

# FUNDAMENTALS

IMRF

ACTIVE MEMBER OVER 40 EDITION

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## Louis W. Kosiba: Visionary leadership in pursuit of excellence

*Under the far-sighted leadership of Executive Director Louis W. Kosiba, IMRF experienced exponential growth and has become one of the most respected public pension plans in the country. As Kosiba prepares to retire at the end of 2017, IMRF leaders reflect on his lasting legacy.*

“Against the backdrop of negative stories regarding public pensions, IMRF is seen as a pension fund that works,” said Deputy Executive Director Dan Duquette. “Through Lou’s leadership and his outreach programs, we’ve become highly respected amongst all of our stakeholder groups—our members, our employers, the Illinois General Assembly, and the press.”

IMRF Board of Trustees President Sue Stanish said that Kosiba’s legacy is one of continuous improvement.

“That never stopped under his watch,” Stanish said. “By improving systems, improving teams, and improving processes, Lou leaves IMRF a much better place.”

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“One of Lou’s biggest accomplishments has been bringing IMRF to the forefront of public pension plans—not only in Illinois, but on a national basis.”

—Dan Duquette, IMRF  
Deputy Executive Director

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### Telling IMRF’s success story

With assets approaching \$40 billion, and a funded status nearing 95%, IMRF is universally recognized as a national leader within the public pension industry.

“One of Lou’s biggest accomplishments has been bringing IMRF to the forefront of public pension plans—not only in Illinois, but on a national basis,” Duquette said.

“He realized that in today’s environment, you just can’t keep your head down when it comes to public pensions—you need to tell the story.”

IMRF’s success was not always well-known to the Illinois General Assembly. After becoming Executive Director in 2001, Kosiba made a concerted effort to cultivate relationships with Illinois legislators, visiting them in their home districts and making them aware of the ways in which IMRF was unique.

As he developed relationships and trust, Kosiba became “the go-to guy in Illinois to talk to about pensions,” said IMRF General Counsel Kathy O’Brien. “Based on all the work that he’s done and that he’s had us do, we’re now very well-known and highly thought of in Springfield.”



Louis W. Kosiba speaks at the 2014 ILPEX Awards, where IMRF won a Silver Award.

Kosiba’s efforts to distinguish IMRF from the state pension funds have made a big difference for IMRF, its operations, and its membership. As the public discussion surrounding Illinois pensions became more heated, IMRF’s sterling reputation enabled it to fend off any number of legislative attacks, including:

- Attempts to place governmental appointees on IMRF’s Board of Trustees. IMRF is one of the only public pension funds to have a Board solely composed of elected

*continued on page 2*





Kosiba's appearance on the WTTW program *Chicago Tonight*.

Kosiba addresses IMRF employers at a 2016 event.

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Trustees who are members of the plan, a structure that ensures Trustees are motivated to uphold the fund's success and are not beholden to outside interests.

- A push for IMRF to pursue 90% rather than 100% funding. IMRF believes that being 100% funded is the soundest long-term approach for managing its assets and liabilities. It also means that a pension fund has enough money in reserve today to meet all current and projected pension obligations for benefits earned to date.
- Several 2017 bills that would have created a Tier 3 for new IMRF members that included a defined contribution component. IMRF believes that defined benefit plans like IMRF, in which members receive a monthly pension for life, provide better retirement security for members, and are a valuable recruitment and retention tool for employers.

### **Pursuing world-class customer service**

As IMRF's General Counsel and later as Executive Director, Kosiba led in defining a customer-oriented direction for IMRF as embodied in its mission, vision, and values (read more at [www.imrf.org/mvv](http://www.imrf.org/mvv)).

**“Legislators knew him, the press knew him, employers knew him, members knew him—he really reached out to people and built relationships with our stakeholders.”**

**—Dan Duquette, IMRF Deputy Executive Director**

Even before Kosiba became Executive Director, he pushed to define IMRF's mission statement in the Illinois Pension Code. To date, IMRF is the only Illinois pension fund to have done so. Later, after he became Executive Director, he worked to develop IMRF's vision and values.

As IMRF looked for ways to improve, Kosiba and Duquette attended a workshop focusing on the Baldrige Criteria for Performance Excellence, which provides a framework for continuous improvement of systems and operations.

“He was so excited about the Criteria of

Excellence that he wanted to jump on board that train immediately,” Duquette said. “I think I'll always remember the enthusiasm that he showed.”

IMRF has used this framework to better understand its customers, its staff, its investments, and its operations, and has reengineered its business processes accordingly, even developing whole new channels for communicating with members, retirees, and employers.

Several of the most common ways that members and employers contact IMRF were developed under Kosiba's watch. These include:

- Member and Retiree workshops
- The 1-800-ASK-IMRF (275-4673) customer service line
- Formal Authorized Agent training
- Annual meetings with employers across Illinois to discuss the state of IMRF

IMRF's pursuit of excellence has been recognized three times by the Illinois Performance Excellence (ILPEX) Recognition Program, most recently in 2014, when IMRF earned a Silver Award for “Progress towards Excellence.”

### **Weathering storms of change**

Besides the ongoing challenge of operating in a state where many defined benefit plans are in tough shape, the global financial markets experienced two major economic downturns during Kosiba's tenure. One of these was in 2001, shortly after Kosiba became Executive Director, and the other in 2008.

### **Memphis CFO Brian Collins chosen as next IMRF Executive Director**

On November 17, the IMRF Board of Trustees announced the hiring of City of Memphis Chief Financial Officer and Director of Finance and Administration Brian Collins as the organization's next executive director, to begin on January 8, 2018. For more information, visit [www.imrf.org](http://www.imrf.org).

During these market corrections, Kosiba took a long-term view and assured IMRF members, employers, staff, and the Board of Trustees that this was not a time to panic, reminding them that IMRF wasn't saving for one year or two years, but for 50 years and 70 years.

"We stayed the course, and are now close to a \$40 billion pension fund," Duquette said. "We're financially in much better shape than most public pension plans, and trending toward that 100% funding goal."

### **Kosiba's lasting legacy**

Kosiba will be remembered for being a "big picture" thinker who was open to transformative new ideas, and made himself accessible to everyone who had a stake in IMRF.

"He really became a leader in the state," Duquette said. "Legislators knew him, the press knew him, employers knew him, members knew him—he really reached out to people and built relationships with our stakeholders. He did presentations at Lions Clubs and Kiwanis Clubs and Chambers of Commerce—people who needed to be educated about IMRF and about defined benefit plans. And it did come at a personal cost for him, because it's not like his other work just went away. I see him here at work almost every weekend, and that's true as of this past Saturday, even though he's nearing retirement."

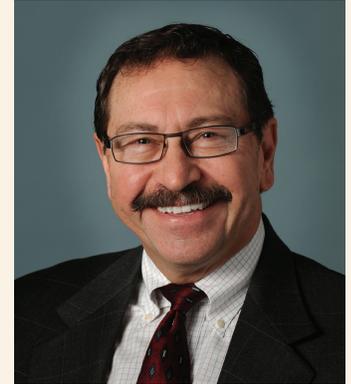
"He's been open to new ways of doing things or thinking outside the box," O'Brien said. "In the past IMRF had brought in outside consultants to review certain aspects of our operations, but the whole idea of the Baldrige Criteria, of internal process improvement, Louie brought that."

"Lou was the face of IMRF," Stanish said. "From a broad perspective, employers, employees, and retirees will remember that Lou was looking out for them, and doing the right things to provide that retirement stability. It's going to be challenging to fill those shoes." ■

*From the Executive Director:*

# A fond farewell

*This will be my last column, for I am retiring at the end of the year. It is and has been an honor, a privilege, and a pleasure to serve you for more than 29 years, starting as your Manager for Field Services, then General Counsel, and finally Executive Director.*



Louis W. Kosiba  
IMRF Executive Director

### **Dedicated support**

My work was made immeasurably easier due to the vision and dedication of the many members of the IMRF Board of Trustees with whom I worked. Their vision is to ensure IMRF provides you with the highest quality retirement services. The Board has always been committed to providing the programs and staffing needed to fulfill IMRF's responsibilities to you.

IMRF is also blessed with an engaged and dedicated staff which truly embraces our commitment to you. Yes, we make errors, and yes, we seem to be overly detailed at times. But, in our hearts we know it is all about serving you, whether you live and work in Zion or Cairo, Danville or Quincy, or any of the many places in between.

### **Continuous improvement**

I am proud of the many accomplishments IMRF achieved while I was Executive Director (2001-2017). I am most proud of our Journey of Excellence and IMRF's commitment to continuous process improvement. That journey developed a serious focus in 2008 when staff learned of the Baldrige Criteria for Performance Excellence. The criteria were crafted to foster the development of world class organizations. It challenges IMRF to achieve excellence in leadership, strategic planning, customer and staff focus, developing superior systems and methodologies, and gathering data so that decision making is fact based.

IMRF's dream is to be recognized as a well-funded, outstanding organization which serves as a role model throughout the United States. It is a tough journey, but a worthy journey. To date, IMRF has been recognized for our commitment and progress towards satisfying the Baldrige Criteria. Achieving the top honor has eluded us—but we are working on it!

### **Looking to the future**

As I move on, I know my successor will come to understand they will lead an organization well positioned to serve you and to achieve greatness.

All the best,  
Lou

# IMRF retirees on making your retirement a happy one

As IMRF Executive Director Louis W. Kosiba prepares to retire this fall, IMRF retirees wrote in giving him their best advice for making the most of his retirement years. Here, we share a few of our favorites, so you can benefit from their experience upon your own eventual retirement.

I've been open to accepting positive relationship-building opportunities beyond my normal comfort level, taking in these often simple experiences with joy. Some examples are helping out a neighbor or friend (offering to help and having time to do it), trying a new sport or hobby, attending a sporting or cultural event with a niece, nephew, or their child.

*Gary B.*

As soon as you retire, check out the 'Lifelong Learner' classes at your local junior college. There are so many to pick from each semester. My favorites are the computer training and financial courses. You may even develop some new hobbies through these classes!

*Maryann R.*

My strong suggestion is to plan the first year of your retirement. Look at what you want to do—teach or volunteer, where you want to live the rest of your life—and lay the groundwork.

*Edward D.*

Retiring from your career is OK, but DO NOT retire from life. Find something to do, whether it be a hobby, volunteering or a part-time job doing something completely different. That is the secret to a successful retirement.

*Billie M.*

Do not postpone your desire to travel after retirement on various trips such as cruises and travel abroad. Do it while you're in good health, and enjoy them while you're able to get around without being physically limited for whatever the reason.

*Cynthia C.*

Retirement for me has been a time of reflection and a desire to help those less fortunate than I, any way that I can. My time is my own and I try to put it to a productive, positive use, for I realize that it is fleeting and oh, so precious! Enjoy the moment, for none of us are promised tomorrow. Today is a gift; do not squander it.

*Richard M.*

Make a note for each day. Yep, it's remarkable what valuable information that is. You get things done (i.e. out to lunch with friends, grandchild's baseball game, pick up water at Jewel, pay credit card by...). You cross them off and make new lists for the new day!

*Cindy V.*

# Is your IMRF beneficiary form up to date?

If you don't make your wishes known, your loved ones could be left unprotected if you pass away.

If your life is going through major changes—like a marriage or divorce, the death of a parent, or the birth of a child—updating your IMRF beneficiary information probably isn't at the forefront of your mind. However, making sure that your designated beneficiaries are current could make a huge difference to your loved ones if you were to pass away unexpectedly.

## Unintended consequences

If your beneficiary information isn't up to date, this could have consequences you do not intend:

- If you do not have a beneficiary form on file, the default beneficiary is your estate.
- If you have an old form on file, IMRF must follow that directive, even if it names someone you no longer want to get this benefit.
- If you are married and you do not name your spouse as your only primary beneficiary, they will not be eligible for a surviving spouse benefit if you die while you are an active IMRF member.

## Cautionary tales

"It's incredible, the number of members that don't have a beneficiary form on file,"

said IMRF Field Representative Kate Setchell.

Setchell has heard any number of cautionary tales from members and their beneficiaries. Some members, after attending one of her workshops, discovered that they had only listed the oldest of their children as a beneficiary, having had several more since filling out the form back when they first became an IMRF member. Others still listed ex-spouses.

"I had a man who worked for his employer for almost 40 years who had his first ex-spouse listed as his beneficiary. From 40 years ago! And he'd only been married to her for seven months," Setchell said.

"I had another that passed away suddenly and didn't change his form to list his spouse as the sole primary beneficiary, and his parents received the lump sum death benefits of one year's salary, plus all his member contributions and interest. I am sure they gave it to their daughter-in-law. However, she was 46 with two children,

and she would have received more money had she been listed as the sole primary beneficiary, eligible to receive a monthly benefit for the rest of her life."

## Complete your form through Member Access

The fastest and easiest way for you to complete a new form is through Member Access. You can view your beneficiary information through Member Access at any time, and make necessary updates.

## We can only accept your signature

If you complete a paper "Designation of Beneficiary" form, we cannot accept the signature of anyone other than you. This includes Powers of Attorney, conservators, trustees, or guardians.

IMRF cannot tell you your current beneficiary information by phone and will not accept any beneficiary changes over the telephone or by email—only by filling out IMRF Form 6.11, "Designation of Beneficiary." You can do this through Member Access using Secure Online Forms, or by downloading the form from [www.imrf.org](http://www.imrf.org), printing it out, making your desired changes, and sending it back to IMRF by mail or fax. ■

## To learn more about updating your beneficiaries...

Go to [www.imrf.org](http://www.imrf.org), click on "Members," then click "Naming Beneficiaries" (under the header "Members Must Know").

## Trustee Elections

### Employers to elect Executive Trustee

This fall, IMRF employers will elect one IMRF Executive Trustee for a five-year term of office that will run from January 1, 2018, through December 31, 2022. The candidates are:

- **Stephanie A. Helms**, County Treasurer & Collector for Stephenson County
- **Douglas A. Krieger**, City Manager for the City of Naperville
- **Tom Kuehne**, current Executive Trustee and Finance Director/Treasurer for the Village of Arlington Heights
- **Brad Trent**, Deputy Highway Commissioner for Rockford Township

We will announce the election results in next year's Spring edition of *Fundamentals*. ■

## With Member Access you can:

- **NEW!** Register online for Phone Personal Benefits Reviews! (See back page for more information.)
- Register online for "Your Glass is Half Full" and Pre-Retirement Workshops.
- Safely and speedily update your beneficiaries and other personal information with Secure Online Forms.
- Create a variety of pension estimates based on different retirement scenarios and payment options.
- View your Personal Statement of Benefits and other official correspondence from IMRF.

Sign up for an account at [www.imrf.org](http://www.imrf.org)!

# As the New Year approaches, gain peace of mind by signing up for a Pre-Retirement Workshop in 2018



A preliminary schedule for the 2018 Pre-Retirement Workshops is here! Register online today through your Member Access account (the best and fastest way) or by calling IMRF. These workshops can benefit you no matter how close you are to retirement. We recommend attending a workshop as soon as you're vested, then a second time five years before your earliest possible retirement date, and once more when you're ready to retire. The closer you are to retirement, the more important it is that you attend. Many first-time attendees tell us they wish they'd gone to one sooner.

## Workshop topics include:

- How and when to file for retirement.
- How earnings and service affect your retirement benefit calculations.
- How to purchase past service credit.

## Who should attend?

- Vested members who want to learn about their IMRF benefits.
- Members within five years of retirement.
- Spouses, partners, or others who assist with your retirement planning.

## 2018 Pre-Retirement Workshop Dates and Locations

### January

| DATE        | LOCATION     | START TIME |
|-------------|--------------|------------|
| (Wed) 1/ 17 | Oak Lawn     | 10 AM      |
| (Sat) 1/ 20 | Peoria       | 9 AM       |
| (Wed) 1/24  | Naperville   | 1 PM       |
| (Sat) 1/ 27 | Collinsville | 9 AM       |
| (Tue) 1/ 30 | Crystal Lake | 1 PM       |

### February

| DATE       | LOCATION          | START TIME |
|------------|-------------------|------------|
| (Sat) 2/03 | Springfield       | 9 AM       |
| (Tue) 2/06 | Geneva            | 1 PM       |
| (Tue) 2/06 | Mt. Prospect      | 1 PM       |
| (Fri) 2/16 | Champaign         | 5 PM       |
| (Tue) 2/20 | Elk Grove Village | 1 PM       |
| (Wed) 2/21 | Palatine          | 9 AM       |
| (Sat) 2/24 | Peoria            | 9 AM       |

### March

| DATE       | LOCATION     | START TIME |
|------------|--------------|------------|
| (Thu) 3/01 | Rockford     | 9 AM       |
| (Tue) 3/06 | Galesburg    | 9 AM       |
| (Tue) 3/06 | Carol Stream | 1 PM       |
| (Thu) 3/08 | Collinsville | 5 PM       |
| (Sat) 3/10 | Quincy       | 10 AM      |
| (Tue) 3/20 | Effingham    | 5 PM       |
| (Wed) 3/21 | Naperville   | 6 PM       |
| (Wed) 3/21 | Peoria       | 6 PM       |
| (Tue) 3/27 | Pontiac      | 6 PM       |
| (Wed) 3/28 | Moline       | 9 AM       |
| (Thu) 3/29 | Marion       | 1 PM       |

Visit [www.imrf.org](http://www.imrf.org) for the most current list of workshops!

Workshops fill up quickly, and additional dates/locations are added throughout the year. Workshops that have already been filled do not appear on this list.

# Is an optional Personal Benefits Review right for you?

A Personal Benefits Review (PBR) is an optional, one-on-one, 15-minute meeting with an IMRF Field Representative to discuss questions about your IMRF account. We know your time is precious—if you don't have particular questions or concerns, there's no need to attend one of these sessions. **Remember: Before you schedule a PBR, you should already have attended a Pre-Retirement Workshop.** Try to book your PBR several months before you need it; appointments fill up fast!

## Is a Personal Benefits Review right for you?

- Have you already attended a Pre-Retirement Workshop?
- Do you have specific account questions that weren't answered in the workshop?
- After a call to 1-800-ASK-IMRF (275-4673), has a representative referred you to a PBR?

If you answered yes to all of these questions, a Personal Benefits Review might help you answer your remaining questions.

## What to bring to a Personal Benefits Review

- Bring a pension estimate or your Personal Statement of Benefits—available through your Member Access account or by calling 1-800-ASK-IMRF (275-4673).
- Bring the questions you have that are specific to your IMRF account.

Personal Benefits Review time is limited; make sure you are on time and prepared!

## 2018 Personal Benefits Review Dates and Locations

### January

| DATE       | LOCATION    | START TIME |
|------------|-------------|------------|
| (Wed) 1/10 | Mt. Vernon  | 10:30 AM   |
| (Wed) 1/10 | Grayslake   | 1 PM       |
| (Wed) 1/17 | Nashville   | 10:30 AM   |
| (Wed) 1/24 | Springfield | 4 PM       |
| (Thu) 1/25 | Oak Brook   | 10 AM      |
| (Wed) 1/31 | Naperville  | 9:30 AM    |
| (Wed) 1/31 | O'Fallon    | 10:30 AM   |

### February

| DATE       | LOCATION     | START TIME |
|------------|--------------|------------|
| (Thu) 2/01 | Collinsville | 4 PM       |
| (Fri) 2/02 | Oak Brook    | 1 PM       |
| (Sat) 2/03 | Flora        | 10:30 PM   |
| (Thu) 2/08 | Plano        | 10:30 AM   |
| (Thu) 2/08 | Mt. Prospect | 1 PM       |
| (Tue) 2/13 | Bradley      | 10 AM      |
| (Tue) 2/13 | Oak Lawn     | 1 PM       |

|            |                   |          |
|------------|-------------------|----------|
| (Wed) 2/21 | Waterloo          | 10:30 AM |
| (Thu) 2/22 | Elk Grove Village | 9 AM     |

### March

| DATE       | LOCATION     | START TIME |
|------------|--------------|------------|
| (Thu) 3/01 | Palatine     | 1 PM       |
| (Tue) 3/06 | Charleston   | 10 AM      |
| (Fri) 3/09 | Collinsville | 8 AM       |
| (Tue) 3/13 | Oak Brook    | 10 AM      |
| (Tue) 3/13 | Benton       | 11 AM      |
| (Wed) 3/14 | Springfield  | 4 PM       |
| (Wed) 3/14 | Rockford     | 9 AM       |
| (Tue) 3/20 | Geneva       | 1 PM       |
| (Wed) 3/21 | Effingham    | 8 AM       |
| (Wed) 3/21 | Mascoutah    | 10:30 AM   |
| (Thu) 3/22 | Quincy       | 10 AM      |
| (Thu) 3/29 | Pontiac      | 1 PM       |
| (Thu) 3/29 | Moline       | 9 AM       |

Visit [www.imrf.org](http://www.imrf.org) for the most current list of appointments!

Personal Benefits Reviews fill up quickly, and additional dates/locations are added throughout the year. Appointments that have already been filled do not appear on this list.



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**FUNDAMENTALS**

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***New!* Personal Benefits  
Reviews... by phone!**

If you still have questions  
about your IMRF benefits after  
attending an IMRF Pre-Retirement  
Workshop, you can now schedule  
a 25-minute phone call with an  
IMRF Field Representative!



Appointment times for 2017 are  
full, but to view available times  
for a Phone Personal Benefits Review in 2018, sign  
in to your Member Access account. If you don't  
have an account, you can also call 1-800-ASK-IMRF  
(275-4673) for more information.

If you want to sign up for a Phone Personal Benefits  
review but don't yet have a Member Access  
account, or if you do have an account but have  
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green box in the upper right corner of  
[www.imrf.org](http://www.imrf.org). Click on the appropriate link, and  
it will walk you through the directions for creating  
or accessing your account. ■