



Illinois Municipal Retirement Fund

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Member Services Representatives 1-800-ASK-IMRF

www.imrf.org

GENERAL MEMORANDUM

Number: 597

Date: February 26, 2010

To: All Authorized Agents

Subject: Calculating a Net Pension Obligation for employers who adopted the IMRF Rate Phase-in Plan

If you selected the IMRF Board of Trustee Phase-In plan for your 2010 employer contribution rate, you will need to calculate a Net Pension Obligation (NPO). You are required under the GASB to report the NPO in your fiscal year 2010 financial statement.

The NPO relates to IMRF employer contributions made after 2009 and is defined as the difference between:

- The amount the employer paid IMRF using the 2010 phase-in rate and
- The amount the employer would have paid had it contributed using the Actuarial Required Contribution (ARC) rate

To help employers determine their NPO, we developed an Excel spreadsheet which will assist you in doing the calculation. The spreadsheet includes instruction on how to use it and how to journalize the amount it calculates. If an employer made additional reserve contributions in fiscal year 2010, the spreadsheet will allow the employer to include those contributions in the calculation.

Employers with Internet access can download the spreadsheet from www.imrf.org. Employers without Internet access can request a copy of the spreadsheet on CD by contacting IMRF Operations Analyst Bruce Sultan at 630-706-4220.

NOTE: If you selected the ARC rate for 2010, you will not have an unfunded pension obligation.

Questions

If you have any questions regarding the NPO spreadsheet, please contact IMRF Operations Analyst Bruce Sultan at bsultan@imrf.org or 630-706-4220. If you have a question regarding your employer rate, please contact IMRF Employer Account Associate Analyst Corey Lockwood at coreylockwood@imrf.org or 630-706-4226.

Sincerely,

Louis W. Kosiba
Executive Director