



Illinois Municipal Retirement Fund

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

Service Representatives 1-800-ASK-IMRF

www.imrf.org

SPECIAL MEMORANDUM

Number: 294

Date: May 19, 2006

To: Authorized Agents of Educational Employers

Subject: Pending legislation: HB 4463: Exempting former Teachers' Aides from minimum 12-month service credit requirement for a reciprocal pension

Executive Summary

On April 26, 2006, House Bill 4463 was sent to the governor for his signature. HB 4463 would change the Reciprocal Act to allow a former IMRF member who participated as a teacher's aide and transferred to a position that is covered by TRS to retire under the Reciprocal Act even though the former teacher's aide has less than 12 months of IMRF service credit.

In addition, if the former teacher's aide took a refund of his or her IMRF contributions, he or she can repay the refund, reinstate the service credit, and apply the service toward a Reciprocal pension. If a former teacher's aide will be retiring immediately after the bill becomes law, IMRF recommends he or she apply now to reinstate the refund by submitting IMRF Form 6.03, "Application for Reinstatement of Service Credit."

The governor has until June 26, 2006, to sign HB 4463 into law. If the governor takes no action on the bill, it will automatically become law.

In an effort to inform former teachers' aides of this potential change in the law, we ask that you post the enclosed flyer.

On April 26, 2006, House Bill 4463 was sent to the governor for his signature. HB 4463 would allow a former IMRF member who participated as a teacher's aide and transferred to a position that is covered by TRS to retire under the Reciprocal Act even though the former IMRF member has less than 12 months of IMRF service credit.

The governor has until June 26, 2006, to sign HB 4463 into law. If the governor takes no action on the bill, it will automatically become law.

Retiring under the Reciprocal Act

Current law The Illinois Retirement Systems Reciprocal Act requires a minimum of 12 months of service credit with any single reciprocal pension system to apply the service toward a reciprocal pension benefit.

If a member has less than 12 months of service with a single reciprocal retirement system, that service will not be counted in the calculation of his or her reciprocal pension.

If HB 4633 becomes law

The Illinois Retirement Systems Reciprocal Act will be revised to allow a former teacher's aide who transferred to a position covered by the Teachers' Retirement System (TRS) and who has less than 12 months of IMRF service credit to apply that service toward a reciprocal pension.

Former teachers' aides covered

To be covered by this legislation, the former teacher's aide must be participating in any Reciprocal system on or after the effective date of this legislation; he or she does not have to be a current member of TRS.

If a former teacher's aide took a refund

If a former teacher's aide took a refund of his or her IMRF contributions, he or she can repay the refund and reinstate the service credit by submitting IMRF Form 6.03, "Application for Reinstatement of Service Credit." This form is available on our website, www.imrf.org.

If a former teacher's aide took a refund *AND* is thinking of retiring

To be eligible to apply less than 12 months of IMRF service credit toward a Reciprocal pension, a member must be an active participant in a Reciprocal System on the day this bill becomes law.

If a former teacher's aide took a refund and intends to retire immediately after the bill becomes law, IMRF recommends he or she apply to reinstate the refund now by submitting IMRF Form 6.03, "Application for Reinstatement of Service Credit." This form is available on our website, www.imrf.org.

Applying to reinstate the refund does **not** obligate the employee to repay the refund. If HB 4633 becomes law, having an application on file will ensure that the employee will have **one** opportunity to reinstate the refund even if he or she retires and no longer participates in a Reciprocal system.

Special Memorandum 294
May 19, 2006
Pending legislation: HB 4463
Page 3 of 3

We ask for your assistance

In an effort to inform current TRS members about this potential change in the law, we ask that you photocopy the enclosed flyer and post it in your Teacher Lounges.

In addition, IMRF has identified a small group of former members who currently participate in TRS, are retirement age, and took a refund of their IMRF contributions. These former IMRF members may be eligible to reinstate their refunds and retire under the Reciprocal Act. We will contact these members to advise them of this pending legislation.

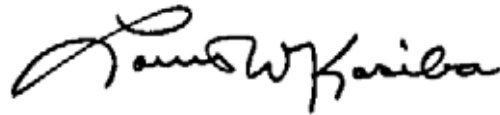
Questions

If a member has a question regarding repaying an IMRF refund, please call 1-800-ASK-IMRF (1-800-275-4673), Monday through Friday, 7:30 a.m. to 5:30 p.m.

All other inquiries should be directed to TRS.

You can also check the status of HB 4463 by visiting the Legislative Area of the IMRF website, www.imrf.org.

Sincerely,



Louis W. Kosiba
Executive Director

Enc. 1



Are you a former teacher's aide?

You should be aware of pending legislation that could enhance your future pension.

House Bill 4463 would allow a former teacher's aide who has less than 12 months of IMRF service credit and who transferred to a position covered by TRS to apply the IMRF service toward a Reciprocal pension.

Currently, you need at least 12 months of service credit with any single reciprocal pension system to apply the service toward a reciprocal pension.

If HB 4633 becomes law, you may be eligible to apply *less* than 12 months of IMRF service credit toward a reciprocal pension.

If this pending legislation applies to you but...

- **You took a refund from IMRF**
You can repay the refund and reinstate the service.
- **You took a refund from IMRF and you will retire immediately after this bill becomes law**
IMRF recommends you apply now to repay the refund and reinstate the service. Applying does **not** obligate you to repay the refund. However, if the bill becomes law, having your application on file will ensure that you will have one opportunity to reinstate the refund even though you no longer participate in a Reciprocal Retirement System.

For more information

HB 4633 was sent to the governor for his signature on April 26, 2006.

If you have questions regarding **repaying an IMRF refund**, contact IMRF at 1-800-ASK-IMRF (1-800-275-4673). If you have **any other questions**, contact TRS at 1-800-877-7896.