Know the Requirements of Pension Impact Statements

Before an IMRF employer can increase the earnings of an officer, executive, or manager by 12% or more, the employer must request a written “Pension Impact Statement” from IMRF, according to Public Act 97-0609 (40 ILCS 5/7-225). The Pension Impact Statement will provide employers:

- The effect the earnings increase could have on the member’s pension.
- The estimated additional payment (also known as the Accelerated Payment or AP) the employer will be required to pay either: 1) in full within 90 days of receipt of an AP invoice (after the member retires), with no interest, or 2) within three years of the invoice date, at 7.5% interest.
- The estimated total additional pension liability to employer.

To request a Pension Impact Statement, visit IMRF’s website to download IMRF Form 3.22 (Request for Pension Impact Statement). Complete the form and submit; IMRF will issue an invoice for the required $25 cost to the employer.

Once the employer receives the Pension Impact Statement from IMRF, the individual approving the salary increase must sign and return the statement to IMRF.

Exempted earnings increases

Certain earnings increases greater than 12% are exempted from the Pension Impact Statement. Exemptions include:

- Increases for members who are more than 10 years from retirement eligibility.
- Increases resulting from standard employment promotions resulting in increased responsibility and workload.
- Increases resulting from an increase in the number of hours required to be worked.

To learn more ...

For more information on Pension Impact Statements and Public Act 97-0609 (40 ILCS 5/7-225), please refer to General Memorandum 620 archived on IMRF’s website, www.imrf.org. For questions, contact IMRF using the exclusive Employer-only phone, 1-800-728-7971.