



Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook IL 60523-2337

Member Services Representatives 1-800-ASK-IMRF

www.imrf.org

GENERAL MEMORANDUM

Number: 563

Date: December 19, 2007

To: All Authorized Agents

Subject: Tax-Deferred Payroll Deduction discontinued

Due to recent IRS rulings, the Tax-deferred Payroll Deduction Program (TPDP) will be discontinued. Please note the following deadlines:

New applications:

- New TPDP *contracts* (IMRF Form 6.08) must be received in IMRF's office on or before January 31, 2008. (Submitting a TPDP application by January 31, 2008, is not sufficient. IMRF must receive the signed TPDP contract by January 31, 2008.)
- After January 31, 2008, IMRF will not accept any new TPDP contracts.
- The TPDP contract must end no later than December 31, 2012.

Existing TPDP contracts:

- IMRF will be allowed to honor existing TPDP contracts. However, **all TPDP contracts must end no later than December 31, 2012**, regardless of the original contract terms. Members will **not** be able to change their TPDP contribution.

Please advise your members—especially those considering ERI or who are considering converting military service to IMRF service—as soon as possible regarding this new TPDP deadline.

Paying for past service on a tax-deferred basis

Although TPDP is being discontinued, members will still be able to pay for past service on a tax-deferred basis by using a rollover distribution.

If a member wishes to purchase past service on a tax-deferred basis, we recommend the member contribute to his or her employer's deferred compensation plan, e.g., 403(b) or 457 plan, and make an annual rollover to IMRF (submit IMRF Form 6.01) to purchase the past service.

By contributing to his or her employer's deferred compensation plan, the member can start and stop the contributions at any time as well as change the amount deducted at any time. This flexibility is not available under a TPDP contract.

General Memorandum 563
December 19, 2007
Tax-Deferred Payroll Deduction discontinued
Page 2 of 2

Questions?

If you have any questions, please call an IMRF Member Services Representative at 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 "K".

Louis W. Kosiba
Executive Director