



Illinois Municipal Retirement Fund

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Member Services Representatives 1-800-ASK-IMRF

www.imrf.org

SPECIAL MEMORANDUM

Number: 310

Date: June 17, 2009

To: County Employers that adopted the Elected County Official plan prior to January 26, 2000

Subject: State stipends for elected officials

Executive Summary

If a member retires under the original Elected County Official plan (original ECO), the ECO pension calculation includes:

- a. The member's final salary for his/her elected county official office, plus
- b. Any stipend funded by the State (assuming the State funded the stipend in the same fiscal year in which the member stops participating in ECO).

If a stipend is not funded by the State of Illinois in the same State fiscal year in which the member terminates participation, the stipend cannot be included in the ECO pension calculation.

Because of the uncertainty regarding funding for stipends in the fiscal year 2010 State budget, this year original ECO members have until September 30, 2009, to decide if they wish to stop participating in ECO. If they elect to stop participating in ECO, they will freeze their ECO salary which will include the FY 2009 stipend. The decision to terminate ECO is irrevocable.

Dear Authorized Agent:

If the State of Illinois does not fund the stipend for an elected office, the stipend is not included in the salary used to calculate an original ECO pension. If a member who participates in original ECO retires or terminates participation during a fiscal year (FY) in which the state did *not* fund any state stipend, the salary used to calculate the benefit does not include the stipend. If the state funded the stipend at less than the full amount, only the amount funded by the state is included.

The State's FY 2010 budget begins July 1, 2009. It has not been determined if the State will fund stipends in its FY 2010 budget. If it does not, original ECO members who terminate during FY 2010 (July 1, 2009 through June 30, 2010) will not have a stipend included in the salary used to calculate their ECO pension. Therefore, it may be advantageous for those officials to terminate ECO participation before fiscal year 2010 by submitting IMRF Form 6.28, "Revocation of Election to Participate in Elected County Official (ECO) Plan."

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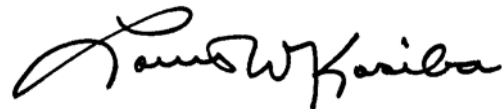
Because the issue of State funding for stipends in FY 2010 is unresolved and has arisen so close to the end of FY 2009, original ECO members who wish to freeze their salaries to include their FY 2009 stipend may terminate ECO participation up to, but no later than, September 30, 2009 (the end of the State's lapse period).

Please note that if an ECO member submits IMRF Form 6.28, he/she may not at a future date rescind the decision to terminate ECO. The member will continue to participate in the Regular or SLEP plan (as appropriate) and will not be eligible to elect to participate in the ECO plan at a future date.

Questions?

If you or your county officials have any questions, please call IMRF General Counsel Kathy O'Brien at (630) 368-5352.

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