



Illinois Municipal Retirement Fund

Suite 500 2211 York Road Oak Brook, IL 60523-2337

Service Representatives 1-800-ASK-IMRF

www.imrf.org

GENERAL MEMORANDUM

Number: 538

Date: September 1, 2005

To: All Authorized Agents

Subject: Public Acts 94-0356 and 94-0456

Executive Summary

On July 29, 2005, the governor signed House Bill 373 (Public Act 94-0356) into law. The new law allows former members of a local police pension fund who have less than eight years of police pension fund service and who currently participate in IMRF to transfer their police pension fund service (prorated) into IMRF. It also allows former IMRF members who currently participate in a local police pension fund to transfer up to seven years and 11 months of IMRF service (prorated) into their police pension fund.

On August 5, 2005, the governor signed House Bill 1527 (Public Act 94-0456) into law. It allows a member who retired under the IMRF Early Retirement Incentive to return to work as an elected official if the retired member chooses to not participate in IMRF and the member's pension is not based on any service credit earned in that elected office.

Public Act 94-0356

Old law Reciprocity does not exist between IMRF and local police pension funds. If a member has both IMRF and local police pension fund service credit, that service cannot be combined to calculate a pension.

New law Provides a brief window during which former members of IMRF or of a local police pension fund who have less than eight years of service credit can transfer their service to their current pension fund. The member's previous pension fund must receive the member's **request in writing to transfer the service before January 1, 2006.**

The amount of service credit transferred to the member's current pension fund will be prorated based upon the amount of employer contributions, member contributions, and interest transferred.

Former IMRF members who wish to transfer their IMRF service to their local police pension fund would send their request *in writing* to IMRF providing the:

- Member's name, address, Social Security number, and signature.
- Name of member's current local police pension fund, its address, phone number, and an individual to contact at the fund. (Members who do not have contact information for their local police pension fund should speak with their Police Chief.)

The letter can be mailed, faxed, or hand-delivered to IMRF's Oak Brook or Springfield offices. The letter can also be given to an IMRF Field Representative. We cannot accept a member's request over the phone or via email.

If a former IMRF member took a refund of his or her IMRF service credit, the member can repay the refund and reinstate the service. The reinstated service can then be transferred to the member's current police pension fund or left on deposit with IMRF. IMRF must receive the member's **written request to reinstate the refund before January 1, 2006.**

The member's cost to reinstate the service will be calculated using a reduced interest rate of 6% (instead of the normal 7.50%). Once the member receives a Past Service Payment Schedule from IMRF, he or she will have a limited amount of time in which to repay the refund in order to transfer the service. The Illinois Department of Financial and Professional Regulation, Division of Insurance is currently determining how much time the member will have; it may be as short as four months.

Current IMRF members who took a refund of their local police pension fund service may repay the refund, reinstate the service, and transfer the service to IMRF. The member's cost will be calculated using the reduced interest rate of 6%. The member should contact the local police pension fund to begin the reinstatement process.

We've enclosed a flyer municipalities can post in their Police Departments to inform their employees of this new law.

Public Act 94-0456

Old law If a member retired under the IMRF Early Retirement Incentive and returned to work for any IMRF employer in any position, the member lost the ERI age and service credit increases (enhancements) and had to pay IMRF for any pension payments received that resulted from the ERI (less the amount the member paid).

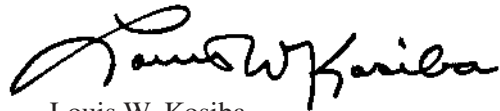
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New law: A member who retires—or previously retired—under ERI can return to work as an elected official and continue to receive his or her ERI pension if the member chooses to not participate in IMRF *and* the pension is not based on any service earned in that position during any term of office.

IMRF's new Web-based Manual for Authorized Agents has been revised to reflect this change in the ERI return to work rules.

If you have any questions regarding these changes to the Pension Code, please call 1-800-ASK-IMRF (1-800-275-4673), Monday through Friday, 7:30 A.M. to 5:30 P.M.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis W. Kosiba". The signature is fluid and cursive, with a large initial "L" and "W".

Louis W. Kosiba
Executive Director

Enc. 1 - Poster for municipal Police Departments



Do you have service credit in IMRF?

Recent legislation may help you increase your future pension

Public Act 94-0356 allows members of local police pension funds to transfer up to 7 years and 11 months of Illinois Municipal Retirement Fund (IMRF) service (prorated) into their police pension fund.

How do you transfer the service?

Send your request in writing to IMRF, providing:

- Your name, address, Social Security number, and signature
- Name of your current local police pension fund, its address, phone number, and an individual to contact at the fund.

Took a refund of your IMRF service?

You can repay the refund and reinstate the service. The reinstated service can then be transferred to your police pension fund or left on deposit with IMRF.

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For
more
information

Call
1-800-ASK-IMRF
or visit
www.imrf.org

**IMRF must receive your request
in writing to transfer the service
*before January 1, 2006***

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2211 York Road, Suite 500, Oak Brook IL 60523-2337
1-800-ASK-IMRF (1-800-275-4673) 7:30 a.m. to 5:30 p.m.

