overtime, personal leave, etc.

The Revised ECO Tier 1 FRE does include stipends.

A separate FRE will be calculated for each elected county position you hold for eight or more years.

**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.

When you retire, IMRF will calculate your FRE using both methods and will use the FRE that provides you with the larger pension.

**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.

**Revised ECO Tier 1 retirement benefits**

Your IMRF pension is paid as long as you live and is increased on January 1 of each year after you retire by 3% of the monthly pension amount you first received. (The first year increase is prorated.)

You need eight years of Revised ECO Tier 1 service in the *same elected position with the same county* to qualify for the Revised ECO Tier 1 formula.

If you do not earn eight years of ECO service in the same elected position with the same county, your:

- Service will be treated as Regular or SLEP, as appropriate
- Additional ECO contributions will be refunded with interest when you retire

**Vesting for an ECO pension**

Participation in ECO does not change IMRF Regular Tier 1 plan or SLEP vesting requirements. The earliest retirement age is:

- Age 55 with eight years of any combination of service credit (Regular Tier 1, SLEP, and/or ECO Tier 1)
- Age 50 (for SLEP members only) with 20 years of SLEP service credit or 20 years of SLEP and SLEP ECO service credit
- Age 50 with 20 years of service if the last employer adopted the IMRF Early Retirement Incentive (ERI) and you meet all ERI requirements
ECO formula

An ECO pension is calculated as follows (credit is given for partial years after eight years in the same position with the same county):

- 3% of ECO monthly Final Rate of Earnings for each of the first eight years of ECO service credit, plus
- 4% of ECO monthly Final Rate of Earnings for each of the next four years of ECO service credit, plus
- 5% of ECO monthly Final Rate of Earnings for each year of ECO service credit in excess of 12 years, to a maximum of 80% at 20 years of service.

More information

- The 80% maximum Revised ECO Tier 1 pension can also be earned if you have a combination of both ECO Tier 1 service and Regular Tier 1 or SLEP service (which has not been converted to ECO).
- The rules governing reduction of a Regular Tier 1 plan pension if a member retires prior to age 60 still apply:
  - 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
    • 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.

However, the reduction is not applicable if you are eligible for a SLEP pension or to any portion of a pension attributable to ECO service.

- You may retire under the Reciprocal Act. However, reciprocal service cannot be used to vest for an ECO pension.
- You can retire under the Early Retirement Incentive (ERI) if you meet the ERI eligibility requirements and if your employer has passed the ERI resolution.

Retiring with non-ECO service

If you have both ECO and Regular or SLEP service credit when you retire:

- The ECO monthly FRE(s) will be used with the ECO service credit
- The “customary” (Regular/SLEP) FRE will be used with the Regular and/or SLEP service credit
- The ECO formula is applied first to the ECO service.
Examples

<table>
<thead>
<tr>
<th>Member A has 16 years of ECO service credit followed by five years of Regular service credit. The pension formula would be applied as follows:</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.0% x 8 years ECO service = 24.0% of ECO monthly FRE</td>
</tr>
<tr>
<td>4.0% x 4 years ECO service = 16.0% of ECO monthly FRE</td>
</tr>
<tr>
<td>5.0% x 4 years ECO service = 20.0% of ECO monthly FRE</td>
</tr>
<tr>
<td>1.66% x 5 years Regular service = 8.3% of “customary” FRE</td>
</tr>
<tr>
<td>Member B has 20 years of SLEP service earned in an ECO eligible position followed by four years of Regular service. He decides to convert eight years of SLEP service to ECO. ECO is applied first, then SLEP, then Regular:</td>
</tr>
<tr>
<td>3.0% x 8 years ECO service = 24.0% of ECO monthly FRE</td>
</tr>
<tr>
<td>2.5% x 12 years SLEP service = 30.0% of “customary” FRE</td>
</tr>
<tr>
<td>1.66% x 4 years Regular service = 6.64% of “customary” FRE</td>
</tr>
</tbody>
</table>
### How to use this table

1. Find your ECO final monthly rate of earnings in the first column.
2. Find your years of ECO service credit (top line).
3. Your approximate monthly pension at age 55 or older will be the amount shown at the point where your earnings line and service column intersect.

### Social Security benefits are in addition to the figures shown below. For example:

15 years of ECO service credit and a Final Rate of Earnings of $1,500 a month will provide an ECO pension of $825 per month at age 55 or older.

<table>
<thead>
<tr>
<th>YEARS OF ECO SERVICE CREDIT</th>
<th>8</th>
<th>9</th>
<th>10</th>
<th>11</th>
<th>12</th>
<th>13</th>
<th>14</th>
<th>15</th>
<th>16</th>
<th>17</th>
<th>18</th>
<th>19</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly FRE</td>
<td>8</td>
<td>9</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>15</td>
<td>16</td>
<td>17</td>
<td>18</td>
<td>19</td>
<td>20</td>
</tr>
<tr>
<td>300</td>
<td>72</td>
<td>84</td>
<td>96</td>
<td>108</td>
<td>120</td>
<td>135</td>
<td>150</td>
<td>165</td>
<td>180</td>
<td>195</td>
<td>210</td>
<td>225</td>
<td>240</td>
</tr>
<tr>
<td>500</td>
<td>120</td>
<td>140</td>
<td>160</td>
<td>180</td>
<td>200</td>
<td>225</td>
<td>250</td>
<td>275</td>
<td>300</td>
<td>325</td>
<td>350</td>
<td>375</td>
<td>400</td>
</tr>
<tr>
<td>700</td>
<td>168</td>
<td>196</td>
<td>224</td>
<td>252</td>
<td>280</td>
<td>315</td>
<td>350</td>
<td>385</td>
<td>420</td>
<td>455</td>
<td>490</td>
<td>525</td>
<td>560</td>
</tr>
<tr>
<td>800</td>
<td>192</td>
<td>224</td>
<td>256</td>
<td>288</td>
<td>320</td>
<td>360</td>
<td>400</td>
<td>440</td>
<td>480</td>
<td>520</td>
<td>560</td>
<td>600</td>
<td>640</td>
</tr>
<tr>
<td>900</td>
<td>216</td>
<td>252</td>
<td>288</td>
<td>324</td>
<td>360</td>
<td>405</td>
<td>450</td>
<td>495</td>
<td>540</td>
<td>585</td>
<td>630</td>
<td>675</td>
<td>720</td>
</tr>
<tr>
<td>1100</td>
<td>264</td>
<td>308</td>
<td>352</td>
<td>396</td>
<td>440</td>
<td>495</td>
<td>550</td>
<td>605</td>
<td>660</td>
<td>715</td>
<td>770</td>
<td>825</td>
<td>880</td>
</tr>
<tr>
<td>1300</td>
<td>312</td>
<td>364</td>
<td>416</td>
<td>468</td>
<td>520</td>
<td>585</td>
<td>650</td>
<td>715</td>
<td>780</td>
<td>845</td>
<td>910</td>
<td>975</td>
<td>1,040</td>
</tr>
<tr>
<td>1500</td>
<td>360</td>
<td>420</td>
<td>480</td>
<td>540</td>
<td>600</td>
<td>675</td>
<td>750</td>
<td>825</td>
<td>900</td>
<td>975</td>
<td>1,050</td>
<td>1,125</td>
<td>1,200</td>
</tr>
<tr>
<td>1700</td>
<td>408</td>
<td>476</td>
<td>544</td>
<td>612</td>
<td>680</td>
<td>765</td>
<td>850</td>
<td>935</td>
<td>1,020</td>
<td>1,105</td>
<td>1,190</td>
<td>1,275</td>
<td>1,360</td>
</tr>
<tr>
<td>1800</td>
<td>432</td>
<td>504</td>
<td>576</td>
<td>648</td>
<td>720</td>
<td>810</td>
<td>900</td>
<td>990</td>
<td>1,080</td>
<td>1,170</td>
<td>1,260</td>
<td>1,350</td>
<td>1,440</td>
</tr>
<tr>
<td>1900</td>
<td>456</td>
<td>532</td>
<td>608</td>
<td>684</td>
<td>760</td>
<td>855</td>
<td>950</td>
<td>1,045</td>
<td>1,140</td>
<td>1,235</td>
<td>1,330</td>
<td>1,425</td>
<td>1,520</td>
</tr>
<tr>
<td>2100</td>
<td>504</td>
<td>588</td>
<td>672</td>
<td>756</td>
<td>840</td>
<td>945</td>
<td>1,050</td>
<td>1,155</td>
<td>1,260</td>
<td>1,365</td>
<td>1,470</td>
<td>1,575</td>
<td>1,680</td>
</tr>
<tr>
<td>2300</td>
<td>552</td>
<td>644</td>
<td>736</td>
<td>828</td>
<td>920</td>
<td>1,035</td>
<td>1,150</td>
<td>1,265</td>
<td>1,380</td>
<td>1,495</td>
<td>1,610</td>
<td>1,725</td>
<td>1,840</td>
</tr>
<tr>
<td>2500</td>
<td>600</td>
<td>700</td>
<td>800</td>
<td>900</td>
<td>1,000</td>
<td>1,125</td>
<td>1,250</td>
<td>1,375</td>
<td>1,500</td>
<td>1,625</td>
<td>1,750</td>
<td>1,875</td>
<td>2,000</td>
</tr>
<tr>
<td>3000</td>
<td>720</td>
<td>840</td>
<td>960</td>
<td>1,080</td>
<td>1,200</td>
<td>1,350</td>
<td>1,500</td>
<td>1,650</td>
<td>1,800</td>
<td>1,950</td>
<td>2,100</td>
<td>2,250</td>
<td>2,400</td>
</tr>
<tr>
<td>3500</td>
<td>840</td>
<td>980</td>
<td>1,120</td>
<td>1,260</td>
<td>1,400</td>
<td>1,575</td>
<td>1,750</td>
<td>1,925</td>
<td>2,100</td>
<td>2,275</td>
<td>2,450</td>
<td>2,625</td>
<td>2,800</td>
</tr>
<tr>
<td>4000</td>
<td>960</td>
<td>1,120</td>
<td>1,280</td>
<td>1,440</td>
<td>1,600</td>
<td>1,800</td>
<td>2,000</td>
<td>2,200</td>
<td>2,400</td>
<td>2,600</td>
<td>2,800</td>
<td>3,000</td>
<td>3,200</td>
</tr>
</tbody>
</table>
How to apply for your pension

One month before you plan to retire, submit IMRF Form 5.20, “Application for Retirement Annuity.” IMRF will contact you if you need to submit copies of the documents listed on the application.

IMRF pensions are effective on the first day of the month after you terminate employment. 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.

Please note: IMRF can “back date” a pension only 12 months. If you no longer participate in IMRF but have reached the minimum retirement age, 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) plan. However, you may be eligible for other payment options.

Standard (straight life) payout

Under the Standard payout, you receive the same pension amount every month after you retire 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

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 a member’s retirement application and final wage report from his or her employer, IMRF will advise members under age 62 of 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 (Reversionary) Annuity 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 24) or who have a child, a family member, or some other individual with special needs.
The person you name to receive the pension upon your death is called the “special needs annuitant.” The younger the age of the person you name, the greater the reduction in your monthly pension.

Retiring members choosing the Special Needs Annuity option must make this choice at the time of retirement by completing and submitting IMRF Form 5.20R available from www.imrf.org.

Your decision to choose the Special Needs Annuity is irrevocable—it cannot be canceled or changed.

Your choices under the Special Needs Annuity option

The percentage of the pension payable to the person you name (“special needs annuitant”) depends on whether you have a spouse eligible for a surviving spouse pension (see page 24) when you retire:

1. Your spouse is eligible for a surviving spouse pension

Upon your death, your spouse will receive a surviving spouse pension equal to 66-2/3% of your unreduced Standard pension, that is, the Standard pension you would have been receiving had you not chosen a Special Needs Annuity.

The surviving spouse pension is not affected by the Special Needs Annuity. The surviving spouse pension will always equal 66-2/3% 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% of the reduced pension you had been receiving because you chose a Special Needs Annuity. You are not required to name your spouse, you can name any person to receive the Special Needs Annuity.

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

You can elect a Special Needs Annuity that will provide any one person a pension equal to 50%, 75% or 100% of your reduced pension, that is, the reduced pension you had been receiving because you chose a Special Needs Annuity.

This option allows you to provide a lifetime pension for your spouse if he or she is not eligible for a surviving spouse pension (see page 23).

Annual increases for Revised ECO Tier 1

An IMRF pension is paid as long as you live and is increased by 3% of the original amount on January 1 of each year after you retire. Unless the effective date of your pension is January 1, your first year increase will be less than 3%. In these cases, the increase is based on the number of months you are retired that first year.
Example of a 3% increase

When this IMRF member retired, his monthly pension was $1,000 and his pension was effective January 1. Because this member was retired an entire calendar year his first year of retirement, he will receive the full 3% increase beginning with year two. The increase is calculated as follows:

<table>
<thead>
<tr>
<th>Year</th>
<th>Monthly Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$1,000</td>
</tr>
<tr>
<td>2</td>
<td>$1,030</td>
</tr>
<tr>
<td>3</td>
<td>$1,060</td>
</tr>
<tr>
<td>4</td>
<td>$1,090</td>
</tr>
<tr>
<td>5</td>
<td>$1,120</td>
</tr>
<tr>
<td>10</td>
<td>$1,270</td>
</tr>
<tr>
<td>15</td>
<td>$1,420</td>
</tr>
</tbody>
</table>

Supplemental benefit payment ("13th Payment")

Each July IMRF provides a supplemental benefit payment ("13th Payment") to 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.
Returning to work after retirement under IMRF Tier 1

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 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.

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 (“Member Statement”) the following year.

Your 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 27).
IMRF disability benefits

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

If your application for IMRF disability benefits is approved, while you are receiving disability benefits, you:

- Continue to earn Regular or SLEP service credit as if working (at no cost to you). See page 20 for ECO disability credit.
- Continue to be covered by IMRF death benefit protection.
- Receive monthly disability benefit payments.
- Are assured that your future pension would be based on your full salary, not on your reduced disability benefit.

For a complete explanation of your disability benefits, contact IMRF at 1-800-ASK-IMRF (1-800-275-4673) 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 pension, you protect your 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 less any benefit prepayments) also continues while you receive disability benefits.

Eligibility

The following eligibility requirements apply to both Regular/SLEP and ECO disability benefits:

- One year of (any) service credit required
- Pre-existing exclusions apply
- 30-day waiting period before benefits are payable
- Benefit payment is offset by Social Security and workers’ compensation
You will be eligible for ECO disability benefits if:

- You elect to receive ECO disability benefits instead of Regular/SLEP disability benefits
- You are unable to reasonably perform the duties of office (and no longer hold the office)
- You are making ECO contributions at the time disability occurred
- Two licensed physicians approved by IMRF certify that you are permanently disabled

If you are eligible for disability benefits, you may choose to receive benefits under the Regular/SLEP Plan or under the ECO plan.

**Differences between Regular/SLEP and ECO disability benefits**

- **Under the Regular/SLEP plans**
  - Benefit payable is 50% of last 12 months’ salary
  - Degree of disability: unable to perform the duties of any position which might reasonably be assigned to you by your current IMRF employer
  - One physician’s certification
- **Under the ECO Plan**
  - Benefit payable is equal to the pension earned to date
  - Degree of disability: unable to reasonably perform the duties of office (and no longer hold the office)
  - Two physicians certify your permanent disability

Example of disability benefit payable to an ECO member with 16 years of ECO service:

- 50% of salary under the Regular/SLEP plan or
- 60% of salary under the ECO plan

If you are granted ECO disability benefits, those benefits continue until you retire or reach full Social Security retirement age, assuming you continue to be permanently disabled.

**While receiving ECO disability benefits, you earn Regular or SLEP service credit, but your survivors continue to be protected by ECO death benefits.**

**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 consecutive days. You can obtain Form 5.40, “Member’s Application for Disability Benefits” from www.imrf.org. However, you should not file an application prior to becoming disabled if you are still able to work.

If you receive salary, sick, or vacation pay for more than 30 days following the date you become disabled, 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. 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. 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 become totally and permanently disabled:

**Before age 60**—you may receive IMRF total and permanent disability benefits until you reach your Social Security full retirement age*.

**At age 60 or older**—you may receive IMRF disability benefits (combined temporary and total and permanent) for five years or until you reach your Social Security full retirement age*, whichever is greater. After reaching your Social Security full retirement age, disability benefits are reduced by Social Security retirement benefits.

For complete information on IMRF disability benefits, please refer to the IMRF Disability Benefits Booklet.

---

*The age for Social Security full retirement benefits is increasing beginning with individuals born in 1938. For details, refer to IMRF’s Disability Benefits booklet, the Social Security website (www.ssa.gov), or call Social Security at 1-800-722-1213.*
ECO death benefits

The lump sum death benefit payable to beneficiaries of active, inactive, or retired Revised ECO Tier 1 members is identical to the lump sum benefit payable under the Regular Tier 1 plan.

Please note: Public Act 96-1140, effective July 21, 2010, changed the automatic beneficiary from your spouse to your estate. If you are vested, married, and have no beneficiary form on file, or if you name someone other than your spouse as the primary beneficiary, a lump sum death benefit will be payable, and your spouse may not be eligible to choose a surviving spouse pension. However, you cannot exclude children from a child’s pension.

- **Death of a member participating in Revised ECO Tier 1**

  If you die while participating in Revised ECO Tier 1 or receiving ECO disability benefits and

  - **Death is job related**
    A lump sum death benefit is paid to your beneficiary(ies) regardless of the years of service credit. The lump sum is equal to one year’s earnings plus the balance of your member account*. An eligible surviving spouse may choose a monthly benefit instead of the lump sum if you have eight or more years of service credit.

  - **Death is not job related**
    If death is not job related and you have:

    - **Less than one year of service credit**, your member contributions are refunded to your beneficiary(ies)
    - **More than one year of service credit**, a lump sum death benefit is paid to your beneficiary(ies). The lump sum is equal to one year’s earnings plus any balance* in your member account.
    - **Eight or more years of service credit**, an eligible surviving spouse or minor children (in some circumstances) may choose a monthly benefit plus a $3,000 payment, instead of a lump sum death benefit (one year’s earnings plus any balance* in your member account).

* Member contributions plus interest paid to the date of death less any benefit prepayments
• **Death of a member receiving a Revised ECO Tier 1 pension**

If you die while receiving a Revised ECO Tier 1 pension:

– If your spouse and/or children:
  - Are eligible, a monthly benefit plus a $3,000 death benefit is payable
  - Are not eligible, they are paid $3,000, plus any remainder of contributions and interest that were not paid out as a pension.

– If you have no spouse or children, your designated beneficiary(ies) is paid $3,000, plus any remainder of contributions and interest that were not paid out as a pension.

• **Death of an inactive Revised ECO Tier 1 member**

If you die while not participating in ECO but have contributions on deposit with IMRF and you have:

– Less than eight years of (any combination of) service credit or you are under age 55, any balance* in your member account is paid to your beneficiary(ies).

– Eight or more years of (any combination of) service credit and you are age 55 or over, your eligible spouse or other beneficiary(ies) will receive a lump sum death benefit of $3,000 plus any balance* in your member account. However, in lieu of a refund of member contributions, your spouse may wish to receive a Regular plan monthly surviving spouse pension (see below) plus 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 on “My Account,” select “Secure Online Forms,” and then select “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](http://www.imrf.org).

---

**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.
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).

Surviving spouse pension/child’s pension

(If your spouse is not eligible for an IMRF Surviving Spouse pension, you can provide him or her with a survivors pension by choosing a Special Needs Annuity when you retire. See page 15.)

Eligibility requirements for a Revised ECO Tier 1 surviving spouse pension/child’s pension:

- **You**
  - Receiving an ECO pension on date of death or
  - Actively participating in ECO on date of death: eight or more years of any combination of IMRF service credit

If you were not actively participating in ECO or receiving an ECO pension on the date of death, an ECO surviving spouse/child’s pension is not payable. Survivor benefits would be calculated under the Regular Tier 1 plan formula (see below).

- **Your Spouse**
  - Married to you on your last day of ECO participation AND
  - For at least one year prior to your death

If your spouse is eligible for an ECO surviving spouse pension, he or she can choose benefits payable under the ECO plan or under the Regular Tier 1 plan (see below).

- **Your Child(ren)**
  - Under age 18 and not married
  - Eligible children include adopted children if the adoption proceedings began at least one year prior to your death

A child’s pension is payable if your spouse is not eligible for a surviving spouse pension, but at the time of your death you have unmarried children under the age of 18. You must also have had eight or more years of service credit, and have been actively participating in ECO or receiving an ECO pension.

Surviving spouse pension under the Regular Tier 1 plan

In addition to the $3,000 lump sum payment:

- 50% of the pension the member was receiving or had earned to date.

---

*Member contributions plus interest paid to the date of death less any benefit prepayments*
Surviving spouse pension under the Revised ECO Tier 1 plan

Death of a member actively participating in the Revised ECO Tier 1 plan

• In addition to the $3,000 lump sum payment:
  – At age 50 or older, your spouse will receive a monthly pension equal to 66-2/3% of the ECO pension you had earned (minimum amount payable is 10% of your ECO Final Rate of Earnings), and 50% of any non-ECO pension you had earned.
  – If your spouse is caring for your minor, unmarried children, your spouse will receive (age 50 requirement does not apply):
    • A monthly pension equal to 30% of your ECO Final Rate of Earnings
    • 10% of your ECO Final Rate of Earnings for each minor, unmarried child

Maximum total monthly benefit payable to your spouse and children cannot exceed the greater of 66-2/3% of the ECO pension you had earned plus 50% of any non-ECO pension you had earned or 50% of your ECO Final Rate of Earnings.

When a child reaches age 18 or marries, the amount of the surviving spouse pension is recalculated.

When no minor children remain, the monthly benefit payable will be 66-2/3% of the ECO portion of the pension you had earned (minimum amount payable is 10% of your ECO Final Rate of Earnings), plus 50% of any non-ECO portion of the pension you had earned.

However, if at that time your spouse is less than age 50, the ECO portion of the benefit payment will stop and will resume when he or she attains age 50.

Death of an ECO member receiving a Revised ECO Tier 1 pension

• In addition to the $3,000 lump sum payment:
  – At age 50 and older, your spouse will receive a monthly pension equal to 66-2/3% of the ECO pension you had been receiving (minimum amount 10% of ECO Final Rate of Earnings), and 50% of any non-ECO portion of the pension you had been receiving.
  – If your spouse is caring for your minor, unmarried children, your spouse will receive (regardless of his or her age—the age 50 requirement does not apply) the greater of:
    • A monthly pension equal to 66-2/3% of the Revised ECO Tier 1 pension you had been receiving plus 50% of any non-ECO pension you had been receiving, or
    • A monthly pension equal to the lesser of:
      – 30% of your ECO Final Rate of Earnings (FRE) plus 10% of the FRE for each minor, unmarried child, or
      – 50% of your FRE

The total combined payment to your spouse and/or minor children cannot exceed 75% of the pension you had been receiving.

When a child reaches age 18 or marries, the amount of the surviving spouse pension is recalculated.

When no minor children remain, the monthly benefit payable will be 66-2/3% of the ECO pension you had been receiving (minimum amount payable is 10% of your ECO Final Rate of Earnings), plus 50% of any non-ECO pension you had been receiving.

*Member contributions plus interest paid to the date of death less any benefit prepayments
However, if at that time your spouse is less than age 50, the ECO portion of the benefit payment will stop and will resume when he or she attains age 50.

**Death of an inactive Revised ECO Tier 1 member**

- In addition to the $3,000 lump sum payment:
  - A monthly surviving spouse pension calculated under the Regular plan formula (one-half of the pension you had earned at the date of death), if you were vested and at least age 55, or
  - A refund of any balance* in your member account
  - An ECO child’s pension is not payable.

**Child’s Pension**

If there is no surviving spouse, if the spouse is not eligible, or if an eligible spouse dies, a child’s pension is payable to your minor (under age 18) unmarried children:

**Death of a member actively participating in the Revised ECO Tier 1 plan**

- A monthly pension for each child equal to 20% of your ECO Final Rate of Earnings (FRE)
  (The maximum total monthly benefit payable to all children cannot exceed 50% of your ECO FRE.)

**Death of a member receiving an ECO pension**

- A monthly pension for each child equal to 20% of the pension you had been receiving
  (The maximum total monthly benefit payable to all children cannot exceed the lesser of 50% of your ECO FRE or 75% of your pension.)

**Death of an inactive ECO member**

- A child’s pension is not payable

If your child(ren) is eligible for an ECO child’s pension, he or she may be able to choose benefits payable (including lump sum benefits) under the Revised ECO Tier 1 plan or under the Regular Tier 1 plan.

**A child’s pension is discontinued at:**

- Age 18 or
- Marriage, whichever occurs first

When any minor child reaches age 18 or marries (whichever is earliest), the death benefit is recalculated to what it would have been had that child not been a minor at the time of your death.

When all children are age 18 or married, any remaining member contributions and interest (not paid out as pension payments) is paid in a lump sum to your designated beneficiary(ies).

Legally adopted children are eligible for a child’s pension. However, stepchildren (not adopted) are not eligible for a child’s pension.

---

*Member contributions plus interest paid to the date of death less any benefit prepayments*
If you divorce

The IMRF retirement pension is considered 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 of the benefit to be paid to the member’s ex-spouse, unless a second court order (called a QILDRO Calculation Court Order) is filed with IMRF when the member retires or applies for a refund. Survivor benefits are not subject to a QILDRO.

Also, a QILDRO requires IMRF to split the benefit at the time it is actually paid. IMRF cannot pay the ex-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](http://www.imrf.org).

**Member accounts**

**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](http://www.imrf.org) and look for the green box in the upper right-hand corner, then click on the “Register” link. 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 members a Member Statement of Account which provides an account of wages reported, contributions made and service earned for the previous year.

Your Statement also includes estimates of your IMRF benefits: retirement, disability, death, and refund. When you receive your Member Statement of Account, review it carefully and verify that the wages and contributions reported for you agree with your records.

You can view your IMRF Personal Statement of Benefits in Member Access at www.imrf.org; log in to your account, then click "Member Statements" on the right side of the page.

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 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.

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. 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 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 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 member publications area of [www.imrf.org](http://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. You will also find additional information at [www.imrf.org](http://www.imrf.org).
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**

The IMRF ECO plan currently has a membership of approximately 500 active participants in municipalities across Illinois. However, IMRF is still a local program. Each ECO employer builds up a savings account to provide pensions for its ECO members.

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 and benefits, 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. 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. However, 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. 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 7.50%, 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, your 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 with 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.
Early Retirement Discount
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 IMRF Tier 1 plans, 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.

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 (FRE)
The salary used to calculate the amount of benefits. Under the Revised ECO Tier 1 plan, the retirement FRE is the average of the highest 48 months of ECO service in the last 10 years of service in a specific office with the same county or the number of years held in a specific office (minimum eight years) with the same county. A separate FRE will be calculated for each elected county position you hold for eight or more years. Also see “Lifetime Final Rate of Earnings.”

Formula
The ECO plan formula is 3% of ECO monthly Final Rate of Earnings (FRE) for each of the first eight years of ECO service credit, plus 4% of ECO monthly FRE for each of the next four years of ECO service credit, plus 5% of ECO monthly FRE for each year of ECO service credit in excess of 12 years, to a maximum of 80% at 20 years of service.

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

Member Statement of Account
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 payout 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 IMRF Tier 1 plans, it is increased by 3% of the original amount each year.

Pension credits
See “service credit.”

Personal Statement of Benefits
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 became disabled on or after 1/1/2002, you are not subject to the pre-existing exclusion for temporary disability benefits. If you have less than five years of service credit, you remain subject to the pre-existing exclusion for total and permanent disability benefits.

Qualified position
Also known as covered position. An IMRF qualified position is one which will equal or exceed an employer’s annual hourly standard. An employee is required to participate in IMRF if he or she works in an IMRF qualified position. (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 the IMRF member for at least one year prior to the member’s termination from IMRF (or reciprocal system, if appropriate).

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 on the member’s enrollment form.

Separation refund
You can receive a separation refund—a return of all your member contributions without interest—if you terminate 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 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 Tier 1 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
For ECO Tier 1, 66-2/3% 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.

Vested
Vesting establishes your right to a guaranteed future monthly retirement benefit. Participation in ECO does not change IMRF Tier 1 vesting requirements.
This Page Intentionally Left Blank
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 or Social Security Number 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.

---

Illinois Municipal Retirement Fund

**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

ECO Tier 1 REVISED Plan 01/2020