



Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook IL 60523-2337

Member Services Representatives 1-800-ASK-IMRF

www.imrf.org

SPECIAL MEMORANDUM

Number: 327

Date: October 15, 2012

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. If the stipend is funded at less than the full amount, only the amount actually paid is included in the ECO salary.

Because of the uncertainty regarding funding for certain stipends in the fiscal year 2013 State budget, this year original ECO members have until December 31, 2012, to decide if they wish to stop participating in ECO. If they elect to stop participating in ECO (submit IMRF Form 6.28), they will freeze their ECO salary which will include the FY 2012 stipend. The decision to terminate ECO participation 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
- Funded the stipend at less than the full amount, the salary used to calculate the benefit includes only the amount funded by the state.

- over -

Special Memo 327
State stipends for elected officials
October 15, 2012
page 2 of 2

The State's FY 2013 began July 1, 2012. It has not been determined if the State will fully fund stipends in FY 2013. If it does not, original ECO members who terminate during FY 2013 (July 1, 2012 through June 30, 2013) will have only the amount paid as the stipend included in the salary used to calculate their ECO pension.

Previously, when the stipends were not fully funded, IMRF allowed ECO members to opt out of ECO and freeze the ECO salary with the previous year's stipend. We are offering this opportunity again this year. An ECO member wishing to freeze the salary would submit IMRF Form 6.28, "Revocation of Election to Participate in Elected County Official (ECO) Plan."

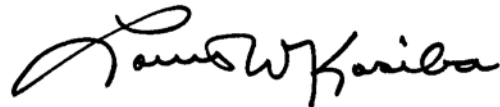
Because the issue of State funding for stipends in FY 2013 is unresolved as of this date, original ECO members who wish to freeze their salaries to include their FY 2012 stipend may terminate ECO participation up to, but no later than, December 31, 2012.

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. This is true even if the full stipend is paid. If an ECO member opts out of the ECO plan, that decision is irrevocable.

Questions?

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

Sincerely,



Louis W. Kosiba
Executive Director