



# **2025 EMPLOYER RATE MEETING**

# Agenda

- IMRF 101
- Financial Update
- Rate-making Principles
- Annual Documentation
- Closing Remarks





**I**llinois  
**M**unicipal  
**R**etirement  
**F**und

## A defined benefit pension fund for employees of local government.

- Pension benefits
- Disability benefits
- Death benefits



*Locally funded, financially sound.*



# IMRF is Neither Funded or Managed by the State of Illinois



# Our Board of Trustees

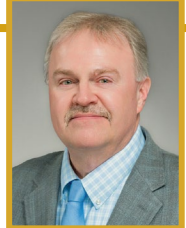
## 4 ELECTED BY EMPLOYERS



**Gwen Henry**  
Treasurer  
DuPage County



**David Miller**  
Executive Director  
North Shore Water  
Reclamation District



**Peter Stefan**  
Finance Director/Treasurer  
Village of  
Lake in the Hills



**Brian Townsend**  
Village Manager  
Village of  
Schaumburg

## 1 ELECTED BY RETIRED MEMBERS



**William Stafford**  
Retired Chief  
Financial Officer  
Evanston Township High  
School District 202

## 3 ELECTED BY MEMBERS



**Douglas Cycholl**  
Fire Hydrant  
Foreman  
City of Springfield



**Natalie Copper**  
School-age Child Care  
Site-coordinator  
Dawes School in Evanston



**Jason Isaac**  
Lead Maintenance  
Technician  
Champaign Unit 4  
School District

**P** *President*

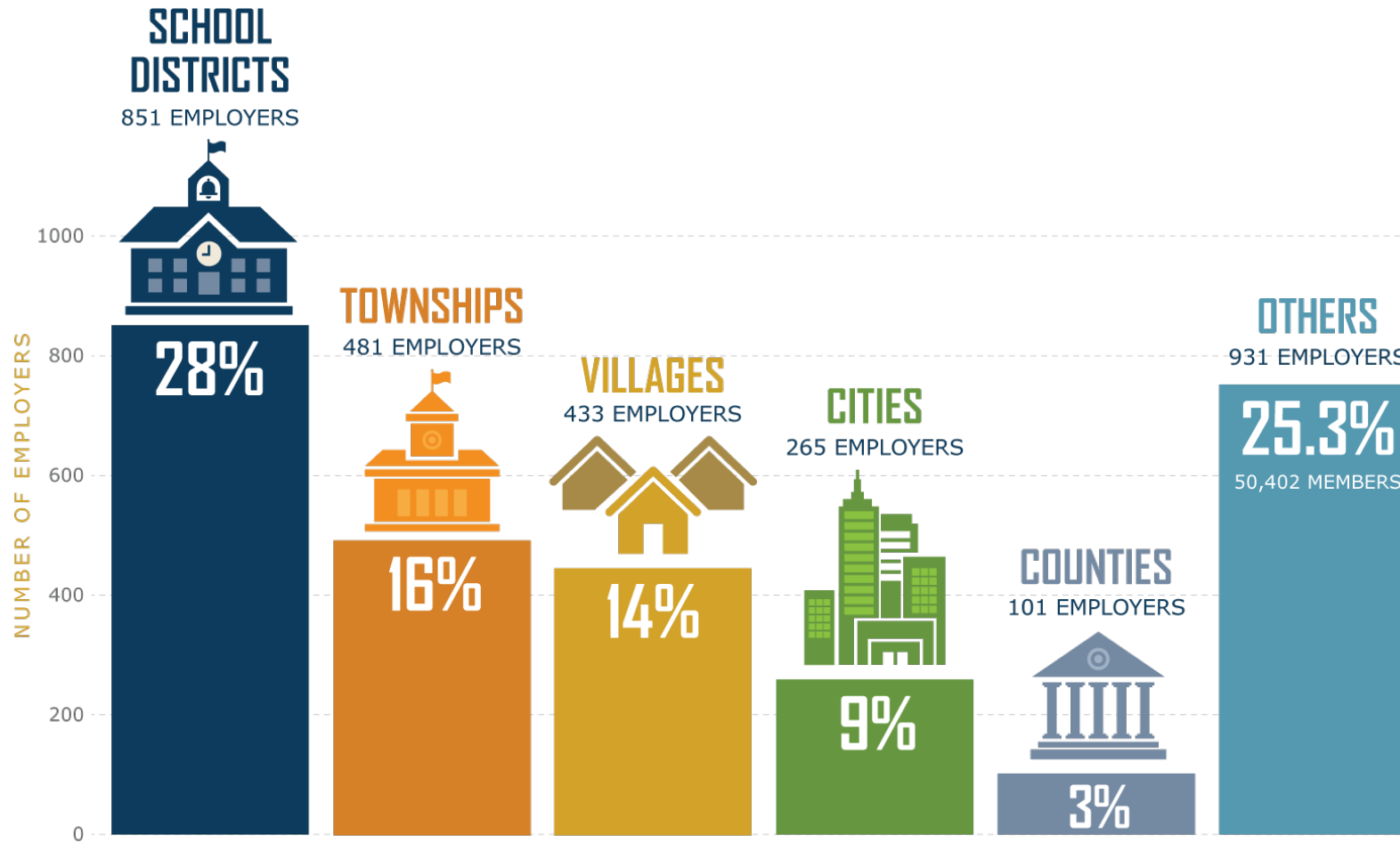
**V** *Vice President (vacant)*

**S** *Secretary*

Six Trustee positions  
will be up for election in 2025.

If you want to run for Trustee,  
the candidate packet will be  
available on [www.IMRF.org](http://www.IMRF.org)

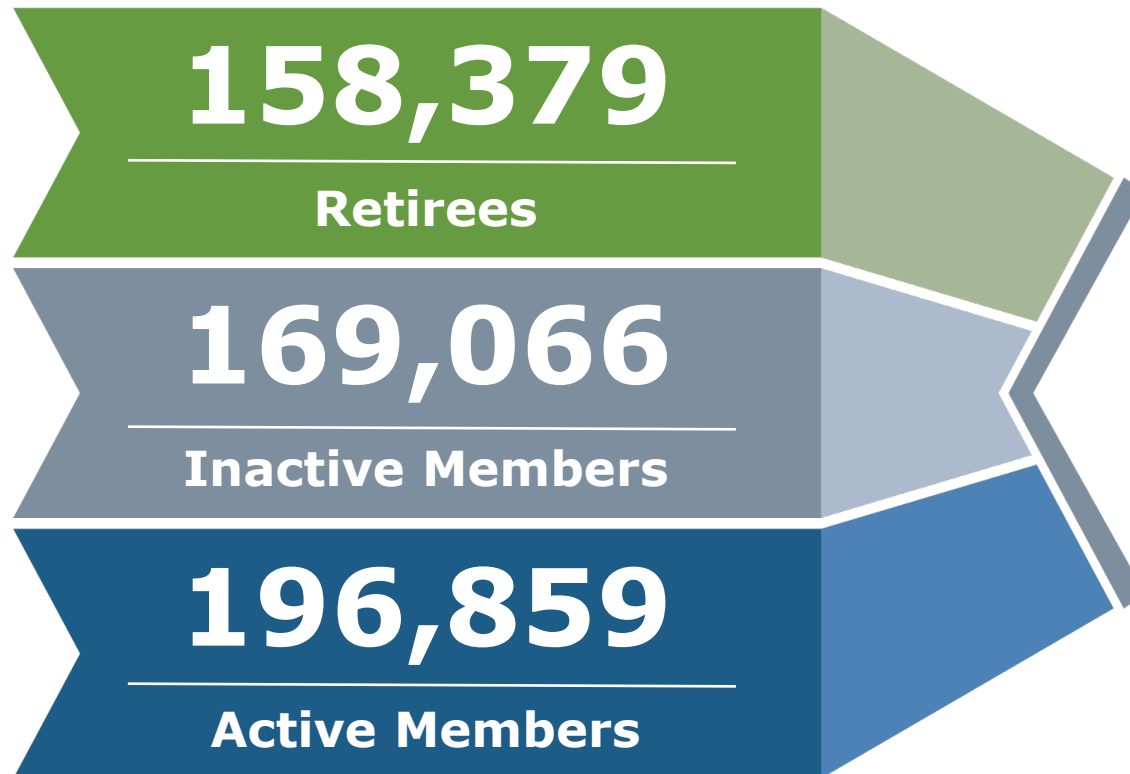
# Employer Demographics



**3,062**

**Total Employers**

# IMRF's Membership



## 524,304

### TOTAL IMRF CUSTOMERS



Almost 10% of  
Illinois households



## IMRF's economic impact across Illinois in 2024

*IMRF paid \$2.459 billion to Illinois retirees*

*Payments generated \$3.65 billion in economic activity\**

*IMRF supported creation of 24,255 jobs*

\*IMRF benefit payments times the U.S. Bureau of Economic Analysis Total Output Multiplier



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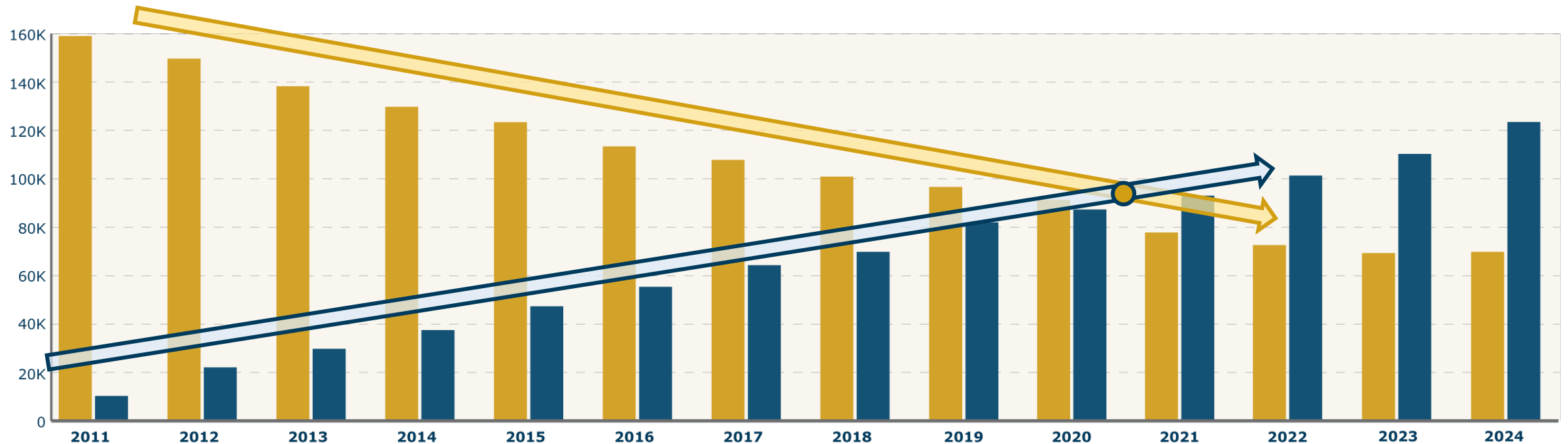
OR



***Member participation began  
prior to January 1, 2011***

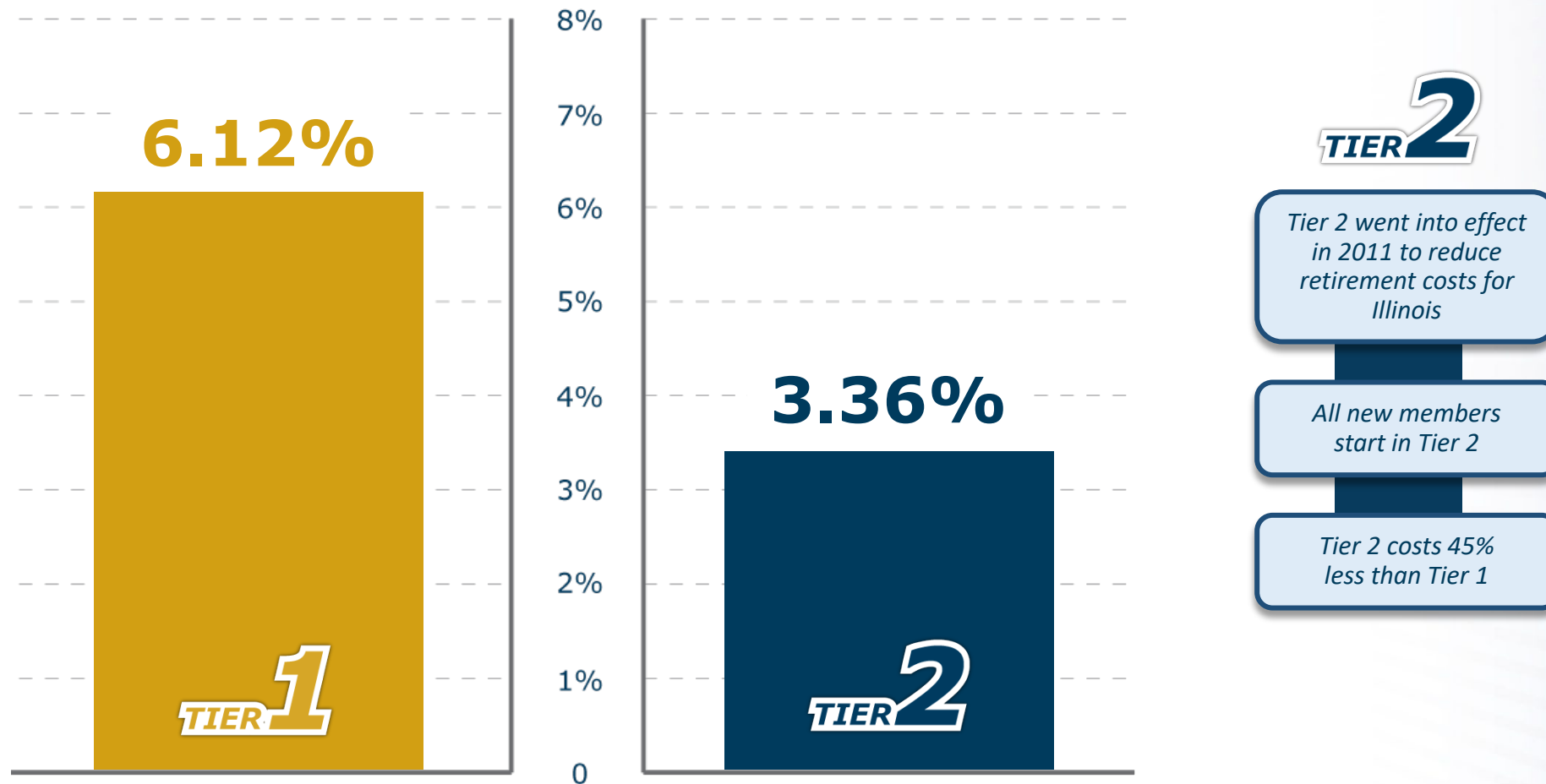
***Member participation began  
on or after January 1, 2011***

# Number of Active Regular Plan Members

**TIER 1****TIER 2**

Locally funded, financially sound.

# 2024 Regular Plan Average Normal Cost





# Financial Update

**The FY 2024 figures in this presentation are preliminary estimates.**

*These figures will be finalized in our 2024 Annual Comprehensive Financial Report that will be published on our website.*

# 2024 Financial Results

**\$2.8  
BILLION**

2024 Portfolio Increase

**9.1%  
RETURN**

2024 Net Investment Return

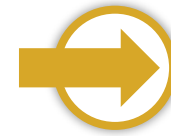
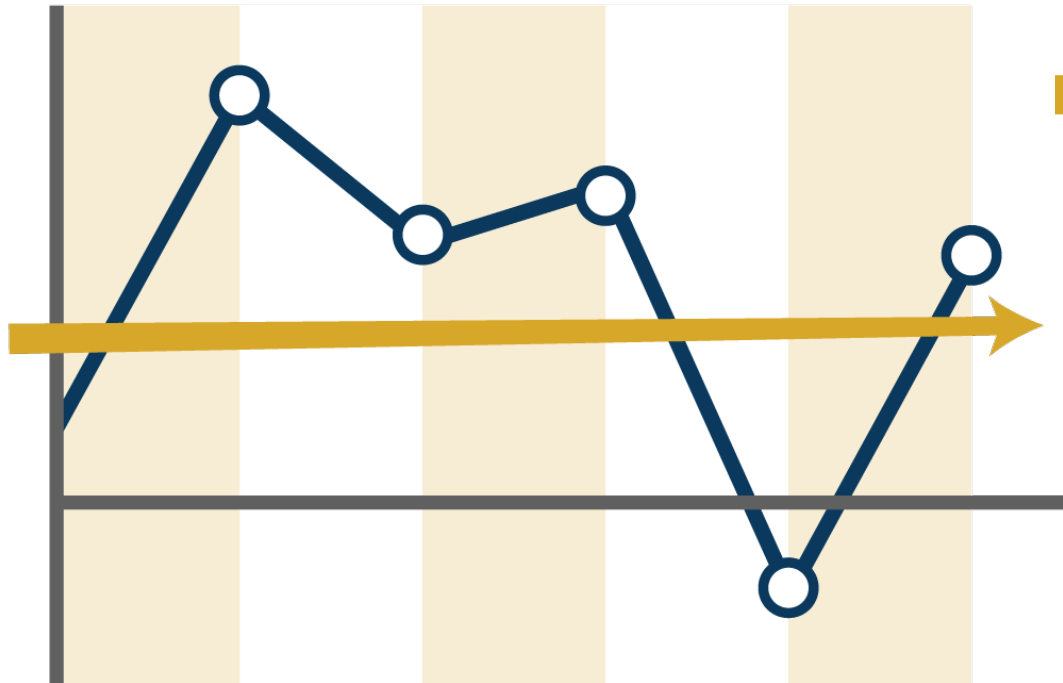
**\$54.9  
BILLION**

Investments as of 12/31/2024



*Locally funded, financially sound.*

# Rate Impact From Investment Results are Smoothed Over a 5-year Period

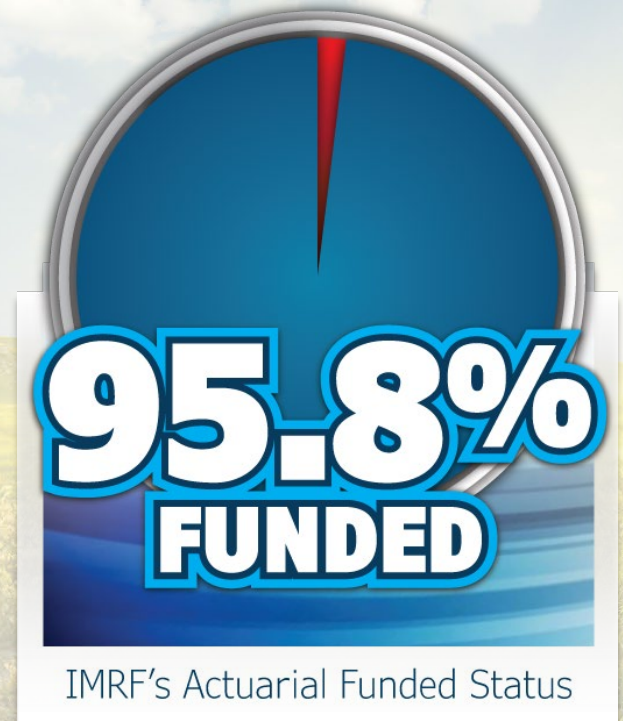
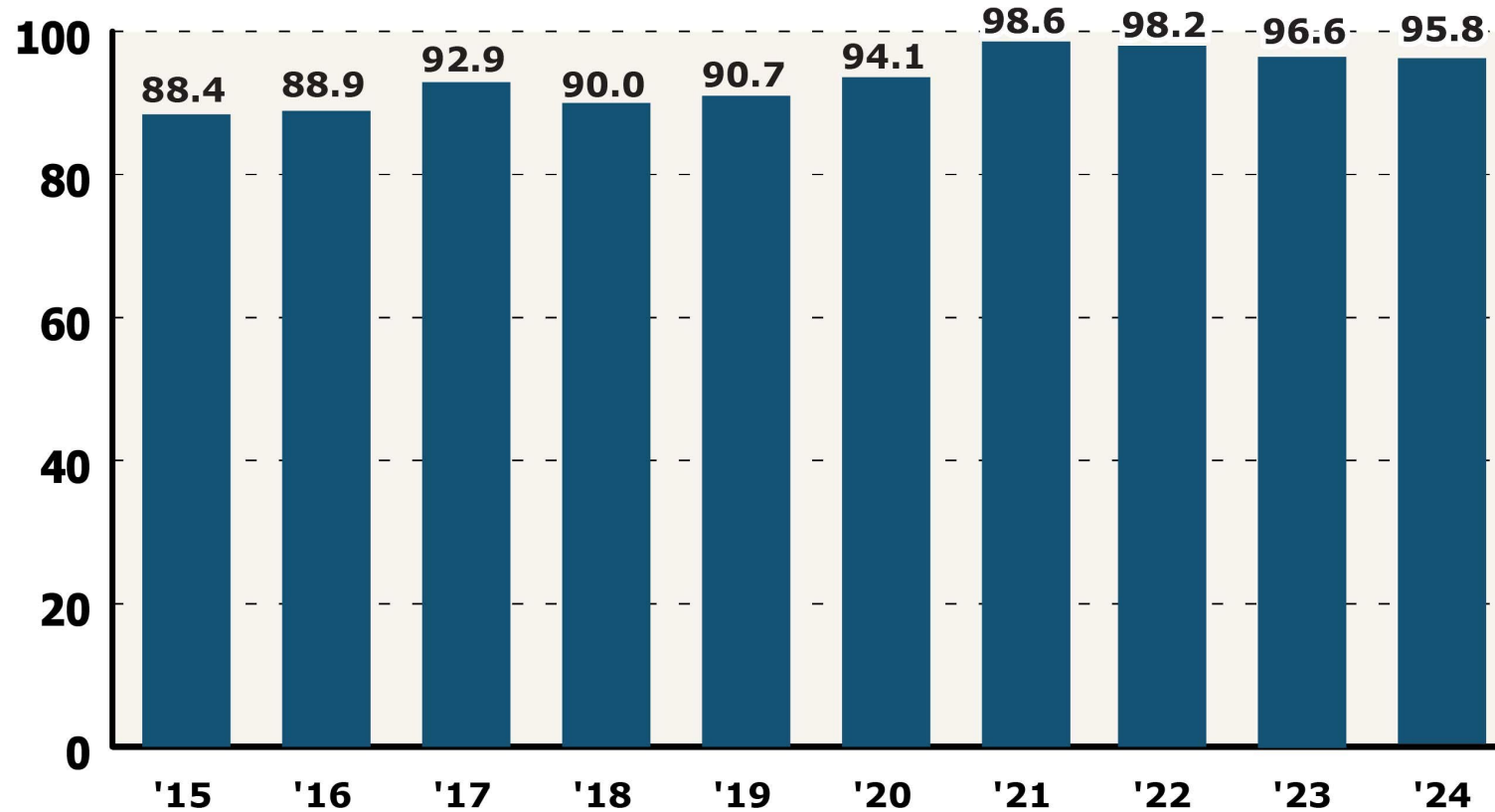


This arrow represents the impact of IMRF's investment results on employer contribution rates

- Only 1/5<sup>th</sup> of the investment gain/loss is recognized annually
- There is a two-year lag before investment results impact employer rates

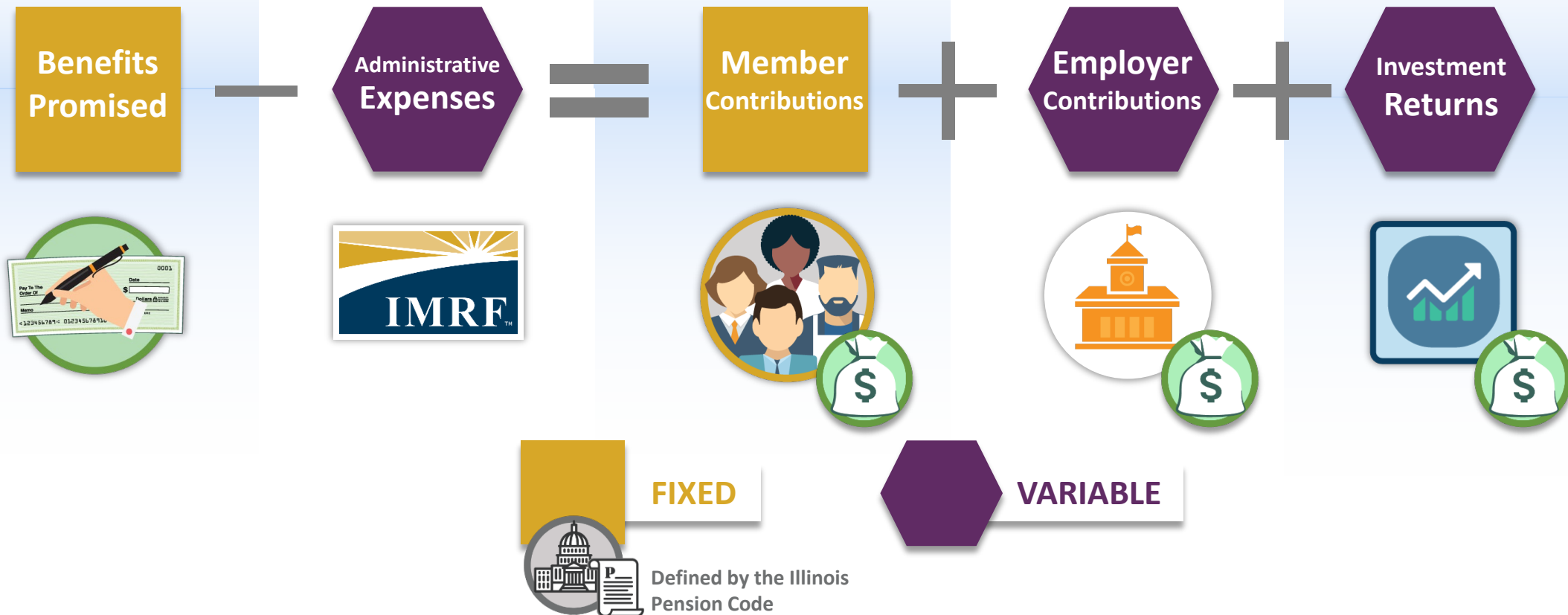


## Actuarial Funded 10-year Trend



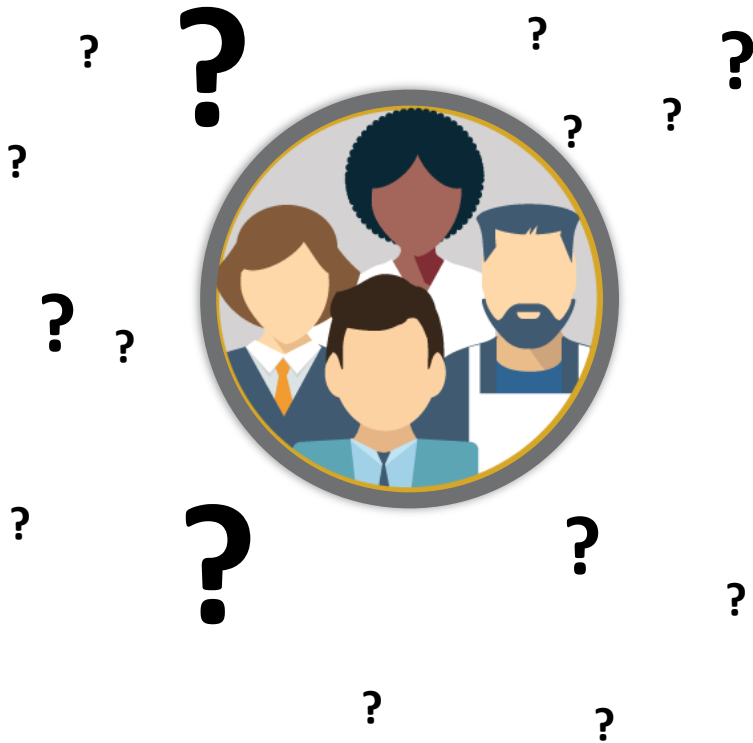
# Rate-making Principles

# The Defined Benefit Cost Equation



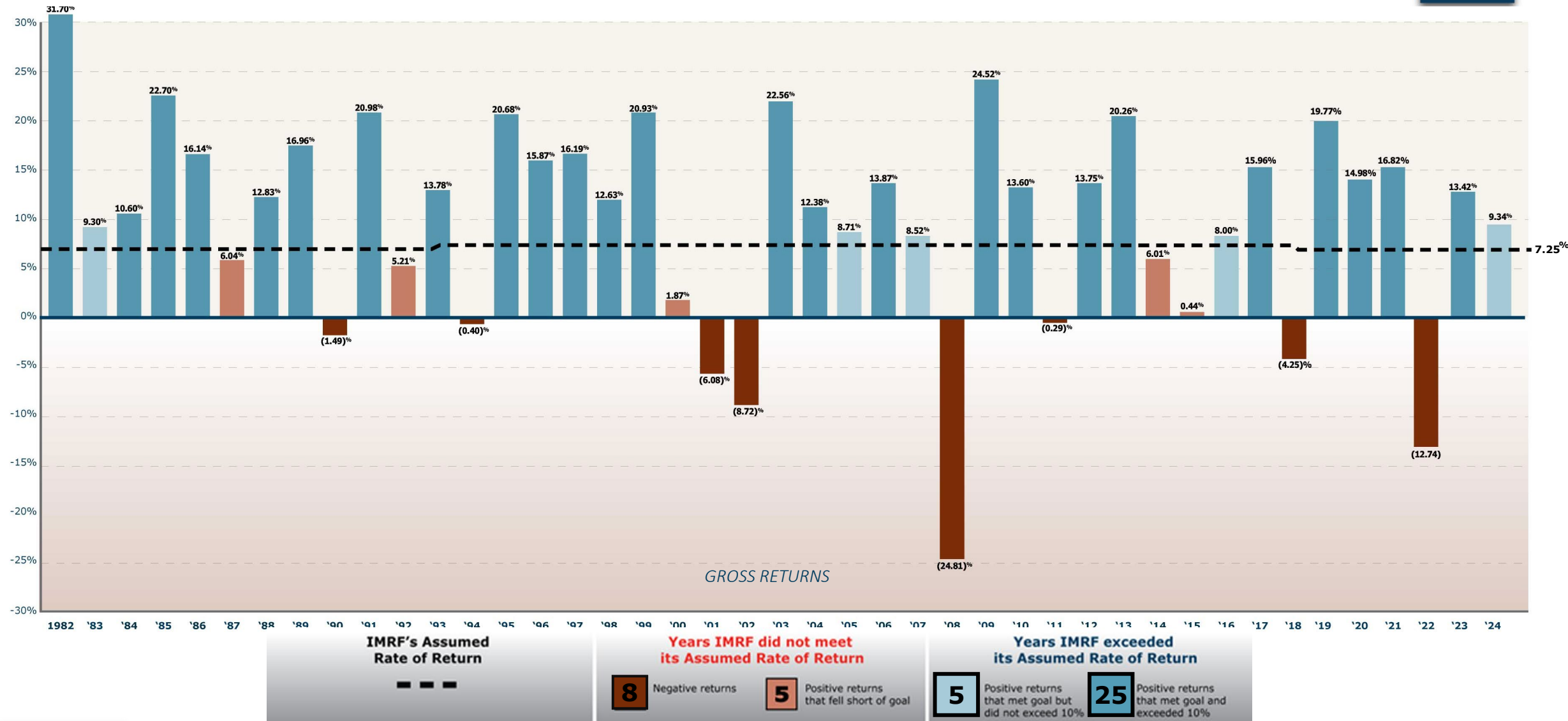


# Actuaries Use Principle Assumptions to Determine Rates



- Investment Return
- Retirement Age
- Marital Status
- Mortality of Active Members
- Mortality of Retired Members
- Disability
- Separations/Refunds
- Payroll Increases

# Gross Investment Returns: Strong But Volatile



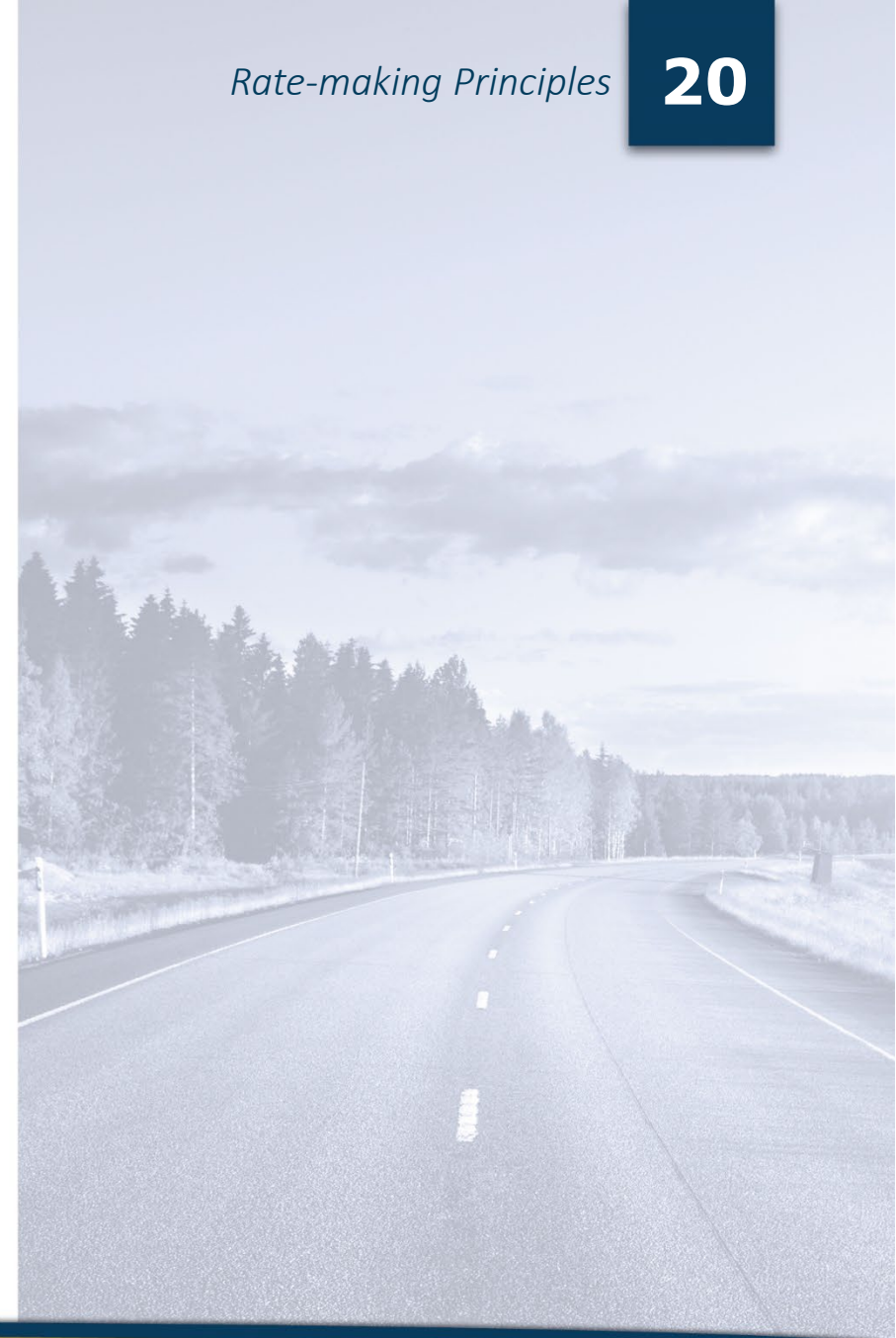
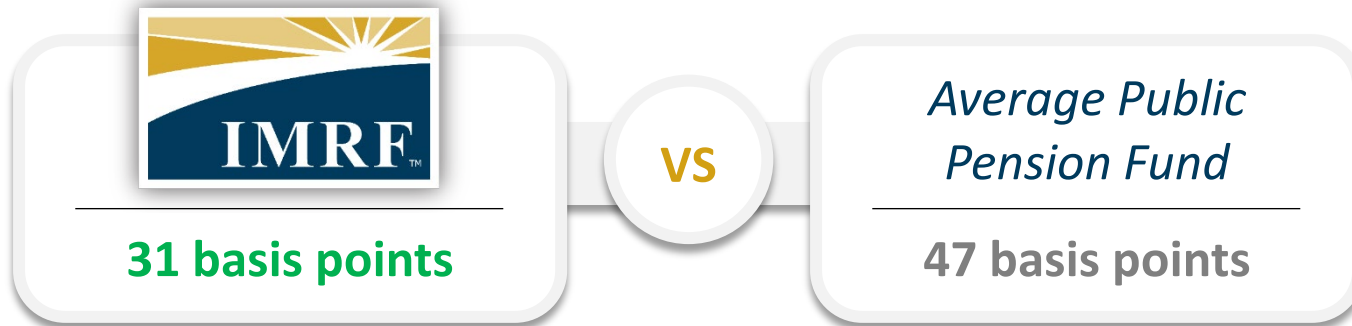
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# Understanding IMRF's Investment Approach

## Investments are managed prudently

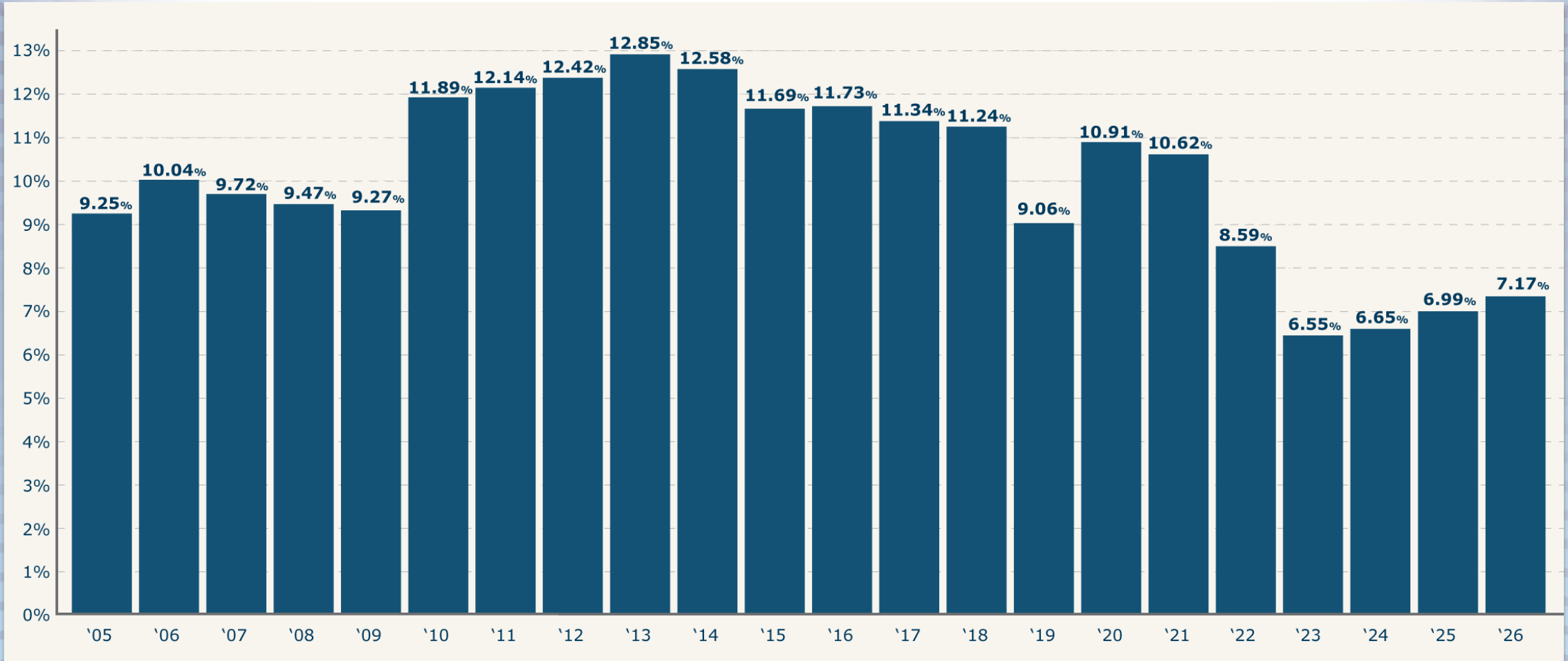
- Overseen by IMRF staff
- 1 Investment consultant firm
- About 142 professional investment firms

## Investment fees are managed prudently



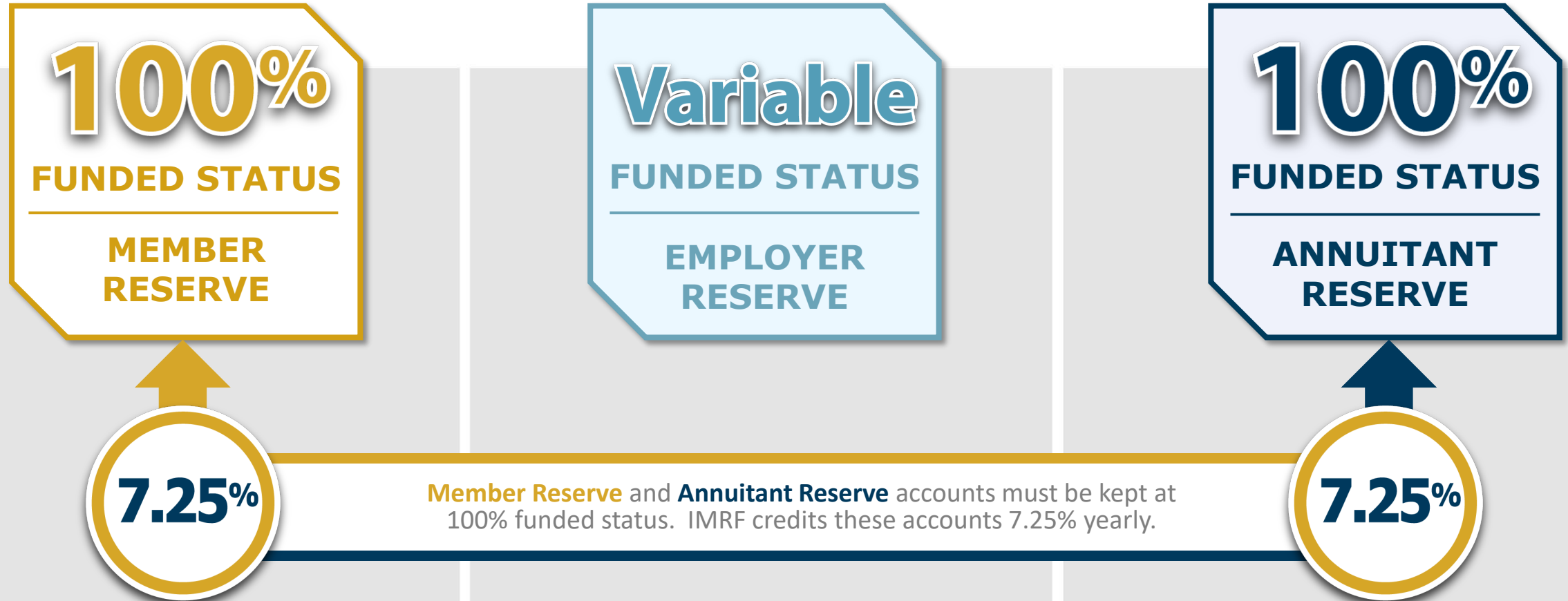


# Average Regular Plan Employer Contribution Rates



# Reserve Accounts and Funded Status

Employer Reserve serves as a “Balancing Account.”



# Investment GAIN Distribution in 2024

Net Investment Return  
**9.1%**



Member Reserve  
**\$597.4 Million**

Employer Reserve  
**\$818.8 Million**

Annuitant Reserve  
**\$2.3 Billion**

*Figures do not include member and employer contributions or transfers to Annuitant Reserves.*

Member

Annuitant

Employer



## As an agent multiple employer plan, each employer has a separate reserve account.

EACH EMPLOYER  
HAS ITS OWN  
RESERVE ACCOUNT

**Your employer pays for the retirement benefits of only its employees.**

**How your employer reserve account works.**

- Credited with contributions made by your employer.
- Credited investment gain or loss.
- Debited retirement costs of your employees.

**Your employer's finances have no relationship to the pension assets and liabilities of IMRF's other 3,062 employers.**

# If an employer is less than 100% funded on an actuarial basis as of 12/31/2024...



## Taxing Bodies

- 17-year closed amortization period to pay off any unfunded liability



## Instrumentalities

- 10-year reopening period to pay off any unfunded liability
  - Recalculated every year (unlimited time to achieve 100% funded status)

# 5 Parts of the Employer Rate

Each part is calculated separately and used for specific purposes designated by state law.

- Normal Retirement Contributions
- Disability Benefit Contributions
- Death Benefit Contributions
- Supplemental Retirement Contributions (“13th Payment”)
- Unfunded Liability Contributions





# How is your employer's rate calculated?

**1**

**IMRF provides demographic and financial data as of year-end to IMRF's actuaries.**

**2**

**Actuaries apply assumptions to the demographic and financial data.**

**3**

**The actuaries then produce an actuarial valuation for IMRF.**

**4**

**Actuaries rely on the valuation to set contribution rates for each employer.**



## **Your specific employer's rate is designed to achieve a 100% funding level.**

- **100% funding means your employer will have all the funds needed to pay its pension obligations when its employees retire.**



# Actuarial Assumptions



Used to calculate how much money needs to be set aside to fund future benefits.



**IMRF Board sets assumptions**

- Economic and Demographic
- Updated every three years



# Demographic Assumptions Defined

- Active members that quit (withdrawal rates)
- Disability for active members
- Retirement for active members
- Merit and longevity pay for active members
- Mortality for active members, retirees, and their beneficiaries





# Economic Assumptions Defined

- Price inflation = 2.25%
- Wage inflation = 2.75%
- Payroll growth = 2.50%
- Investment return assumption = 7.25%





# Non-economic Assumptions Defined

- Mortality rates
  - Before retirement
  - After retirement
- Disability rates
- Rates of retirement
- Rates of separation from employment (Refunds)
- Marriage probabilities of active members



# Actual Experience Compared to Actuarial Assumptions

What happens when IMRF's actual experience does not align with its economic and demographic actuarial assumptions?

Any variance between our assumptions and our actual experience impacts your contribution rates.





# Annual Documentation

*There are two main purposes for our documentation*

- Projects your future costs
- Financial reporting

# Employer Reserve Information Now Available

## IMRF no longer generates your Employer Reserve Statement

- You can access your updated reserve information on Employer Access

## You are encouraged to review your Employer Reserve Account information

- REG
- SLEP
- ECO
- ERI



### Projects your future costs

This statement shows your employer's funds on deposit as of January 1

- Credits
- Debits
- Adjustments

*See Page 41*

**How to get your  
reserve statement**

# Preliminary Employer Rate Information Now Available

## IMRF no longer produces Preliminary or Final Rate Notice Letters

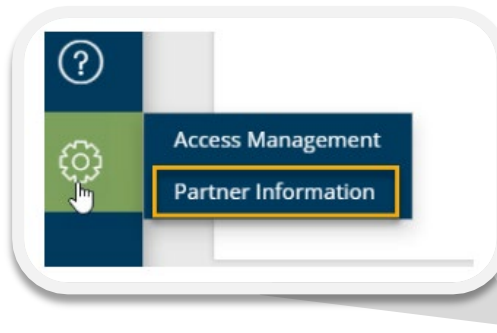
- You can access your specific employer's rate information on Employer Access



**Projects your future costs**

**Log into Employer Access to see your employer's rate for the year**

- Preliminary Rates are already posted
- Final Rates will be posted in November



Administration / Partner Information

Partner Information

Partner Code: 00000

CONTACT METHODS INDICATORS RESERVES CONTRIBUTIONS

Contribution Rates

All selected Filter by year

From: 01-01-2024 To:

Year	Effective Date	Rate Type	Contribution Rate
2024	01-01-2024	Employer supplemental benefit payment contribution	0.62%
2024	01-01-2024	REG Employer retirement funding adjustment contribution	0.34%
2024	01-01-2024	REG Employer death contribution	0.16%
2024	01-01-2024	REG Employer retirement normal contribution	4.73%
2024	01-01-2024	REG Employer disability contribution	0.08%
Add your components			5.93%
			Total

*See Page 41*  
**How to get your Employer rate info**



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# GASB 50 Disclosure Statement

**GASB 50 RSI Information for Employers**

EMPLOYER NUMBER: 000000  
REQUIRED SUPPLEMENTARY INFORMATION  
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/24	\$5,661,533	\$7,818,256	\$2,156,723	72.41	\$2,735,596	78.84
12/31/23	\$5,494,133	\$7,640,717	\$2,146,584	71.91	\$2,440,390	87.96
12/31/22	\$4,864,464	\$6,525,565	\$1,661,101	74.54	\$2,313,911	71.79

On a market value basis, the actuarial value of assets as of December 31, 2024 is \$6,181,885. On a market basis, the funded ratio would be 79.07%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with this sample employer. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.



## Financial reporting

**This statement shows your funded status**

- Does not include retirees
- Shows status broken out by plan
- Separate report for each plan

See Page 41  
**How to get your annual documentation**



# GASB 68 Disclosure Statement



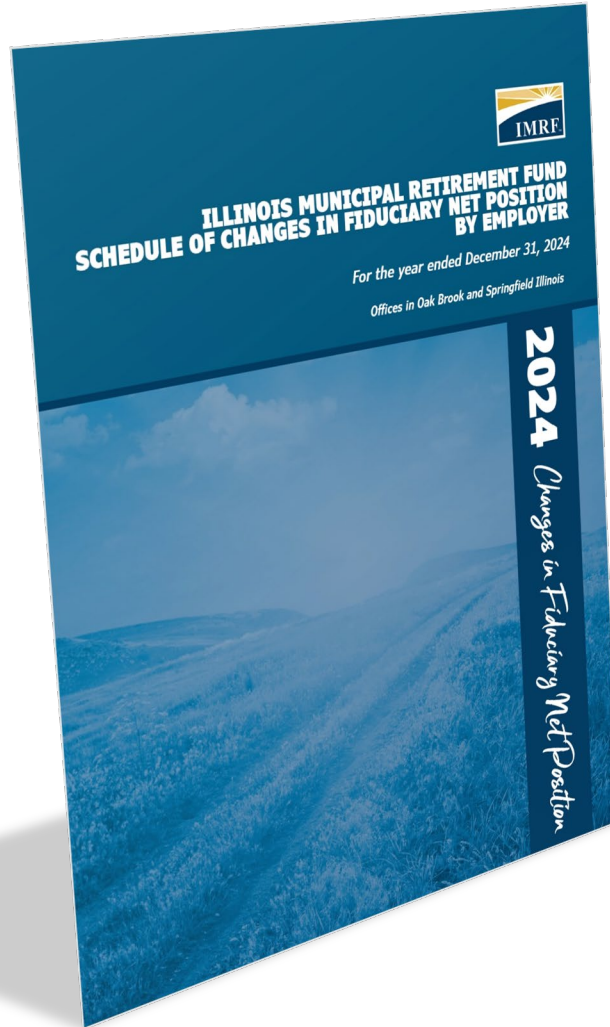
## Financial reporting

**This statement also shows market funded status.**

- Used by employers who do GAAP reporting
- This funded status includes retirees
- Will be HIGHER for more employers

*See Page 41*  
**How to get your annual documentation**

# Schedule of Changes in Fiduciary Net Position



## Financial reporting

This statement shows  
Fiduciary Net Position by  
employer

- Available soon
- Needed by employers who GAAP report
- Supplements the IMRF ACFR

See Page 41  
How to get your annual  
documentation

# SOC-1 Type 2 Report



## Financial reporting

**This statement verifies IMRF's strict internal controls**

- Available now
- Relieves your auditors from having to test IMRF data

*See Page 41*  
**How to get your annual documentation**

# How to find your Employer's specific information

- Employer Reserve Information
- Employer Rate Information
- How to use the Document Viewer and Report Generator



Training Topic	Format	
Locate your Employer Rate in Employer Access	VIDEO	PPT
View Annual Documentation (GASB 50, GASB 68, SOC-1 Type 2 Report)	VIDEO	
Locate Employer Reserve Statement	VIDEO	

**Employer Resources**

- EALC Home
- Employer Access Management
- Wage Report Procedures
- Wage Adjustment Procedures
- Manage Member Events
- Documents and Reports
- Pay Online Procedure
- Find Important Information
- Secure Messages
- Employer Access FAQs
- Employer Checklists
- 2025 Final Rate Notice Generator

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The IMRF website provides a brief summary of IMRF benefits and the administration of those benefits. IMRF members' and employers' rights and obligations are governed by Article 7 of the Illinois Pension Code. Statements on the IMRF website are general, and the Illinois state law governing IMRF is complex and specific. If a conflict arises between information in the IMRF website and the law, all decisions are based on the law.

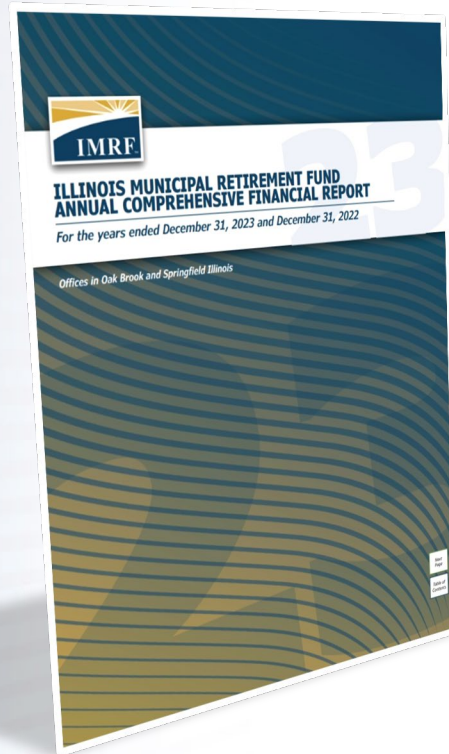
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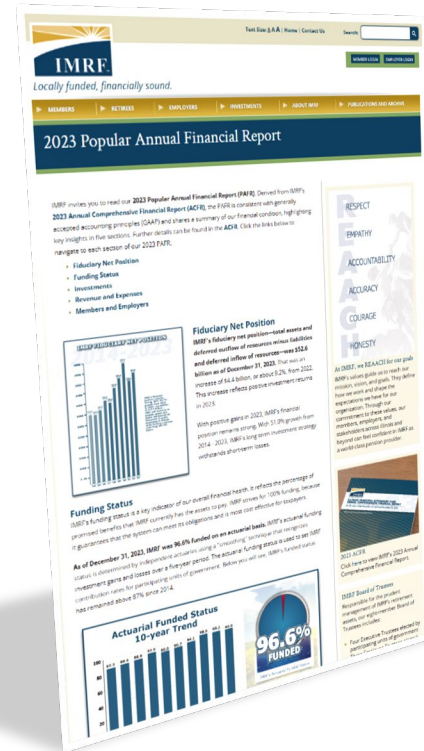


# GFOA "Triple Crown" Award Winner

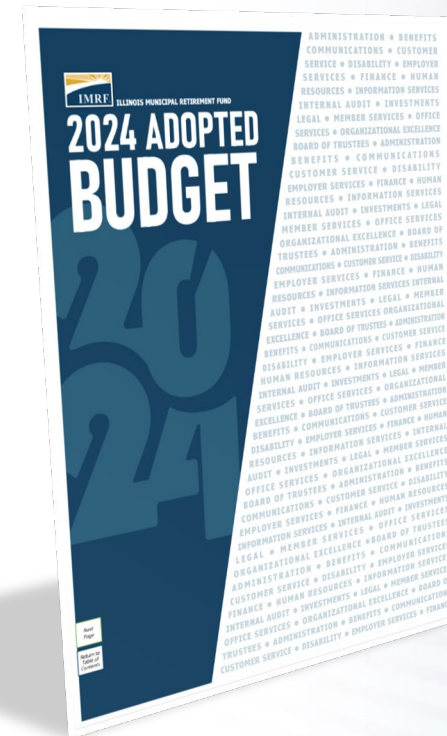
**Annual Comprehensive  
Financial Report (ACFR)**



**Popular Annual  
Financial Report (PAFR)**



## Budget Document



*IMRF is one of just four public pensions in North America to receive the “Triple Crown” honor.*



*Locally funded, financially sound.*

## **Closing Remarks**




# IMRF was operating on a burning platform



# A Conversion of Unmatched Complexity

  
**500,000+**  
Members

  
**3,400+**  
Individual  
Pension Plans

  
**700M**  
Data Records  
•••• & ••••  
**70M**  
Lines of Code





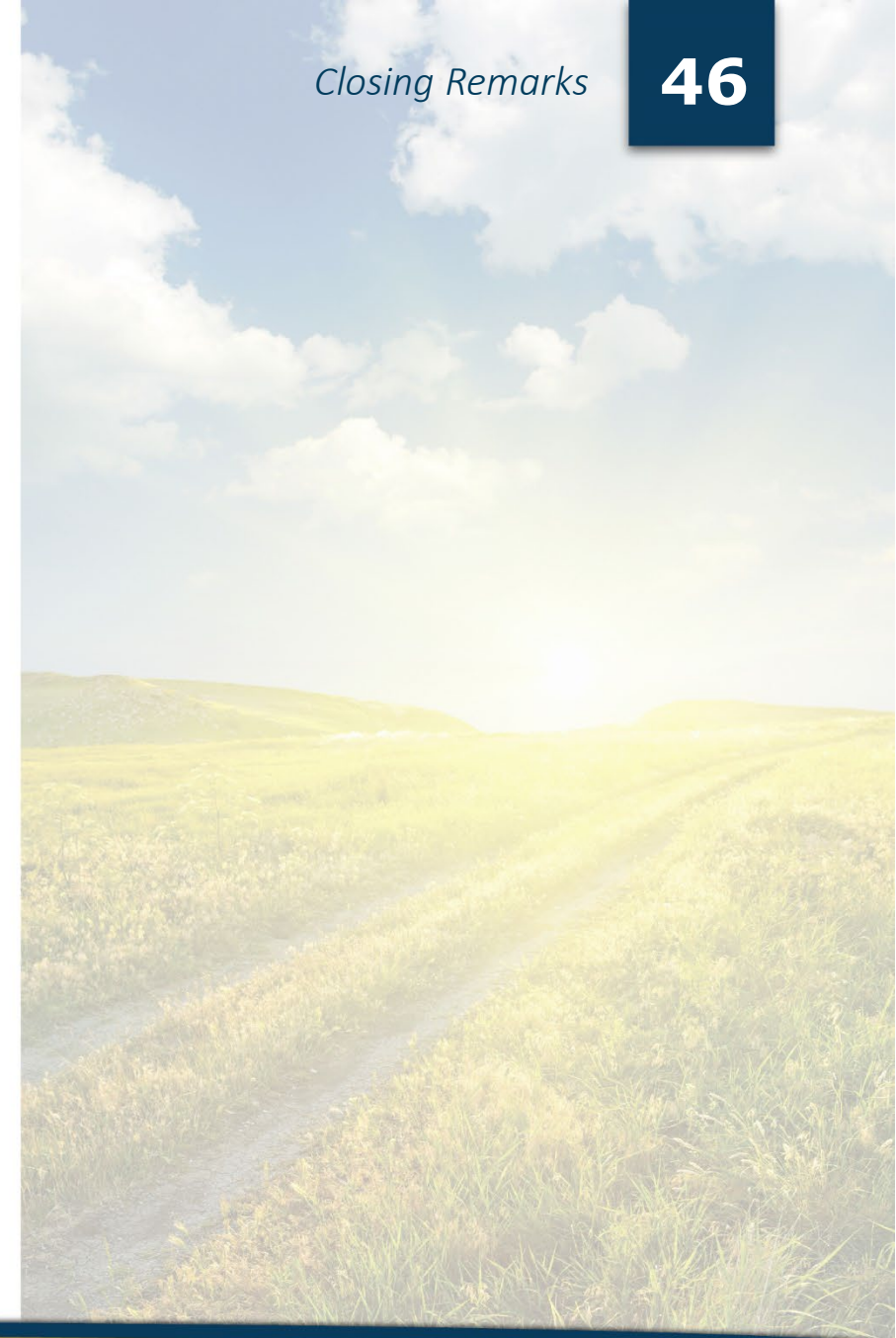
# Customer Service Update

## Working to improve customer service issues

- We increased hiring
- Streamlined staff training
- We are refining processes

## Continuing to grow our on-demand resources

- Online Learning Centers
- Employer Access
- Member Access



# Over a Year Since New System Implementation

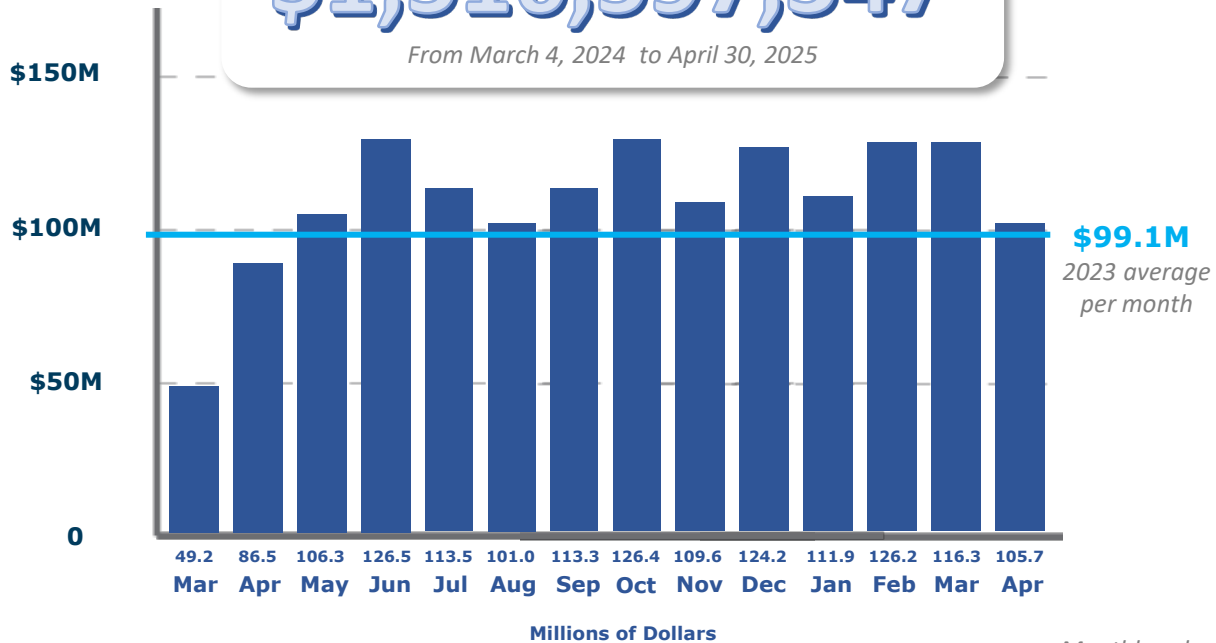
Receiving Contributions and Making Payments



Total contributions received from employers

**\$1,516,597,347**

From March 4, 2024 to April 30, 2025



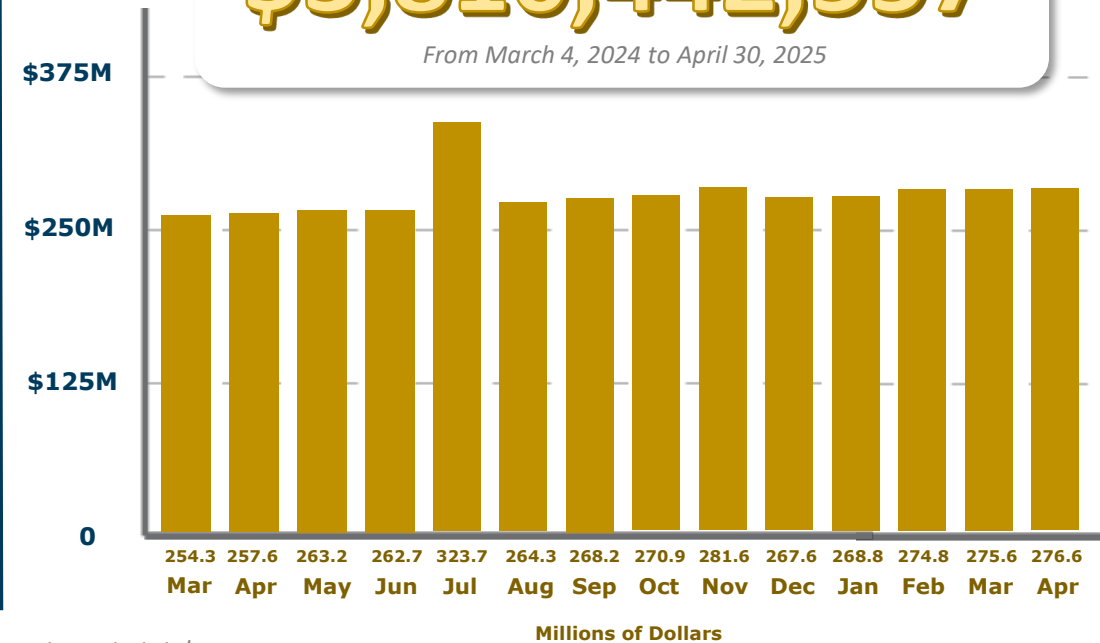
Monthly values do not sum to total  
due to rounding



Total payments made

**\$3,810,442,557**

From March 4, 2024 to April 30, 2025



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# IMRF Pension Dollar

**The IMRF Pension Dollar**  
Pensions are a shared responsibility.

Every dollar paid to IMRF retirees comes from three sources:

**67¢**  
IMRF Investment  
Earnings

**22¢**  
IMRF  
Employers

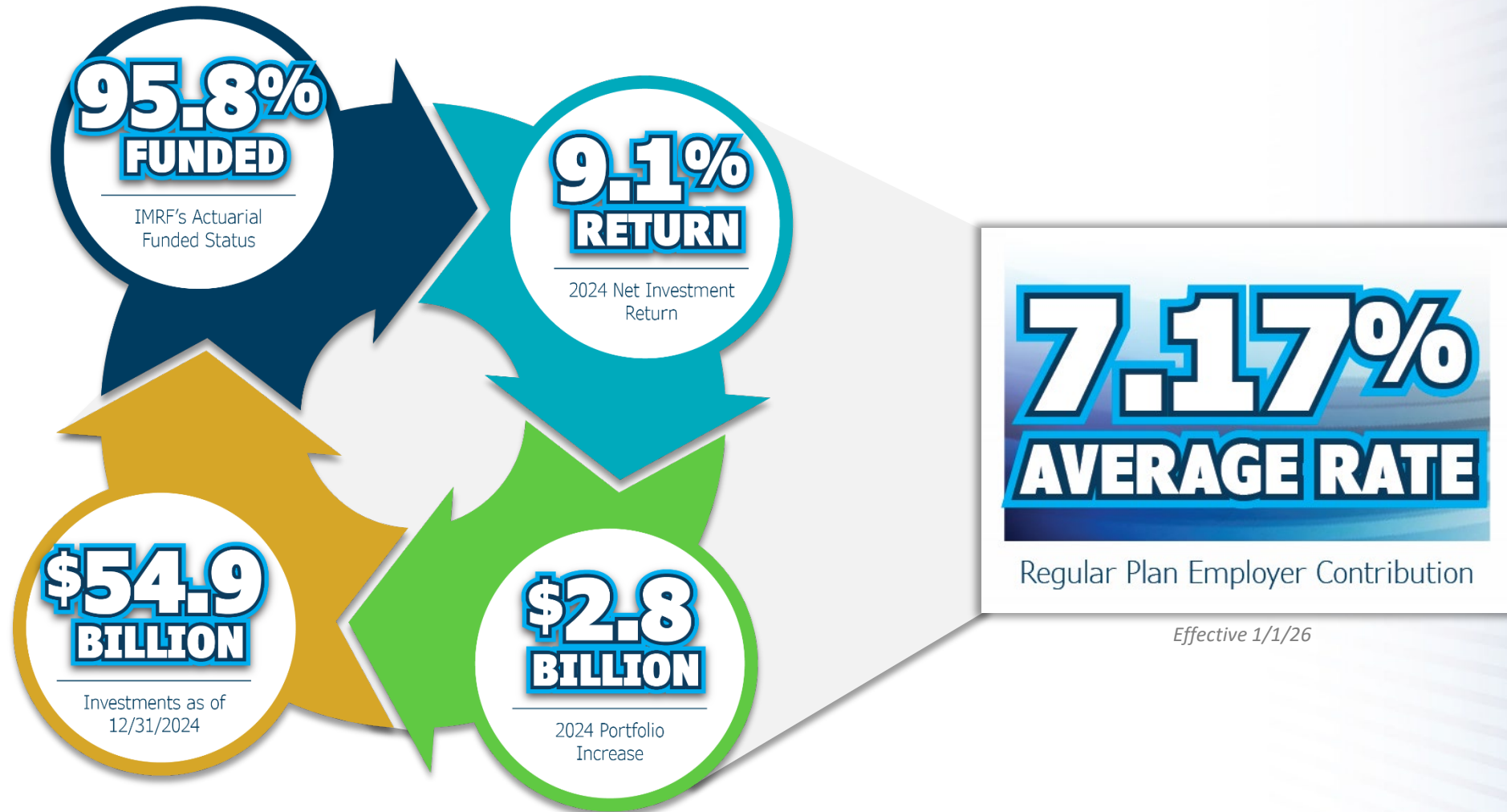
**11¢**  
IMRF  
Members



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# 2025 Rate Meeting Recap





# Questions?

