

BUDGET

Illinois Municipal Retirement Fund
2025 ADOPTED BUDGET

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BOARD OF TRUSTEES

The IMRF Board of Trustees is responsible for the prudent management of IMRF’s assets, and for making sure the money is there to pay the benefits earned by every IMRF member and beneficiary, now and for years to come. The Board carries the responsibility to ensure that IMRF continues to be a well-run, successful pension fund.

An eight-member Board of Trustees governs IMRF:

- Four Executive Trustees elected by participating units of government
- Three Employee Trustees elected by participating IMRF members
- One Annuitant Trustee elected by IMRF annuitants

The Board meets at least four times a year and may meet more often as needed. Trustees are elected to five-year terms and serve without compensation. During their term, a Trustee will have the opportunity to hold each officer position at least one time. Trustees are not subjected to term limits.

PETER STEFAN
2024 PRESIDENT
EMPLOYEE TRUSTEE

Current term ending December 31, 2025
Village of Lake in the Hills



LOUIS KOSIBA
2024 VICE PRESIDENT
ANNUITANT TRUSTEE

Current term ending: December 31, 2025
Formerly Illinois Municipal Retirement Fund



SUE STANISH
2024 SECRETARY
EXECUTIVE TRUSTEE

Current term ending Dec. 31, 2028
Naperville Park District



DOUGLAS CYCHOLL
EMPLOYEE TRUSTEE

Current term expires: December 31, 2025
City of Springfield, IL



GWEN HENRY
EXECUTIVE TRUSTEE

Current term ending Dec. 31, 2025
DuPage County



TOM KUEHNE
EXECUTIVE TRUSTEE

Current term ending Dec. 31, 2027
Village of Arlington Heights



DAVID MILLER
EXECUTIVE TRUSTEE

Current term ending December 31, 2026
North Shore Water Reclamation District



NATALIE COPPER
EMPLOYEE TRUSTEE

Current term ending December 31, 2024
Dawes School in Evanston



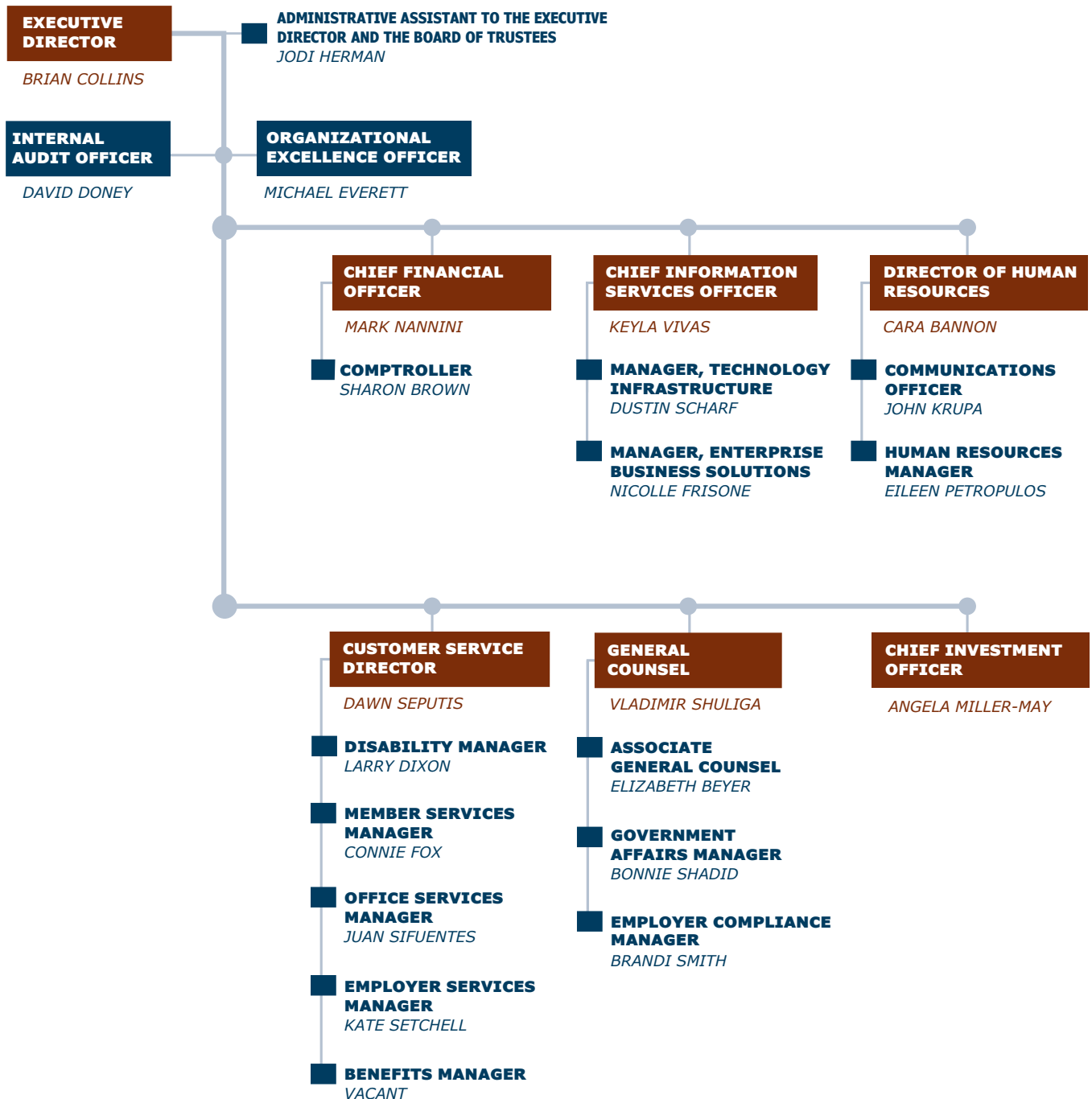
ORGANIZATION CHART

BOARD OF TRUSTEES

CONSULTANTS

INVESTMENT CONSULTANTS INVESTMENT MANAGERS MASTER TRUSTEE EXTERNAL AUDITOR ACTUARY MEDICAL CONSULTANTS CHIEF SECURITY OFFICER

STAFF



DISTINGUISHED BUDGET PRESENTATION AWARD

IMRF takes great pride in its reputation for transparency. To ensure this reputation continues, IMRF seeks feedback from the Government Finance Officers Association (GFOA) through its various award programs.

In 2024, IMRF received the Distinguished Budget Presentation Award for the tenth consecutive year. To achieve the award, IMRF earned outstanding or proficient ratings across all award criteria. This honor showcases IMRF's ongoing commitment to the core values of accuracy and accountability, and to providing the resources required to support members and employers across Illinois.

IMRF will continue to participate in the GFOA awards programs and intends to submit this budget in early 2025.



IMRF MISSION, VISION & VALUES

MISSION STATEMENT

To efficiently and impartially develop, implement, and administer programs that provide income protection to the members and beneficiaries on behalf of participating employers, in a prudent manner.

VISION

To provide the highest quality retirement services to our members, their beneficiaries, and employers.

VALUES

Guiding us to **REACH** our Mission and Vision:

R

Respect

Recognizing the worth, uniqueness, and importance of ourselves, our coworkers, and our membership builds collaboration and cooperation.

E

Empathy

Being aware of the feelings of others and how our actions affect them enables us to be responsive to the needs of our membership.

A

Accountability

Accepting responsibility for our actions cultivates the trust of our coworkers, members, and employers.

A

Accuracy

Performing our duties in an accurate and timely manner ensures our members receive the service and benefits to which they are entitled.

C

Courage

Recognizing the need for innovation and being willing to change strengthens our ability to meet future challenges and opportunities.

H

Honesty

Acting in a truthful, ethical, and professional manner builds confidence with our membership and the public.

IMRF is the administrator of an agent multiple-employer public employee retirement system. In an effort to provide a more informative document, the Budgetary Structure includes an outline of IMRF's funding, business practices, and direction.

ILLINOIS MUNICIPAL RETIREMENT FUND

2025



BUDGETARY STRUCTURE

- 9** Budget Transmittal Letter
- 17** Strategic Plan
- 20** Implementation of the Strategic Plan
- 22** Asset Allocation
- 23** Contributions vs. Benefits Paid



November 8, 2024

Board of Trustees

Illinois Municipal Retirement Fund

Oak Brook, Illinois 60523-2337

FORMAL TRANSMITTAL

The Annual Budget for the Illinois Municipal Retirement Fund (IMRF) for the fiscal year January 1 through December 31, 2025, is attached and submitted to the Board of Trustees. The management of IMRF is responsible for the compilation, content, and accuracy of this document. Our goal is to address the defined needs and objectives of the organization, as outlined in the enclosed document. IMRF relies on the interest earned from the Trust to fund its administrative, investment, and operating expenses.

This budget, as well as the budgets for the following years, are guided by and build upon the 2023-2025 Strategic Plan and its four primary building blocks, known as Key Result Areas (KRA's): (1) Financial Health, (2) Workforce Engagement, (3) Customer Engagement, and (4) Operational Excellence. Each title and category of this budget includes a KRA citation that reinforces the connection between our Strategic Plan and the 2025 budget.

The budget reflects the values and mission of IMRF. The 2025 budget continues to address our systems modernization project known as Horizon. The Horizon software has been up and running since March 4, 2024. Member benefits continue to be paid on a timely basis and staff is diligently working to enhance the system. Additional staff were added in 2024 with approval of the Board of Trustees to increase customer service levels. These additional staff positions are reflected in the 2024 budget numbers so the comparison of the published 2024 budget versus the 2025 presentation reflects those amendments.

The 2025 budget also reflects the addition of five full time staff to increase productivity. Two of the additional staff are to support the Legal department with an additional Employer Compliance Associate and Senior Employer Compliance Associate. The Organizational Excellence area includes two additional staff, a Continuous Improvement Specialist and User Experience Designer. The fifth is in Member Services, a Member Education Counselor. The use of temporary services is included in several areas of this budget similar to last year's budget presentation.

Items unique to this year's budget include the election process for five Board of Trustee positions that will be up for election in the 2025 calendar year, customer service training, an increase in outside legal counsel, cyber security software and tools, a new contract with our existing third-party vendor outsourcing our Chief Security Officer position, tools to assist the next Baldrige application process, and new investment software.

This year's budget continues to reflect the impact of the Horizon Project, our new line of business software, implemented in March 2024. Work will begin on the next phase during 2025. This phase will not need as many staff hours. This budget has a large decrease in capitalized salaries under GASB 51. This distorts the comparison of budget year 2024 to 2025 for this entry. The impact of this adds an additional 7.6% to the 2025 budget in aggregate, when adjusted for the decrease in capital salaries, the increase in the 2025 budget compared to 2024 is 8.0%, this is a non-cash increase.

In developing this budget, we received input from each operational department of IMRF. This budget is a collaboration of efforts that reflects our plan to adapt to change while continuing to provide annuitant benefits, employer information, and outstanding service to all stakeholders.

HIGHLIGHTS OF THE 2025 BUDGET *(Financial Health)*

The overall increase from year to year for the administrative expenses in aggregate equals 15.6%. As stated earlier, this large increase is due to a decrease in capitalized salaries under GASB 51 now that we have gone live with Horizon. If GASB 51 amounts were comparable to last year, the increase in the budget is only 8.0%.

The 2025 direct investment expenses are estimated to increase 11.96%, based on the expectation of an increase in the size of the total portfolio and trading activity.

Health insurance costs reflected in the 2025 budget are up 8.25%. This is reasonable based on increases over the past 5 years being comparatively low. The average health insurance increase over the previous 5 years was 2.98%. Actual increases for the past 5 years have been:

Year	Percent Increase
2024	8.0%
2023	5.0%
2022	0.0%
2021	0.0%
2020	1.9%

The 2025 personnel budget reflects a combined 4.25% increase divided between a 3.0% base salary adjustment and a 1.25% discretionary merit increase for staff in 2025.

The budget reflects an increase for the resumption of travel and training in 2025 throughout the organization. The 2025 budget reflects regular activities for meetings, training, conferences, etc. If staff are unable to attend, these funds will not be spent.

The Capital Plan includes a decrease of about \$5.7 million over the prior year. The total for 2025 is \$8,170,758, which is due to planned capital purchases related to the Horizon Project. The Horizon Project remains the main driver of capital expenditures, as we focus on the streamlining of the Horizon product.

Highlights of the 2025 Budget:

- The Information Services area reflects third-party support for the Horizon project, new phone system, new Microsoft licensing, and infrastructure improvements.
- Training and travel for 2025 is reflected throughout this budget. These funds have increased significantly, although they will not be spent if travel is not possible. This includes customer service training.
- Additional staffing to address concerns on employer compliance and responding efficiently and effectively to member and employer inquiries.
- Enterprise Risk Management initiatives are included and reflected in the Organizational Excellence area for 2025 and well as software to assist with the Project Portfolio Management process and future Baldrige process.
- Increase in capital items as outlined on [\(page 54\)](#)

- New software for the Investment department's Private Markets Portfolio area.
- The assistance and investigation of the future of work at IMRF continues in 2025. This initiative investigates our office design needs, real estate analysis and future lease agreements.
- Two summer interns will once again support the Investment department in 2025, a continuation of a program started back in 2022.
- Funds for election of five open Board positions.

PROFILE OF IMRF *(Customer Engagement)*

IMRF is the administrator of an agent multiple-employer public employee retirement system, which began operations in 1941 to provide retirement, death, and disability benefits to employees of local units of government in Illinois.

Members, employers, and annuitants elect eight trustees who govern IMRF. It is separate and apart from the Illinois state government and is not included in the state's financial statements. IMRF now serves 3,045 different employers, 181,205 participating members, 157,200 inactive members, and 154,554 benefit recipients.

FUNDING *(Financial Health)*

IMRF's revenue is derived from three sources: investment earnings, employer contributions, and member contributions. Per state statute, IMRF employers are required to make actuarially required contributions to IMRF. The Revenues by Source section of this document ([page 31](#)) presents the details of the funding for IMRF.



IMRF's main source of revenue is investment earnings.

The IMRF Investment Department works under the guidance and direction of the Board of Trustees, and is governed by the Prudent Man Rule. It is the mission of the Investment Department to optimize the total return of the IMRF investment portfolio through a policy of long-term diversified investment, using parameters of prudent risk management.

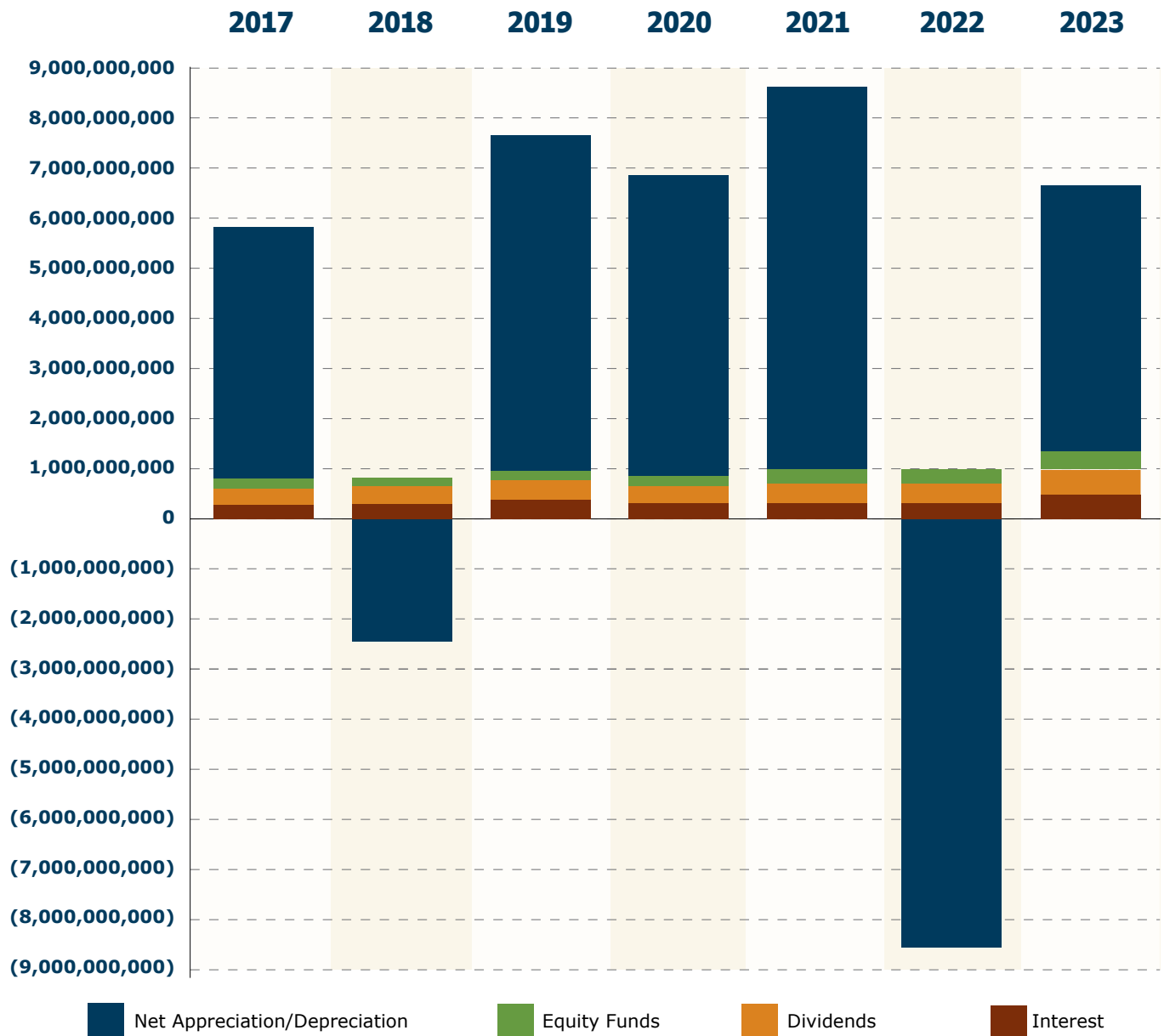
IMRF's Investment Department works with independent professional money managers and consultants to achieve these goals.

INVESTMENTS *(Financial Health)*

The Investment Department is under the direction of the Chief Investment Officer, Angela Miller-May. Currently, the public markets portfolio is managed by 34 professional investment management firms, handling 43 mandates. The private markets portfolio is invested by 71 firms, including 217 separate funds. These firms make investment decisions under the prudent person rule authorized by Article 1 of the Illinois Pension Code and by the Statement of Investment Policy, adopted by the IMRF Board of Trustees.

The Investment Department has implemented an internally managed, active US Equity Portfolio that is managed against the SciBeta United States High-Factor-Intensity Diversified Multi-Beta Multi-Strategy 6-Factor 4-Strategy EW Index, a second active US Large Cap Equity Factor Diversity Portfolio managed against the Goldman Sachs Asset Management US Large Cap Active Beta Factor Diversity Index and a recent third active US Small Cap Multi-Factor Equity Portfolio managed against the S&P SmallCap 600 QVML Top 90% Multi-Factor Index. Combined, the three internally managed portfolios are approved for up to \$5.35 billion in funding by the Board.

The Trustees employ an investment consultant to monitor and evaluate the investment management firms' performance. Our primary goal is to optimize the long-term total return of IMRF investments through a policy of diversification within a parameter of prudent risk. Wilshire Associates, IMRF's current investment consultant and performance services provider, will continue to provide these services through the end of their contractual commitment on December 31, 2024. The new investment consultant for the period of January 1, 2025, through December 31, 2029 is Callan, LLC.



PERSONNEL *(Workforce Engagement)*

Total staffing as presented in this budget will increase by five Full Time Equivalent (FTE) from 236 to 241 for both our Oak Brook and Springfield locations. Nine positions were added throughout 2024 to increase customer service levels. In the 2025 budget five new positions are added, in addition to several positions have been transferred internally in 2024, to address operational needs and provide additional support to the 3,045 employers of IMRF. Two summer interns are again reflected in the budget but are not reflected in the 241 total. Our goal is to continue to provide excellent customer service to all our customers, while key staff are heavily involved with the Horizon Project, as well as develop the next generation of employees in response to the natural attrition of staff as they retire from IMRF.

Department	Headcount				
	2024 Budget Total	2024 Restructure *	2024 Additional **	2025 Additional ***	2025 Budget Total
Administration	2	-	-	-	2
Benefits	24	-	3	-	27
Communications	9	-	-	-	9
Customer Service	1	-	-	-	1
Disability	12	(1)	-	-	11
Employer Services	22	1	-	-	23
Finance	20	1	-	-	21
Human Resources	5	-	-	-	5
Information Services	46	(1)	-	-	45
Internal Audit	3	-	1	-	4
Investments	14	-	-	-	14
Investments IMP	4	-	-	-	4
Legal	13	-	-	2	15
Member Services	32	1	5	1	39
Office Services	18	(1)	-	-	17
Organizational Excellence	2	-	-	2	4
Total	227	-	9	5	241

* For 2024, various positions were restructured due to the Horizon Project Go-Live.

** For 2024, 9 additional positions were approved in June to help with the transition to Horizon

*** For 2025, 5 additional positions are requested.

INFORMATION SYSTEMS DEVELOPMENT *(Operational Excellence)*

2024

IMRF's major 2024 system development accomplishments:

- The Information Services area reflects third party support for the Horizon project through "Go Live".
- The 2024 budget included various information technology software licenses and consultants in preparation of going live with the Horizon Project in early 2024, including the first-year maintenance for the Horizon software.
- The Finance budget reflected the costs of a potential transition to a new actuarial consulting firm.
- Overtime was increased for some departments in preparation for Horizon Go Live.
- Addition of Mercer to help investigate the future of work at IMRF. This initiative investigates our office design needs, real estate analysis and future lease agreements.

2025

IMRF's major 2025 system development priorities will focus on:

- Finalizing plans to prepare IMRF staff for the Horizon 1.1 upgrade
- Customer service training for staff.
- New phone system, Avaya Experience Platform (AXP), previously approved by the Board of Trustees.
- New software for the Investment department to track securities internally and externally.
- New software in the Organizational Excellence department to assist with process improvements, score carding and the Baldrige process.
- Decrease in capital items as outlined on page 51.

STRATEGIC PLAN SUMMARY

The Strategic Plan for 2023 through 2025 provides the Fund with a road map for achieving our vision to provide the highest quality retirement services to our members, their beneficiaries, and employers in a cost-effective manner. It guides our efforts to continuously improve our service to our employers and members. It is a framework for the 2025 Budget submittal and acts as a guide for the subsequent year's budgets.

The 2023-2025 Strategic Plan includes elements of the Baldrige Criteria for Performance Excellence to ensure we align our objectives, processes, and resources with our vision. Progress towards meeting our objectives are measured using the following four key results areas on our leadership scorecard:

- Financial Health
- Customer Engagement
- Workforce Engagement
- Operational Excellence

More information about our Strategic Plan is located on [page 17](#) of this document.

JOURNEY OF EXCELLENCE *(Operational Excellence)*

IMRF Journey of Excellence is based upon the framework of the Malcolm Baldrige National Quality Award. This award was established by Congress to promote improved quality of goods and services in U.S. companies and organizations. This program is administered both at a regional level (The Partnership for Excellence-TPE, previously Illinois Performance Excellence-ILPEX) and at national level (Malcolm Baldrige National Quality Award-MBNQA). The program identifies and recognizes role-model organizations, establishes the criteria for evaluating improvement efforts, and promotes dissemination and sharing of best practices.

Seven categories make up the Baldrige Criteria for Excellence:

- **Leadership**—Examines how senior executives guide and sustain the organization and how the organization addresses governance, ethical, legal and community responsibilities
- **Strategic planning**—Examines how the organization sets strategic direction and how it determines and deploys key action plans
- **Customer focus**—Examines how the organization determines requirements and expectations of customers and markets; builds relationships with customers; and acquires, satisfies, and retains customers
- **Measurement, analysis, and knowledge management**—Examines the management, use, analysis, and improvement of data and information to support key organization processes, as well as how the organization reviews its performance
- **Workforce focus**—Examines how the organization engages, manages, and develops all those actively involved in accomplishing the work of the organization to develop full potential and how the workforce is aligned with the organization's objectives
- **Operations**—Examines aspects of how key production/delivery and support processes are designed, managed, and improved
- **Results**—Examines the organization's performance and improvement in its key business areas: customer satisfaction, financial and marketplace performance, workforce, product/service, and operational effectiveness, and leadership; as well as how the organization performs relative to competitors.

Our Journey of Excellence began with ILPEX in 2009. IMRF embraced the Baldrige Criteria for Excellence and began aligning processes to become more efficient and sustainable. ILPEX process ended with a gold award in 2017. Our ILPEX Gold Award affirmed IMRF's status as a national leader in public pension administration.

Having achieved the highest award designation possible within the state program, IMRF qualified to apply for the national program via the MBNQA. IMRF attempted the MBNQA award twice and was successful in October 2019. IMRF plans to reapply for the award in 2025 once eligible.

DEFINED BENEFIT ADMINISTRATION BENCHMARKING ANALYSIS *(Operational Excellence)*

Annually, IMRF participates in a benchmarking study to further identify potential process improvements. CEM Benchmarking Inc. conducts an annual Defined Benefit Administration Benchmarking Study for public pension systems. IMRF has participated in this benchmarking program since 2001. This program provides insight into benefit administration costs, customer service levels, and industry best practices. Our goal is to provide the highest quality of service at a median cost. For fiscal year 2023, IMRF's service level scores ranked in the 84th percentile amongst the 38 North American public pensions within the peer group, while our costs per active member and annuitant were \$42 below the peer average of \$140. We will continue our participation in this benchmarking program in 2025.

FINANCIAL POLICIES *(Financial Health)*

Financial policies provide the basic framework for the fiscal management of IMRF. These policies provide guidelines for the evaluation of current activities and proposals for the future. The policies represent long established principles and practices that have guided IMRF in the past, and lead to the financial stability of the organization today. These policies are described in the General Guidelines from the Chief Financial Officer beginning on [page 44](#) of this document.

PERFORMANCE MEASURES *(Financial Health)*

IMRF, in an effort to provide a more informative document, includes performance measures for each operational area within the budget. Performance measures are presented to support our Strategic Plan and excellence per the Baldrige criteria.

DEPARTMENT GOALS AND OBJECTIVES *(Workforce Engagement)*

IMRF's goals and objectives are presented for each operational department. The department goals and objectives are identified by each operational unit to provide a better perspective of each area to IMRF overall.

FINANCE AND BUDGET AWARDS *(Financial Health)*

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to IMRF for its Annual Comprehensive Financial Report (ACFR) for the year ended December 31, 2022, (2023 is pending). The Certificate of Achievement for Excellence is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. IMRF has received a Certificate of Achievement for the last 42 consecutive years (Fiscal Years 1980-2022). IMRF also received a Certificate of Achievement for Excellence in Financial Reporting for its Popular Annual Financial Report (PAFR) for the year ended December 31, 2022. IMRF has received the PAFR award 21 times.

IMRF has received for the tenth straight year the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). IMRF is proud of the 2025 budget and feels that it provides the reader pertinent information about IMRF as an organization and makes clear the focus and direction of the organization into the future.

GFOA has recognized IMRF with the Triple Crown Award for the fourth year in a row. The Triple Crown Award acknowledges an organization that receives the (1) ACFR Award, (2) Budget Award and (3) PAFR award in the same year. Out of thousands of government units participating in the awards program, IMRF is one of 333 governments to earn this honor for the Triple Crown Award, only a handful of the governments awarded are pension plans similar to IMRF.



ACKNOWLEDGMENTS

The production of this document reflects the combined efforts of IMRF staff under the leadership of the Board of Trustees and the Executive Director Brian Collins. The Finance Department, under the direction of Mark Nannini, compiled the report. We believe this report provides complete and reliable information for making management decisions, for determining compliance with legal provisions, and for determining responsible stewardship for the assets contributed by the members and their employers.

We hope that all users of this document will find it both informative and helpful.

This budget is a culmination of major effort by numerous staff of IMRF as well as the Board. We would like to especially thank the Directors, Managers, Supervisors, John Krupa, Nickolas Kurz, and Jim Splitt for their help in preparing and assembling this document. On behalf of the management team, we are pleased to present the Fiscal Year 2025 IMRF budget for your consideration.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brian Collins".

Brian Collins
Executive Director

A handwritten signature in black ink, appearing to read "Mark F. Nannini".

Mark F. Nannini
Chief Financial Officer

STRATEGIC PLAN

Approved in November 2022



2211 York Road, Suite 500 Oak Brook, IL 60523-2337 1-800-ASK-IMRF (275-4673)

www.imrf.org

November 2022

IMRF Strategic Plan

The Illinois Municipal Retirement Fund Board of Trustees and staff are proud to present our adopted Strategic Plan for 2023-2025. The Strategic Plan includes our Mission, Vision and Values; Strategic Objectives for each of our four Key Result Areas; and our formal planning methodology.

Our Strategic Objectives challenge us to achieve top 10% performance for most Key Result Areas. These objectives are supported by a set of Key Strategies critical to the success of our Plan. The complete list of Strategic Objectives and Key Strategies is included in the enclosed Strategic Plan.

IMRF received the Malcolm Baldrige National Quality Award in November 2019. This prestigious honor not only recognized our organizational excellence, but also provided a comprehensive feedback report to continue our efforts toward fulfilling our Vision. The Baldrige Framework helps shape the development of our Strategic Plan, which aligns our objectives with the four Key Result Areas of the Fund listed below. Our Journey of Excellence will continue throughout the duration of this plan as we reapply for the national award once eligible.

- Financial Health
- Customer Engagement
- Workforce Engagement
- Operational Excellence

Our Strategic Plan provides the Fund with a road map for meeting the challenges and opportunities in providing the highest quality retirement services to our members, their beneficiaries, and employers. It guides our efforts to continuously improve our service to our 3,027 employers; 175,224 participating members; 148,128 annuitants; 151,568 inactive members; and the taxpayers of Illinois.

We appreciate your interest in IMRF and welcome your feedback.

Brian Collins
Executive Director

EXECUTIVE SUMMARY

IMRF implemented a formal strategic planning process and methodology in 2005 to ensure the IMRF Board of Trustees and staff had a mechanism to plan for the future needs of the Fund. This systematic process facilitates discussion and agreement between the Board of Trustees, staff, and key stakeholders on the appropriate direction for IMRF. Consistent with the spirit of our continuous process improvement program, the process was updated and improved in 2007, 2010, 2013, 2016, 2019, and again in 2022.

IMRF has a long history of implementing operational improvements in response to the increasing needs and demands of our stakeholders. These changes allowed the Fund to effectively and efficiently respond to many challenges, including new benefit programs and ever-increasing workloads. Our success continues to be validated through the high marks received on customer satisfaction surveys and through outside benchmarking services.

Our strategic planning process includes elements of the Baldrige Criteria for Performance Excellence, to ensure we align our objectives, processes, and resources with our Vision. In 2019, we received the Malcolm Baldrige National Quality Award for performance excellence. We will continue to reapply for the award, when eligible, to ensure we are continuously improving and remain aligned with the Baldrige Criteria.

While the measures of success that we use for our strategic objectives may change over time, we will strive to achieve top 10% performance for most Key Result Areas. Baldrige recipient organizations often set their overarching strategic objectives to achieve a top 10% ranking in each key area of importance to their stakeholders. We are following that same path. We believe this high level of performance is how we should benchmark ourselves. This is consistent with our Values and provides a means to assess progress towards realization of our Vision. Our Strategic Objectives force us to think strategically about how we can achieve and/or maintain excellence in each of our Key Result Areas. They provide a target we can aspire to over the three years of this Strategic Plan.

As a critical part of our formal 12-step planning process, the Board of Trustees and staff completed a re-examination and validation of our Mission, Vision, and Values in February 2022. We also completed a comprehensive overview of our external environment, as well as an analysis of our strengths, weaknesses, opportunities, and threats. These analyses resulted in a list of strategic advantages, challenges, and opportunities that helped validate our four Key Result Areas of our Strategic Objectives.

Our four Strategic Objectives provide the basis for our 2023-2025 Strategic Plan. Staff developed action plans, including milestones and timelines, for the Key Strategies associated with each of these objectives.

STRATEGIC OBJECTIVES AND KEY STRATEGIES FOR 2023-2025

Our four Strategic Objectives define our approach to realize our Vision, and as such, constitute the focus of our Strategic Plan for 2023-2025. These four inter-related objectives address internal and external strategic advantages, challenges and opportunities. The objectives and corresponding strategies are aligned with our Vision across all key result areas. This integration is critical to the success of our Strategic Plan, as these objectives must be considered as four parts of one plan. The Plan highlights the four Strategic Objectives. The Plan also provides an overview of the Key Strategies designed to support the Strategic Objectives. These Key Strategies will change throughout the three years of the Plan, as some will be completed or combined with another strategy. The Horizon Project (our most important strategic opportunity) will be deployed during the 2023-2025 Strategic Plan cycle. Therefore, we limited the amount of competing initiatives to help ensure the success of this critical project. The following list are ten Key Strategies we will utilize to help us achieve our four Objectives.

Key Result Area: Financial Health

Strategic Objective

To achieve and maintain a funding level that sustains the Plan.

As measured by:

- Achieving top decile funding level on a market-value basis relative to a universe of public pension funds
- Achieving progress toward a 100% funding goal
- Achieving or exceeding a 7.25% annual return over the long term (over 5, 10 and 15 year basis)
- Outperforming the total portfolio benchmark (over 3, 5 and 10 year basis)

2023-2025 STRATEGIC PLAN



Key Strategy

- Expand efficient utilization of Internal Equity Management
- Evaluate internal tools and technology for investments operations

Key Result Area: Customer Engagement

Strategic Objective

To foster and maintain engaged members and employers.

As measured by:

- Achieving top decile “American Customer Satisfaction Index” (ACSI) ranking on Cobalt Survey
- Achieving 90% “Overall Satisfaction” ratings on member and employer satisfaction surveys
- Exceeding the 4 NPS Benchmarks (Financial, Business Services, Government, & CEM Pension) on Member and Employer engagement surveys

Key Strategies

- Implement a Web-Centric Customer Service Delivery Model
- Implement new Contact Center Model
- Expand development of online education programs

Key Result Area: Workforce Engagement

Strategic Objective

To foster and maintain an engaged workforce.

As measured by:

- Achieving a top decile “percent engaged” score on the Employee Engagement Survey
- Achieving employee turnover levels below averages as measured by CompData Surveys

Key Strategy

- Evaluate “How We Work” as an organization
- Enhance the learning and development experience for staff

Key Result Area: Operational Excellence

Strategic Objective

To provide world-class customer service at a reasonable cost.

As measured by:

- Achieving a top decile “Overall Service Score” ranking for the CEM Benchmarking Survey
- Achieving a per-member-cost at or below the median of the CEM administrative cost measure

Key Strategies

- Implement the Horizon Project
- Develop and implement an Enterprise Risk Management program
- Expand use of analytical tools for a complete view of Member and Employer needs

IMPLEMENTATION OF THE STRATEGIC PLAN

Action Plans

Each Strategic Objective is assigned sponsorship by an IMRF senior leader. These sponsors identify the appropriate employee who will serve as the single point accountable (SPA) for each Key Strategy associated with that objective. These SPAs are responsible to form teams, develop high level action plans, determine possible budget implications for each strategy, work with their sponsor to obtain resources as needed, lead the implementation of action plans, and provide regular updates to leadership on the progress and status of plans. The action plans for each key strategy are aligned with the overarching Strategic Objective. They also provide a greater level of detail, corresponding timelines and milestones for the actions, and the resources required to implement the strategy. Action plans are continually reviewed and revised to ensure the Strategic Plan remains both relevant and responsive to the needs of the organization and to all our key stakeholders.

Annual Operating Budget

Implementation of the action plans may require some incremental increases in the IMRF administrative budget. The administration of an annual employee engagement survey, an enhanced training program, voice of the customer surveying tools, and additional meeting costs highlight these incremental increases. Costs associated with the Strategic Plan will be included in the administrative budget.

Integration of Strategic Objectives With Leadership Scorecard and Performance Management

There is an adage that “What gets measured gets managed.” We apply this concept to the Strategic Plan to ensure it receives the appropriate attention needed for successful implementation. For each Key Result Area, measures are identified for the Leadership Scorecard. Regular reviews of Leadership Scorecard measures and Action Plan updates enable leadership to track the achievement of action plans and the effectiveness of related key strategies.

We will update the performance goals of senior leadership such that they are aligned with the Strategic Plan. Senior leadership will complete this same exercise for the leadership team. Performance towards completing the Strategic Plan will play an important role in the evaluation of the managers’ performance.

Communication Plan

The Strategic Plan helps drive the culture of IMRF. We emphasize the communication of the Plan to our staff, Board of Trustees, and all stakeholders. Our communication plan is simple but possesses a systematic approach for spreading our message.

IMRF Staff

A formal introduction of our new Plan was made to our staff in January 2023. The full Plan will be posted for review on our Intranet. The Strategic Objectives continue to be highlighted in employee meetings. All employees will be reminded of our Vision and gain an understanding of their role in achieving our Strategic Objectives.

Board of Trustees

The Trustees will review and validate the Strategic Plan as part of the 2023 Budget at the November 2022 Board Meeting. We will provide quarterly status updates to the Trustees throughout the three-year cycle of this Plan. Another comprehensive triennial strategic planning process will be completed by staff and the Board in 2025. This will start at the February 2025 Board Meeting with the completion of Step 1: Examine Mission, Vision and Values.

IMRF Stakeholders

We include highlights of the Plan in our Fundamentals newsletter articles and in memos to our employers. We also post our Plan at www.imrf.org.

Board Authorization

The IMRF Board of Trustees and IMRF leadership understand and support the IMRF Strategic Plan for 2023 - 2025 as described in this document.



Natalie Copper
Board President

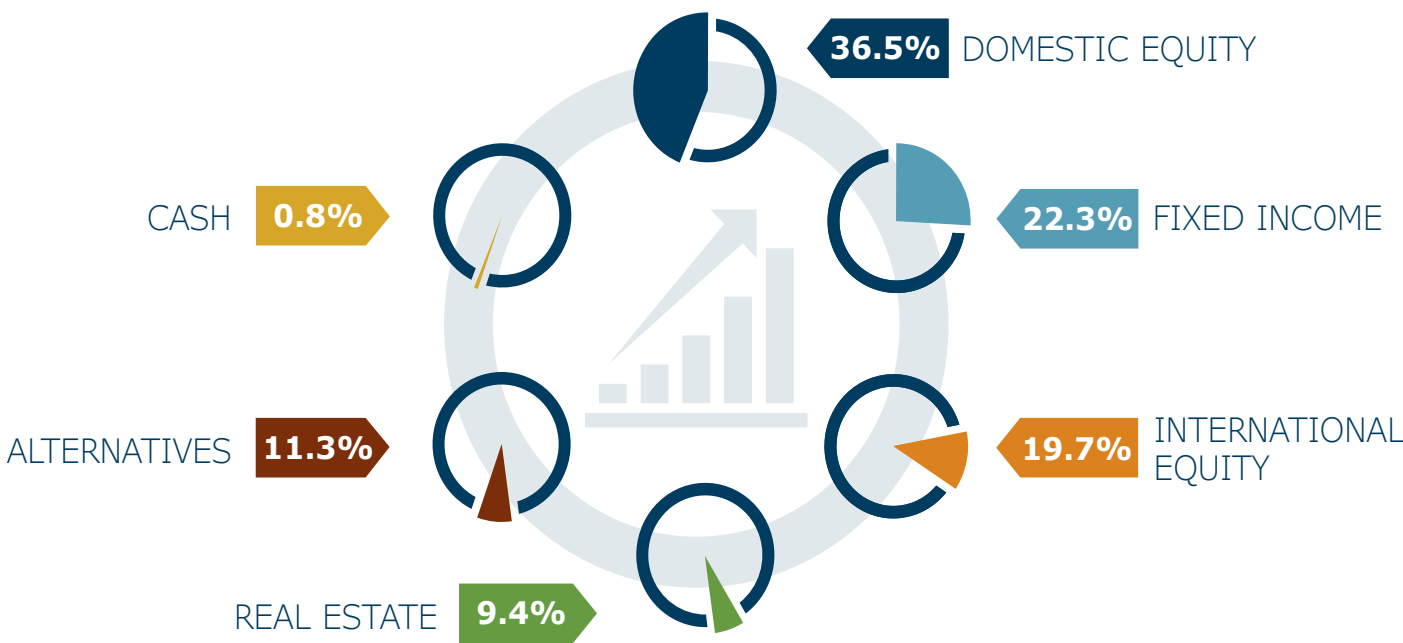


Brian Collins
Executive Director

ASSET ALLOCATION

IMRF’s public markets portfolio is managed by 34 professional investment management firms, handling 43 mandates. The Fund’s private markets portfolio is invested by 90 firms, including 265 separate funds. These firms make investment decisions under the prudent person rule authorized by Article 1 of the Illinois Pension Code and by investment policy guidelines adopted by the IMRF Board of Trustees. IMRF’s primary goal is to optimize the long-term total return of its investments through a policy of diversification within a parameter of prudent risk.

ASSET ALLOCATION SUMMARY AS OF JUNE 30, 2024

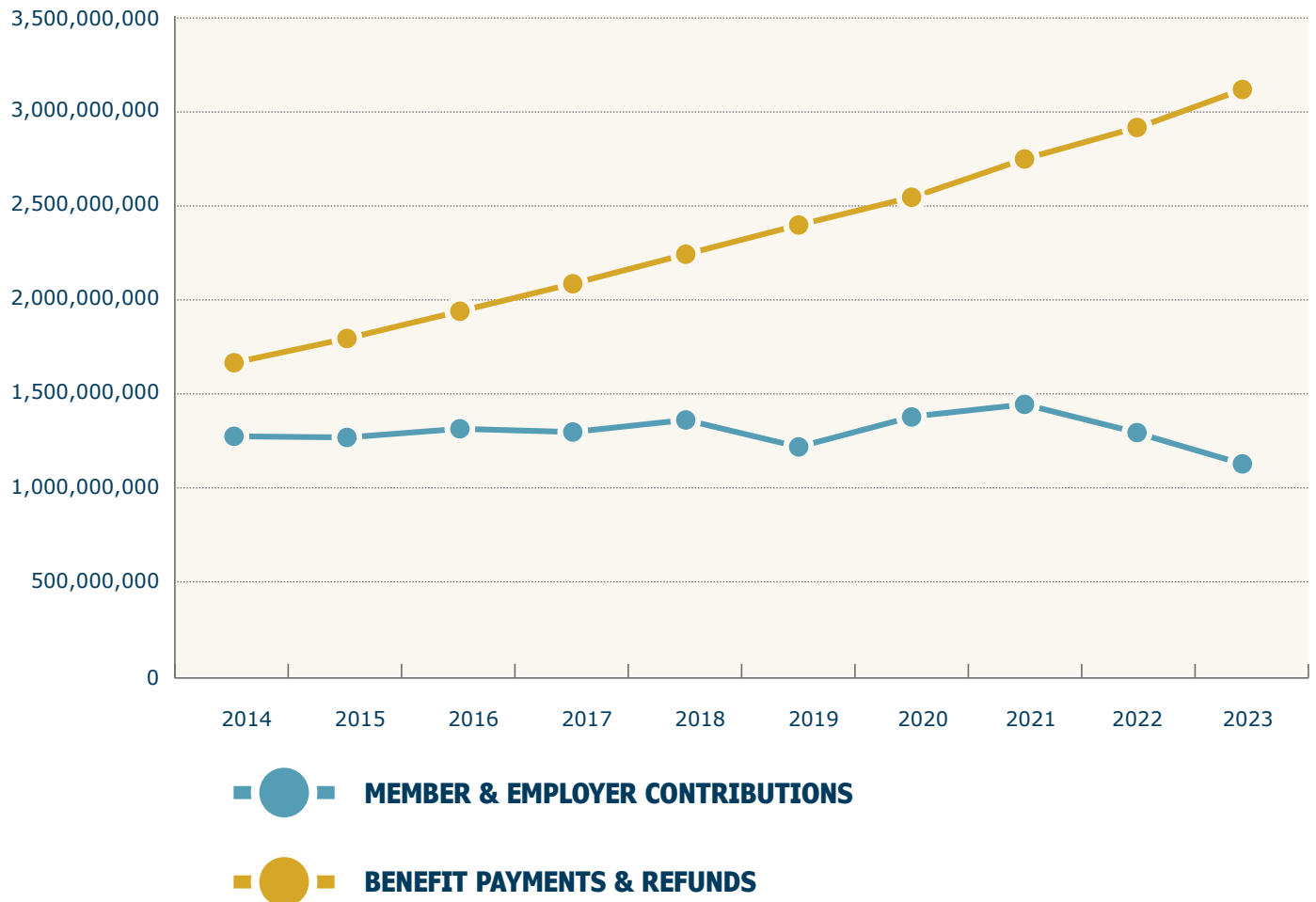


	Market Value in Millions	Target Asset Allocation	Actual Asset Allocation	Variance
Domestic Equity	\$ 19,699	33.5%	36.5%	3.0%
International Equity	10,643	18.0%	19.7%	1.7%
Fixed Income	12,042	24.5%	22.3%	(2.2)%
Real Estate	5,083	10.5%	9.4%	(1.1)%
Alternative Investments	6,128	12.5%	11.3%	(1.2)%
Cash & Cash Equivalents	449	1.0%	0.8%	(0.2)%
Total	\$ 54,044	100.0%	100.0%	

*Asset Allocation is updated quarterly online at www.imrf.org.

CONTRIBUTIONS VS. BENEFITS PAID

Year	Member and Employer Contributions	Benefit Payments & Refunds	Member/Employer Net Cash Flow
2014	\$ 1,274,472,270	\$ 1,666,012,340	\$ (391,540,070)
2015	1,268,482,155	1,794,932,867	(526,450,712)
2016	1,314,322,336	1,939,829,996	(625,507,660)
2017	1,297,229,891	2,086,165,717	(788,935,826)
2018	1,361,470,514	2,242,990,155	(881,519,641)
2019	1,218,080,609	2,398,609,135	(1,180,528,526)
2020	1,377,316,270	2,546,495,284	(1,169,179,014)
2021	1,440,812,134	2,733,522,064	(1,292,709,930)
2022	1,309,871,946	2,915,998,093	(1,606,126,147)
2023	1,193,742,881	3,074,349,009	(1,880,606,128)



Negative cash flow is a common feature of “mature” pension plans with a large number of retirees. IMRF investment income fills the gap between contributions and payments/refunds.

IMRF gives great consideration to best utilizing its resources to provide plan benefits, employer information, and outstanding service to all stakeholders. The documentation in this section presents a narrative introduction, analysis, and overview of the Fund's financial data.

ILLINOIS MUNICIPAL RETIREMENT FUND



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PROFILE OF IMRF

IMRF is the administrator of an agent multiple-employer public employee retirement system. The Illinois State Legislature established IMRF in 1939. IMRF began operations in 1941, in order to provide retirement, death, and disability benefits to employees of local units of government in Illinois. Members, employers, and annuitants elect eight trustees who govern IMRF. IMRF is separate and apart from the Illinois state government and is not included in the state’s financial statements. IMRF now serves 3,045 different employers, 181,205 participating members, and 154,554 benefit recipients.

Employers

	2023	2022
Participating employers	3,045	3,027

The Illinois Pension Code specifies the units of government required to participate in IMRF and the units that may elect to join. Participation by the following units of government is mandatory:

- All counties except Cook,
- All school districts except Chicago and,
- All cities, villages, and incorporated towns with a population over 5,000, other than Chicago, which do not provide Social Security or equivalent coverage for their employees before they reach a population of 5,000.

Other units of government with general taxing powers, such as townships and special districts, may elect to join. Instrumentalities, which include units of government without general taxing powers and not-for-profit organizations, associations, or cooperatives authorized by state statute, may participate if they meet financial stability requirements. Units that elect to join the system may not under any circumstances terminate their participating employer status as long as they are in existence.

Members (AS OF DECEMBER 31)

Inactive members	2023	2022
Retirees and beneficiaries currently receiving benefits	154,554	151,568
Terminated members entitled to benefits but not yet receiving them	16,633	16,243
Terminated members—non-vested	140,567	131,885
Total inactive members	311,754	299,696
Active members		
Non-vested	104,100	97,727
Vested	77,105	77,497
Total active members	181,205	175,224
Grand Total	492,959	474,920

Employers must enroll employees in IMRF if the employees’ positions meet the qualifications for IMRF membership. There are some exceptions. City hospital employees and elected officials have the option to participate. IMRF does not cover individuals in certificated teaching positions covered by the Illinois Teachers’ Retirement System. Also, IMRF does not generally cover individuals performing police or fire protection duties for employers with local police and fire pension funds. Certain police chiefs may choose to participate as Sheriff’s Law Enforcement Personnel (SLEP) members.

LEGISLATIVE UPDATE

The Illinois Pension Code determines how IMRF operates and administers IMRF benefit plans. IMRF serves its members and employers as a source of information about legislation that affects the pension code and serves as an advocate to represent the interests of members and employers to state lawmakers.

No bills that affect IMRF passed the General Assembly in 2024.

FUNDING

IMRF's actuary uses a five-year smoothed market-related value with a 20% corridor to determine the actuarial value of assets. The smoothing is intended to prevent extreme volatility in employer contribution rates, due to short-term fluctuations in the investment markets. For the December 31, 2023 valuation, the aggregate actuarial value of assets was \$53.5 billion. The aggregate actuarial liability for all IMRF employers was \$55.4 billion. The aggregate actuarial funding ratio is currently 96.6% (a decrease from the 2022 ratio of 98.2%). This takes into account the five-year smoothing of investment returns utilized by the actuary. If the market value of assets is used (i.e., no actuarial smoothing), the aggregate funding ratio is 95.0% as of December 31, 2023, an increase from 90.7% as of December 31, 2022. As of December 31, 2023, IMRF's market-based funding value was less than the actuarial funding value since there were \$(770.7) million of unrecognized actuarial investment losses, which will be reflected in the 2024 through 2027 period, in keeping with the five-year actuarial smoothing technique discussed above. The preceding ratios are for the Fund as a whole. Under the Illinois Pension Code, each employer funds the pensions for its own employees. Funding ratios for individual employers and individual plans vary widely. IMRF members can look with a sense of security to the net asset base, since these assets are irrevocably committed to the payment of their pensions when they retire. The actuary has determined that the present net asset base, expected future contributions, and investment earnings thereon are sufficient to provide for full payment of future benefits under the level payroll percentage method of funding. The funding policy was last reviewed by the IMRF Board of Trustees in December 2023.

APPROPRIATIONS

IMRF does not receive any funds that are subject to legislative appropriation by the Illinois State Legislature.

As an agent multiple employer pension fund, the assets and liabilities of each employer remain with that employer until a member retires. The assets of one employer cannot be used to pay the liabilities of another employer. Member and employer contributions (assets) are combined for investment purposes, but maintained separately by employer for accounting purposes. Administrative expenses are netted from investment gains.

Appropriations	2024	2023	2022	2021	2020
Appropriation by Year	\$0	\$0	\$0	\$0	\$0

BALANCED BUDGET

IMRF does not employ governmental fund accounting when preparing the annual budget. IMRF does not operate under a balanced budget approach and pays the costs of administering the plan from investment income. Income in excess or deficit of expenses is credited/charged to employer reserves at year end. The Board of Trustees sets and monitors spending levels each fiscal year, as well as approves IMRF's annual budget.

BASIS OF BUDGETING

The financial statements are prepared on an accrual basis in accordance with Generally Accepted Accounting Principles (GAAP). Employer and member contributions are recognized in the period in which the member provides service. Benefits and refunds are recognized when due, and payable in accordance with the terms of the plan.

IMRF prepares its budget using the accrual basis of accounting. It recognizes member and employer contributions as revenues in the month member earnings are received in accordance with the provisions of the Illinois Pension Code. Benefits and refunds are recognized as an expense when payable. Expenses are recorded when the corresponding liabilities are incurred regardless of when payment is made.

BUDGET POLICIES

- A one-year budget is presented each year to the Board of Trustees for approval.
- The budget should focus on implementing the current Strategic Plan.
- Fiscal prudence should be tempered by the need to successfully and effectively implement current programs and initiatives.
- Capital projects not started or completed in the current year need to be resubmitted in the next year's budget, and will be subject to re-prioritization and possible elimination.
- Re-allocation of expenditures is permissible with the approval of the Chief Financial Officer.
- Amendments to the budget need to be approved by the Board of Trustees.

DEBT POLICY

IMRF carries no current debt obligations or issuances of any type, and does not anticipate incurring debt in the near future. IMRF's current Board does not allow for the issuance of any debt, nor is the issuance of debt supported by the Illinois Pension Code.

ACTUARIAL METHODS AND ASSUMPTIONS

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the December 31, 2023 actuarial valuation, the aggregate entry age normal actuarial cost method was used. The actuarial assumptions included a 7.25% investment rate of return, which includes a 2.25% price inflation component. Payroll growth is assumed to be 2.5%. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls over a closed 18-year period.

FUND DESCRIPTION AND STRUCTURE

IMRF is a fiduciary trust fund established by the Illinois state legislature to provide pension, disability, and death benefits to eligible employees of participating employers. Fiduciary funds are used to report assets held in a trustee capacity on behalf of others. The fund maintains the following reserve accounts under the trust, to account for member and employer contributions, benefits payments, and investment income.

Member Reserve

The member reserve accounts for retirement contributions paid monthly by eligible members. Member contributions are 4.5% for the Regular plan and 7.5% for the SLEP and ECO plans. Contributions from members to buy back prior service or military service are amassed in this reserve as well. The reserve is also used to accumulate member contributions to the Voluntary Additional (VA) plan. Refunds of member contributions are deducted from this reserve. Since 2019, members' balances are granted 7.25% interest at year end, based on their opening balance of the fiscal year. The interest is accounted for in this reserve as well.

Employer Reserve

The employer reserve accounts for retirement contributions paid monthly by participating employers. Each employer has a unique contribution rate, calculated annually by IMRF's actuary to cover the retirement costs for their participating employees. Beginning in 2019, employers' balances are granted 7.25% interest at year end based on their opening balance of the fiscal year. The interest is accounted for in this reserve as well. In addition, the employer reserve accounts for residual investment income or loss distributed annually.

Annuitant Reserve

The annuitant reserve accounts for the member and employer contributions once a member retires. Member contributions and accumulated interest are transferred in from the member reserve. The difference between the present value of the annuity and the member contributions and interest are then transferred from the employer reserve. The annuitant reserve also accounts for members who are on permanent disability. The present value of the disability is transferred in from the disability reserve. Monthly benefit payments are deducted from this reserve. Since 2019, annuitant balances are granted 7.25% interest at year end, based on their opening balance of the fiscal year. The interest is accounted for in this reserve as well.

Supplemental Reserve

The supplemental reserve accounts for monthly employer contributions at a rate of 0.62% of payroll. The supplemental benefit is paid out of this reserve each July to annuitants receiving a benefit for the preceding 12 months. Interest is not granted on this reserve.

Disability Reserve

The disability reserve accounts for monthly employer contributions for temporary disability. The contribution rate is set annually at a rate to cover the estimated benefit payments for the year. For 2025, the rate is 0.04% of payroll. Temporary disability benefit payments are deducted from this reserve. For members who are granted permanent disability, the present value of the annuity is transferred from this reserve to the annuitant reserve. Interest is not granted on this reserve.

Death Reserve

The death reserve accounts for employer contributions for lump sum death benefits. The contribution rate is set annually at a rate to cover the estimated benefit payments for the year. For 2025, the rate is 0.13% of payroll. Interest is not granted on this reserve.

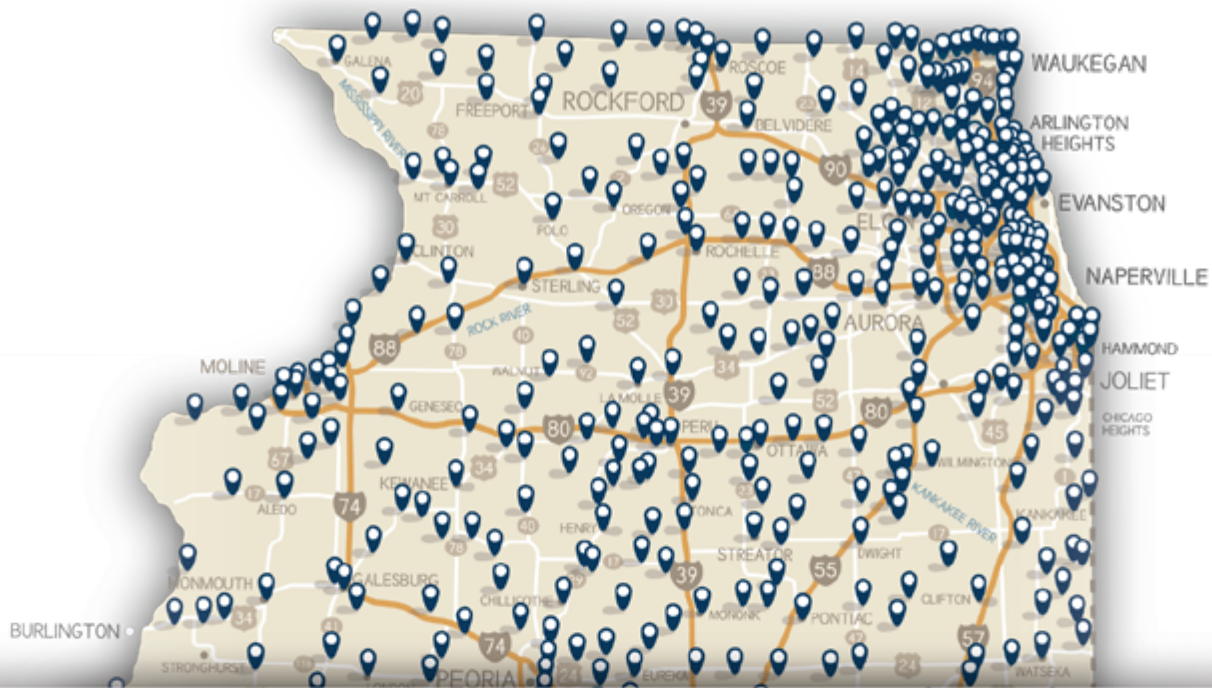
Earnings & Experience Reserve

The earnings & experience reserve accounts for the accumulation of investment income for the fiscal year as well as payment of investment and administrative expenses. Interest granted to the member, employer, and annuitant reserves is also deducted from this reserve. Any remainder is credited to the employer reserve as residual income. If the reserve ends up with a negative balance at year end, the employer reserve is charged with the residual loss. For a more detailed description of IMRF benefits, please see [pages 34-38](#).

DEPARTMENT TO FUND RELATIONSHIP MATRIX

The matrix below correlates the relationship between IMRF's reserves under its sole fund to each organizational department:

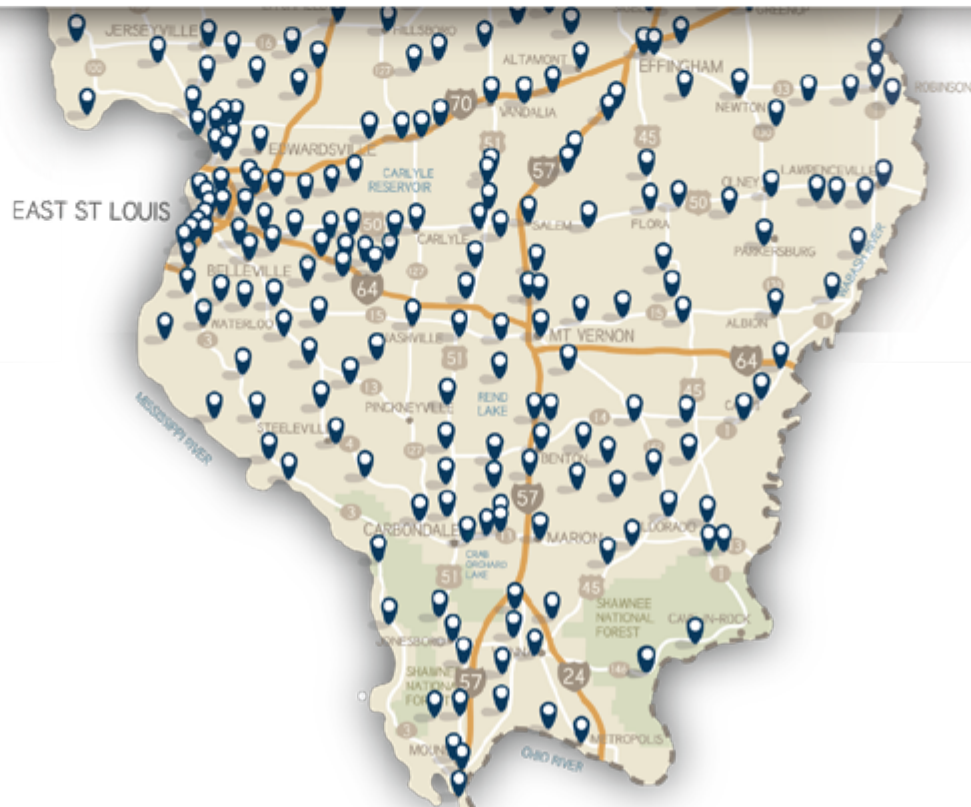
	IMRF Fiduciary Trust Fund						
	Member Reserve	Employer Reserve	Annuitant Reserve	Supplemental Reserve	Disability Reserve	Death Reserve	Earnings & Experience Reserve
Administration							✓
Benefits			✓			✓	
Board of Trustees			✓		✓	✓	✓
Communications	✓	✓	✓	✓	✓	✓	✓
Customer Service							✓
Disability			✓		✓		
Employer Services	✓	✓	✓	✓	✓	✓	✓
Finance	✓	✓	✓	✓	✓	✓	✓
Human Resources							✓
Information Services	✓	✓	✓	✓	✓	✓	✓
Internal Audit	✓	✓	✓	✓	✓	✓	✓
Investments							✓
Investments - IEM							✓
Legal	✓	✓	✓	✓	✓	✓	✓
Member Services	✓	✓	✓	✓	✓	✓	
Office Services	✓	✓					✓
Organizational Excellence							✓



IMRF NOW SERVES

3,045 DIFFERENT EMPLOYERS,
181,205 PARTICIPATING MEMBERS,
 AND **154,554** BENEFIT RECIPIENTS.

As of December 31, 2023

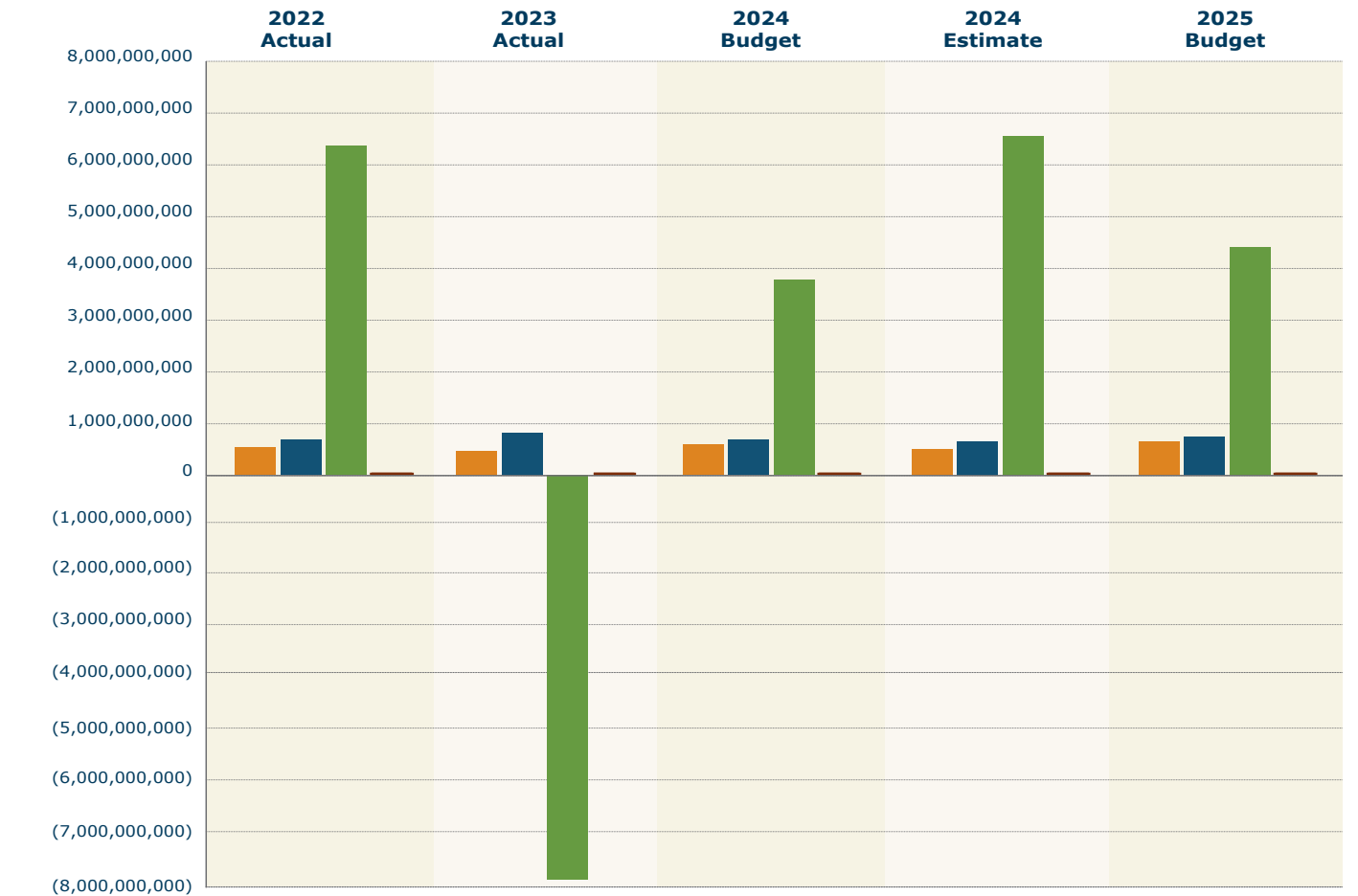


REVENUE SCHEDULES

IMRF employers are required by law to make contributions on a monthly basis to support IMRF benefits. IMRF employers have a long history of commitment to remitting the required contributions. If an employer fails to make the required contributions, IMRF has the statutory authority to enforce payment. IMRF can intercept funds due an employer from the State Comptroller or real estate taxes due an employer from the County Treasurer.

Revenues to IMRF include member and employer contributions, based on the reported wages from the 181,205 active members reported from 3,045 employers. Investment income is projected to be at the 7.75% (gross of fees) investment target return. The gross of fees percentage is the total of the assumed rate of return of 7.25% plus 0.50% to cover operating expenses.

	2022 Actual	2023 Actual	2024 Budget	2024 Estimate	2025 Budget
Member Contributions	\$540,661,005	\$501,784,408	\$572,160,651	\$572,389,957	\$601,269,606
Employer Contributions	653,081,876	808,087,538	662,438,103	699,334,413	749,579,966
Investment Income	6,356,023,887	(7,867,022,837)	3,751,664,115	6,596,475,272	4,414,381,497
Other Income	148,792	125,213	10,000	50,000	50,000
Total	\$7,549,915,560	\$(6,557,025,678)	\$4,986,272,869	\$7,868,249,642	\$5,765,281,069



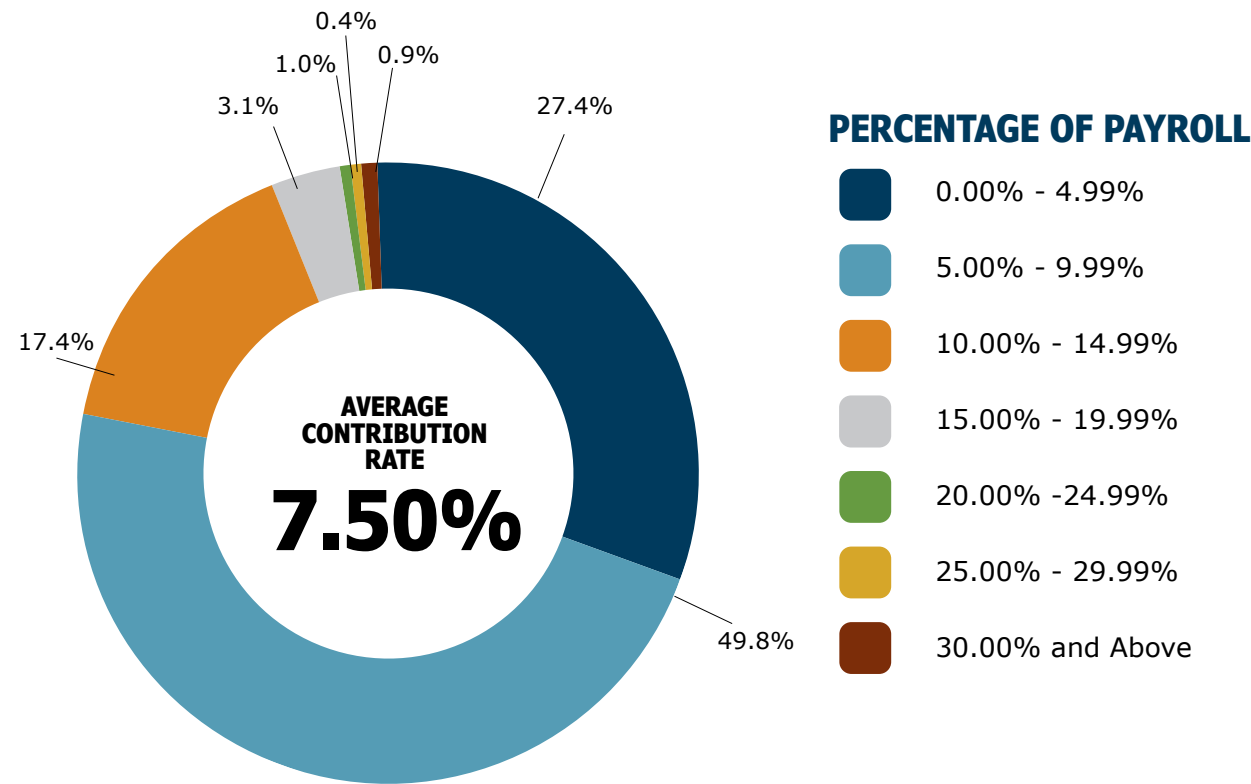
2025 EMPLOYER CONTRIBUTION RATE RANGES

Expressed as a percentage of payroll

Percentage of Payroll	Percent of Employers	Regular Plan	SLEP Plan	ECO Plan	Total*
0.00% - 4.99%	27.4%	902	15	14	931
5.00% - 9.99%	49.8%	1,663	30	-	1,693
10.00% - 14.99%	17.4%	418	135	38	591
15.00% - 19.99%	3.1%	79	25	1	105
20.00% -24.99%	1.0%	19	14	1	34
25.00% - 29.99%	0.4%	12	4	-	16
30.00% and Above	0.9%	16	2	13	31
	100.0%	3,109	225	67	3,401

**Differs from the total number of participating employers, because some employers participate in multiple IMRF pension plans.*

2025 Annual Contribution Rates



2025 BUDGET TIMELINE

2025 administrative expenses, direct investment expenses, and capital budget schedule.

8/06/2024	Initial staffing requests and 2025 Budget assumptions finalized by Executive Director.
8/16/2024	Finance department presents Budget workshops for IMRF staff.
9/9/2024	Identification of 2024 projects to budget again in 2025. Updated justification and support due to the Finance department.
9/16/2024	2025 Budget submittals due to Finance department.
9/17/2024 to 10/4/2024	Finance department reviews budget submittals with respective department leaders.
10/7/2024 to 10/11/2024	Executive Director reviews department proposed 2025 Projects and budgets overall budget with comparisons to prior year actual amounts, current year estimates and prior year budget.
10/7/2024 to 10/18/2024	The Finance and Communication departments prepare the 2025 Budget document.
10/18/2024 to 10/22/2024	Final review of proposed 2025 projects and Budget by Directors.
11/12/2024	Distribution of proposed 2025 Projects and Budget to Board of Trustees.
11/22/2024	Presentation of Compensation Report and Health Insurance Report to the Board of Trustees.
11/22/2024	Presentation of 2025 Projects and Budget to the Board of Trustees.

SUMMARY OF IMRF BENEFITS

This is a brief description of IMRF benefits. Additional conditions and restrictions may apply. A complete description is found in Article 7 of the Illinois Pension Code.

General

IMRF serves 3,045 employers including cities, villages, counties, school districts, townships, and various special districts, such as parks, forest preserves, and sanitary districts. Each employer contributes to separate accounts to provide future retirement benefits for its own employees.

Employees of these employers are required to participate if they work in an IMRF qualified position. An IMRF qualified position is one that is expected to equal or exceed the employer's annual hourly standard; the standard is either 600 or 1,000 hours a year.

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular plan. The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Forest preserve districts may adopt the SLEP plan for their law enforcement personnel. Counties could adopt the Elected County Official (ECO) plan for their elected officials prior to August 8, 2011. The ECO plan was closed to new participants after that date. After a county adopted the ECO plan, participation was optional for the elected officials of that county.

All three IMRF benefit plans have two tiers. Tier 2 benefits are lower than Tier 1, and cost about 40% less to provide. All IMRF members initially hired on or after January 1, 2011, are in Tier 2.

Both the member and the employer contribute toward retirement benefits. Members contribute a percentage of their salary as established by the Pension Code. The percentage depends on the plan in which the member participates. Regular members contribute 4.5%. SLEP and ECO members contribute 7.5%. Members also have the option of making voluntary after-tax contributions up to 10% of their salary. Employer contribution rates are actuarially calculated annually for each employer. Employers pay most of the cost for member and survivor pensions and all of the cost for supplemental retirement, death, and disability benefits. All contributions are pooled for investment purposes.

Since 1982, investment returns account for 68% of IMRF revenue.

Vesting

Tier 1

Members are vested for pension benefits when they have at least eight years of qualifying service credit. SLEP members are vested for a SLEP pension when they have at least 20 years of SLEP service credit. SLEP members with more than eight years of service, but less than 20 years of SLEP service, will receive a Regular pension.

Revised ECO members (those who joined the ECO plan after January 25, 2000) are vested with eight or more years of ECO service credit in the same elected county position. Revised ECO members with eight years of service, but less than eight years in the same elected county office, will receive a Regular pension.

Tier 2

Members are vested for pension benefits when they have at least 10 years of qualifying service credit. SLEP members are vested for a SLEP pension when they have at least 10 years of SLEP service credit. ECO members (those who joined the ECO plan after January 1, 2011, and before August 8, 2011) are vested with 10 or more years of total service credit with at least eight years in the same elected county position. ECO members with at least 10 years of total service credit, but less than eight years of service in the same elected county office, will receive a Regular pension.

Refunds

Non-vested members who stop working for an IMRF employer can receive a lump sum refund of their IMRF member contributions. Vested members can receive a lump sum refund of their IMRF contributions if they have not attained the earliest eligible age for receiving a pension based on their plan rules. Vested members who have reached their eligible retirement age may choose to receive a refund if their pension would be less than \$100 per month or if the refund is rolled over into another defined benefit retirement plan for the purpose of purchasing service credit.

Members who retire without an eligible spouse (married to or in a civil union with the member at least one year before the member terminates IMRF participation) may receive a refund of their surviving spouse contributions with interest or an annuity.

If, upon a member's death, all of the member contributions with interest were not paid as a refund or pension to either the member or his/her spouse, the beneficiary will receive any balance of the member's account.

Pension Calculations

A Regular IMRF pension is:

- 1-2/3% of the final rate of earnings for each of the first 15 years of service credit, plus
- 2% for each year of service credit in excess of 15 years.

The maximum pension at retirement cannot exceed 75% of the final rate of earnings.

A SLEP pension is:

- 2-1/2% of the final rate of earnings for each year of service.

The maximum pension at retirement cannot exceed 80% (75% for Tier 2) of the final rate of earnings.

An ECO pension is:

- 3% of the final rate of earnings for each of the first eight years of service, plus
- 4% for each year of service between eight and 12 years of service, plus
- 5% for years of service credit over 12.

The maximum pension at retirement cannot exceed 80% of the final rate of earnings.

A money purchase minimum pension is provided if it exceeds the normal formula amount. The money purchase minimum is the amount that may be purchased by 2.4 times the member's applicable accumulated contributions, including interest thereon.

A reversionary pension option is provided to members at retirement. This option permits the member to revert a portion of their pension to one other person. This election is irrevocable.

An IMRF pension is paid for life.

Final Rate of Earnings (FRE)

Tier 1

The final rate of earnings for Regular and SLEP members is the highest total earnings during any 48 consecutive months within the last 10 years of IMRF service, divided by 48, or the total lifetime earnings divided by the total lifetime number of months of service, whichever is higher. The final rate of earnings for ECO members is the annual salary of the ECO member on the day he or she retires. For Revised ECO members, the final rate of earnings is the highest total earnings during any 48 consecutive months within the last 10 years of IMRF service, divided by 48, for each office held.

Tier 2

The final rate of earnings for Regular and SLEP members is the highest total earnings during any 96 consecutive months within the last 10 years of IMRF service, divided by 96, or the total lifetime earnings divided by the total lifetime number of months of service, whichever is higher. For ECO members who joined the plan after January 1, 2011, and before August 8, 2011, the final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of IMRF service, divided by 96, for each office held. Pensionable earnings were initially capped at \$106,800, increases annually by 3% or one-half of the increase of the Consumer Price Index, whichever is less. The pensionable earnings cap for 2025 will be \$127,283.01, and in 2024 it was \$125,773.173. For Tier 2 SLEP members, overtime compensation is excluded from pensionable earnings.

Retirement Eligibility

Tier 1

Normal retirement for an unreduced pension is:

- Age 60 with eight or more years of service, or 35 or more years of service at age 55,
- Age 50 with 20 or more years of SLEP service for members with SLEP service,
- Age 55 with eight or more years of service for members with ECO service, or
- Age 55 with eight or more years of service in the same elected county office for members with Revised ECO service.

Regular members may retire as early as age 55 with a reduced pension. The reduction is the lesser of:

- 1/4% for each month the member is under age 60, or
- 1/4% for each month of service less than 35 years.

Tier 2

Normal retirement for an unreduced pension is:

- Age 67 with 10 or more years of service, or 35 or more years of service at age 62,
- Age 55 with 10 or more years of SLEP service for members with SLEP service, or
- Age 67 with eight or more years of service in the same elected county official for members with ECO service (ten years total service).

Regular members may retire as early as age 62 with a reduced pension. The reduction is the lesser of:

- 1/2% for each month the member is under age 67, or
- 1/2% for each month of service less than 35 years.

SLEP members may retire as early as age 50 with a reduced pension. The reduction is 1/2% for each month the member is under age 55.

Service Credit

Service credit is the total time under IMRF, stated in years and fractions. Service is credited monthly while the member is working, receiving IMRF disability benefits, or on IMRF's Benefit Protection Leave. For revised ECO members, the ECO benefit formula is limited to service in an elected office.

Members may qualify for a maximum of one year of additional service credit for unused, unpaid sick leave accumulated with the last employer. Members who retire from a school district may utilize unused sick leave from all school district employers. This additional service credit applies only for members leaving employment for retirement. The service credit is earned at the rate of one month for every 20 days of unused, unpaid sick leave or fraction thereof.

IMRF is a participating plan under the Reciprocal Act, as are all other Illinois public pension systems, except local police and fire pension plans. Under the Reciprocal Act, service credit from multiple pension systems of at least one year of non-concurrent service may be considered together at the date of retirement or death, for the purpose of determining eligibility for and amount of benefits.

Post-retirement Increases

Tier 1

Members in all plans receive an annual 3% increase based upon the original amount of the pension. The increase for the first year is prorated for the number of months the member was retired.

Tier 2

Members in all plans receive an annual increase based upon the original amount of the pension of 3% or one-half of the increase in the Consumer Price Index, whichever is less. For Regular and ECO members, the annual increases do not begin until the retiree reaches the age of 67 or after 12 months of retirement, whichever is later.

For SLEP members, the increases begin at age 60 or after 12 months of retirement, whichever is later.

Early Retirement Incentive (ERI)

IMRF employers may offer an Early Retirement Incentive (ERI) program to their employees who are over 50 years of age (57 for Tier 2 Regular and ECO members) and have at least 20 years of service credit. Eligible members may purchase up to five years of service credit and age. Employers must pay off the additional ERI liability within 10 years. Subsequent ERI programs may be offered by an employer only after the liability for the previous ERI program is paid.

Supplemental Retirement Benefits

Each July, IMRF provides a supplemental benefit payment, or “13th Payment,” to IMRF retirees and surviving spouses who have received IMRF pension payments for the preceding 12 months. The supplemental benefit payment amount will vary depending on the dollar amount to be distributed and the number of persons eligible. The supplemental benefit payment amount is decreasing annually, because the number of retirees is increasing, while the pool of available money is decreasing.

Disability Benefits

Regular and SLEP members are eligible for a maximum of 30 months of temporary disability benefits if they:

- Have at least 12 consecutive months of service credit since being enrolled in IMRF,
- Have at least nine months of service credit in the 12 months immediately prior to becoming disabled,
- Are unable to perform the duties of any position which might reasonably be assigned by the IMRF employer because of any illness, injury, or other physical or mental condition, and
- Are not receiving any earnings from any IMRF employer.

Regular and SLEP members are eligible for total and permanent disability benefits until they become eligible for full Social Security Old Age benefits if they:

- Have exhausted their temporary disability benefits,
- Have a medical condition which did not pre-exist their IMRF participation or they have five years of IMRF participation without being on temporary disability, and
- Are unable to work in any gainful activity for any employer.

The monthly disability benefit payment is equal to 50% of the average monthly earnings, based on the 12 months prior to the month the member became disabled.

ECO members are eligible for ECO disability benefits if they:

- Have at least 12 consecutive months of service credit since being enrolled in IMRF,
- Are in an elected county office at the time the disability occurred,
- Are making ECO contributions at the time the disability occurred,
- Are unable to reasonably perform the duties of their offices,

- Have resigned their offices, and
- Have two licensed physicians, approved by IMRF, certify that the ECO member is permanently disabled.

The monthly ECO disability benefit is equal to the greater of:

- 50% of the annualized salary payable on the last day of ECO participation divided by 12 or,
- The retirement benefit earned to date.

Disability benefits under all plans are offset by Social Security or workers' compensation benefits. If disabled members receive Social Security disability and/or workers' compensation benefits, IMRF pays the difference between those benefits and 50% of the member's average monthly earnings. However, IMRF will always pay a minimum monthly benefit of \$10. Members on disability earn pension service credit as if they were working.

Death Benefits

Beneficiaries of active members who have more than one year of service, or whose deaths are job-related, are entitled to lump sum IMRF death benefits. If the member was not vested, or vested without an eligible spouse, the death benefit is equal to one year's earnings (limited to pensionable earnings cap for Tier 2 members) plus any balance in the member's account. Eligible spouses of deceased, vested, active members may choose the lump sum or a monthly surviving spouse pension.

Beneficiaries of inactive, non-vested members receive a lump sum payment of any balance in the member's account, including interest. If the beneficiary is an eligible spouse of an inactive, vested member age 55 or older, the spouse may choose between the lump sum payment or a death benefit of \$3,000, plus a monthly surviving spouse pension. Beneficiaries of retired members receive a \$3,000 death benefit. Eligible spouses also receive a surviving spouse pension.

Surviving Spouse Pension

For Regular and SLEP members, a surviving spouse's monthly pension is one-half ($66\frac{2}{3}\%$ for Tier 2) of the member's pension.

For ECO members, a surviving spouse's monthly pension is $66\frac{2}{3}\%$ of the member's pension. This pension is payable once the surviving spouse becomes 50 years old. If the spouse is caring for the member's minor, unmarried children (the age 50 requirement does not apply), the spouse will receive:

- A monthly pension equal to 30% of the ECO member's salary at time of death, plus
- 10% of the ECO member's salary at time of death for each minor, unmarried child. The maximum total monthly benefit payable to spouse and children cannot exceed 50% of the ECO member's salary at the time of death, or
- A monthly pension equal to $66\frac{2}{3}\%$ of the pension the member earned.

Surviving spouse pensions under all plans are increased each January 1. The increase is based on the original amount of the pension. The increase for the first year is prorated for the number of months the surviving spouse or the member received a pension. For Tier 1, the annual increase is 3%. For Tier 2, the annual increase is 3% or one-half the increase in the Consumer Price Index, whichever is less.

SUMMARY OF IMRF DEPARTMENTS AND WORKFORCE

Department	2018 to Adopted 2025 Headcount							Vacancies 2024	2025 Adopted
	2018	2019	2020	2021	2022	2023	2024		
Administration	6	2	2	2	2	2	2	-	2
Benefits	29	17	20	20	14	19	24	3	27
Communications	8	9	9	9	9	8	8	1	9
Customer Service	-	1	1	1	1	1	1	-	1
Disability	-	14	13	13	11	11	11	-	11
Employer Services	-	12	11	8	23	21	23	-	23
Finance	25	26	27	25	19	20	21	-	21
Human Resources	4	4	5	5	5	4	5	-	5
Information Services	41	42	44	44	44	43	43	2	45
Internal Audit	8	8	8	4	3	3	4	-	4
Investments	14	14	14	12	13	14	14	-	14
Investments IEM	-	3	3	3	3	3	3	1	4
Legal	6	9	8	13	12	13	13	-	15
Member Services	38	30	31	30	28	30	37	1	39
Office Services	19	18	18	18	17	18	17	-	17
Organizational Excellence	-	2	3	3	2	2	2	-	4
Total Head Count	198	211	217	210	206	212	228	8	241
Vacant Positions	12	12	6	13	17	11	8		
Approved Headcount	210	223	223	223	223	223	236		

FUNDED STATUS AND FUNDING PROGRESS

As of December 31, 2023, the most recent actuarial valuation date, the plan on an aggregate basis was 96.6% funded on an actuarial basis. The actuarial accrued liability for benefits was \$55.4 billion, and the actuarial value of assets was \$53.5 billion, resulting in an unfunded actuarial accrued liability (UAAL) of \$1.87 billion. The covered payroll (annual payroll of active employees covered by the plan) was \$9.0 billion, and the ratio of the UAAL to the covered payroll was 20.9%.

The schedule of funding progress presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2023
Actuarial cost method	Entry age normal
Amortization method	Level percent of payroll for Regular and SLEP; level dollars for ECO
Amortization period	Taxing bodies: closed, 18 years Entities over 120 percent funded on a market basis: varies by funding status Non-taxing bodies: open, 10 years
Asset valuation method	Five-year smoothed market related with a 20 percent corridor

Actuarial assumptions:

Investment rate of return	7.25%
Projected salary increases	2.94% to 13.75%
Assumed wage inflation rate	2.75%
Group size growth rate	0.0%
Assumed payroll growth rate	2.5%
Post-retirement increase	Tier 1 - 3.0 percent—simple; Tier 2 - 3.0 percent—simple or 1/2 increase in CPI, whichever is less

Mortality table:

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020 were used. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male (adjusted 100%) and Female (unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

SCHEDULE OF AGGREGATE FUNDING PROGRESS *(Last ten years)*

Actuarial Valuation Date December 31	Aggregate Actuarial Liabilities (AAL)			Unfunded Actuarial Liabilities (UAL)		
	Total AAL Entry Age (a)	Actuarial Assets (b)	Actuarial Assets as a percent of AAL (b/a)	Total UAL (a-b)	Member Payroll (c)	UAL as a percent of Member Payroll (a-b)/c
2014*	37,465,147,612	32,700,208,537	87.3%	4,764,939,075	6,732,500,876	70.8%
2015	39,486,573,890	34,913,127,469	88.4	4,573,446,421	6,919,337,807	66.1
2016	41,358,710,402	36,773,397,527	88.9	4,585,312,875	7,006,710,264	65.4
2017*	42,179,482,656	39,187,802,312	92.9	2,991,680,344	7,127,492,621	42.0
2018*	45,354,110,653	40,829,952,193	90.0	4,524,158,460	7,321,479,593	61.8
2019*	47,357,901,268	42,936,185,938	90.7	4,421,715,330	7,547,532,434	58.6
2020*	48,922,948,739	46,017,438,373	94.1	2,905,510,366	7,568,181,773	38.4
2021	50,927,551,010	50,191,547,801	98.6	736,003,209	7,811,067,072	9.4
2022	53,112,908,786	52,142,670,028	98.2	970,238,758	8,303,276,224	11.7
2023*	55,405,088,725	53,535,746,567	96.6	1,869,342,158	8,954,427,947	20.9

*After assumption change.
This data was provided by the Actuary.

CHANGES IN FIDUCIARY NET POSITION *(Last ten years)*

Additions						
Employer Contributions						
Calendar Year	Investment Earnings Net of Direct Investment Expense	Dollars	Percent of Annual Covered Payroll	Member Contributions	Other	Total Additions
2014	\$ 2,001,420,871	\$ 923,382,825	13.72%	\$ 351,089,445	\$ 19,157	\$ 3,275,912,298
2015	200,727,209	900,476,884	13.01	368,005,271	464,050	1,469,673,414
2016	2,664,864,774	933,937,321	13.33	380,385,015	12,340	3,979,199,450
2017	5,718,221,626	903,482,031	12.68	393,747,860	13,200	7,015,464,717
2018	(1,747,217,132)	947,568,823	12.94	413,901,691	13,850	(385,732,768)
2019	7,517,792,605	780,149,698	10.34	437,930,911	15,300	8,735,888,514
2020	6,722,889,252	927,591,609	12.26	449,724,661	12,925	8,100,218,447
2021	8,449,144,804	969,420,117	12.41	471,392,017	14,750	9,889,971,688
2022	(7,867,022,837)	808,087,538	9.73	501,784,408	125,213	(6,557,025,678)
2023	6,356,023,887	653,081,876	7.29	540,661,005	148,792	7,549,915,560
Deductions						
Calendar Year	Benefits	Refunds	Administrative Expenses	Total Deductions	Change in Fiduciary Net Position	
2014	\$ 1,626,821,250	\$ 39,191,090	\$ 26,431,652	\$1,692,443,992	\$ 1,583,468,306	
2015	1,758,184,358	36,748,509	28,707,981	1,823,640,848	(353,967,434)	
2016	1,902,139,898	37,690,098	38,702,237	1,978,532,233	2,000,667,217	
2017	2,043,613,657	42,552,060	31,038,134	2,117,203,851	4,898,260,866	
2018	2,194,961,403	48,028,752	32,213,168	2,275,203,323	(2,660,936,091)	
2019	2,347,237,088	51,372,047	38,373,543	2,436,982,678	6,298,905,836	
2020	2,494,317,158	52,178,126	31,776,955	2,578,272,239	5,521,946,208	
2021	2,673,448,177	60,073,886	28,318,297	2,761,840,360	7,128,131,328	
2022	2,842,823,093	73,175,000	36,225,509	2,952,223,602	(9,509,249,280)	
2023	2,997,476,280	76,872,729	34,111,319	3,108,460,328	4,441,455,232	

IMRF is separate and apart from the Illinois state government. The Fund's revenues come from three sources: investment earnings, employer contributions, and member contributions. This section provides an analysis of revenue resources, adopted expenditures, and estimated versus adopted variances used to assess IMRF's funding.

ILLINOIS MUNICIPAL RETIREMENT FUND

2025



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BUDGET PROCESS - GENERAL GUIDELINES FROM THE CHIEF FINANCIAL OFFICER

To: Directors and Managers
CC: Sharon Brown, Geenu Kunnengode, Jim Splitt, Mark Fink
From: Brian Collins and Mark Nannini
Date: July 22, 2024
Re: 2025 Budget Guidelines and Additional Information

General Guidelines for 2025 budget process

As we prepare for the 2025 IMRF Budget, the number one priority remains the Horizon Modernization Project. This includes software and the ability to upgrade and preparing for version 1.1 during 2025. This necessitates a careful, realistic analysis of overtime, recruitment, capital asset purchases, and the use of staff to provide the necessary service level.

Important items to consider as you prepare your budget are current activities, programs, staffing, and consulting work you may need to support the next phase and version 1.1 of the Horizon Modernization Project, IMRF's 2023-2025 Strategic Plan and the process for the next Baldrige Award application.

Each department may need to account for personnel, software, and training in their budget, along with justification for each of these items. The proper process must be followed to request additional staffing, either permanent or temporary. The goals and objectives of your department are the focus of this budget for 2025. Please communicate to any other departments items that may overlap responsibility and authority.

Expenditures

- Throughout the budget process, the focus will be on implementing IMRF's programs and initiatives while remaining fiscally prudent. This focus is applicable to the entire organization.
- A request for additional staff needs to be justified to determine that a need is demonstrated. Departments may transfer head counts between departments. Both departments need to agree to the change. All staffing requests, transfers, or changes must be submitted to the Director of Human Resources and Chief Financial Officer prior to the final budget submission on September 9, 2024. Please remember to budget for office furniture, supplies, and computer equipment needs for all new additions to the total head count. Headcount for IMRF 2025 budget is currently set at 230 full-time staff.
- Include in your budget submission your staff's individual training needs as well as preparation for changes due to the Horizon Modernization Project. Organization-wide training must be included in the Human Resources budget while department-specific training (individual) must be included in your respective department budget.
- Round all expenditures to the nearest whole dollar amount. (i.e., - \$1.00 not \$1.10).

Projects

Pending Projects from 2024

Projects intended for the 2024 approved operating and/or capital budgets that were not completed or never initiated will be subject to reprioritization and possible elimination in your department's 2025 budget request.

Carry-forward Projects from 2024

If a 2024 project is necessary to carry forward, you should include updated amounts needed to complete the project in your 2025 budget. Please include the reason why the project was not previously completed or even initiated as well as the justification to budget for it in 2025. The justification includes filling out the appropriate forms and going through the approval process.

New projects for 2025

Identify, prioritize, and develop incremental cost estimates for new projects for 2025 in your budget. As new projects are identified, please work with the Organizational Excellence Officer, Michael Everett, to review your proposals. The proposals are to include justification for how each potential project furthers strategic goals, action plans, transaction scorecards, continuous process improvement, or responds to the Baldrige criteria and/or feedback reports. Keep in mind that some worthwhile projects may be delayed until after the implementation of Horizon 1.1. The Organizational Excellence Officer will assist you with the necessary Project forms which are to be included in the project evaluation process.

Additional Information from Finance

Please use the resources listed below when preparing your department budget.

2025 Budget Timeline

Lists the budget deadlines for 2025.

2025 Capital Budget Worksheet

This worksheet should be used for:

- Capital purchases over \$5,000. Please include a detailed explanation supporting the need or benefit of the purchase, the anticipated purchase date, and its estimated useful life. Only the capital portion should be budgeted here. If consumable supplies are also needed, such as toner for a copier or diesel fuel for a generator, those items should be budgeted in the appropriate expense account.
- Internally generated software over \$10,000. Information Services will identify the projects that will potentially qualify for capitalization under the GASB 51 standard and will estimate the number of hours of development effort that will be required. Once the Information Services hours are estimated for these projects, the estimated number of department hours to support the development effort and related user acceptance testing will be determined and added to the worksheet. Information Services and Finance will work with the impacted departments to develop these estimates. Finance will then cost out the various projects and estimate the service dates in conjunction with Information Services.
- Expendable equipment purchases between \$500 and \$5,000. The expendable equipment request should describe the proposed purchase with a brief explanation of the need or benefit.
- Leasehold improvement projects over \$5,000.
- Software subscriptions (SBITA) greater than \$5,000 annually. Similar to the new lease accounting standard implemented as of December 31, 2022, there is a new accounting standard for software subscriptions (for example Microsoft 365). All contracts need to be identified and forwarded to Mark Nannini and Jim Splitt in Finance. New general ledger accounts will be added as needed and budgeted by Finance.

Proposed 2025 Project Budget Worksheets

Use the provided worksheets to identify incremental costs anticipated in 2024, in connection with proposed 2025 projects.

Department Budget Worksheets

These worksheets include your actual expenses for the 12 months ended June 30, 2024, broken out between the last six months of 2023 and the first six months of 2024, and the 2024 budgeted amount for each general ledger account as comparison. Remaining amounts of prepaid expenses, if any, by department.

List of 2024 Capital Expenditures

This also includes internally developed software budgeted and purchased through June 30, 2024. For the items not yet purchased, please indicate the estimated date of purchase and an updated estimated cost if applicable within in the form. Please also indicate if the item will not be purchased in 2024. For internally developed software, please update the estimated remaining costs to be incurred in 2024 and the estimated in-service date. Capital expenditures for 2025 are to be reported separately using the Project Budget Worksheet.

Detailed Analyses by Department

To assist you in developing your departmental budget, Finance has created detailed analyses by department of the activity in each general ledger account for the six months ended December 31, 2023, and for the six months ended June 30, 2024.

You can also use the Doc-link Smart Client to look up 2023 and 2024 invoices that have been paid. Please contact Sharon Brown, Geenu Kunnengode, or Mark Fink with any questions about how to use the search option.

Important: Please complete all budget forms electronically and return them to both Mark Nannini and Jim Splitt. Please submit these forms in the Microsoft Excel format ONLY. After acceptance, each capital item will be assigned a tracking number to be used on Purchase Orders and invoices relating to the capital purchase.

2025 Budget Tips

Use these tips when completing your department budget:

- For capital (including subscription software), expendable equipment, or 2025 project requests, fill out a 2025 Capital Project Budget Worksheet. (For example, only one worksheet is needed for the purchase of PC/Laptop replacement requests.) Please make a copy of the file prior to filling out the form.
- Estimate the actual expenses for calendar year 2024 and your proposed 2025 budget amount for each general ledger account. Enter this information in the blank columns on the budget worksheet. Refer to the detailed analysis of activity for your department for information.
- Carefully review prior period expenses to determine whether they are necessary or add value beyond their costs to IMRF. Funds spent on something in the current year do not alone justify inclusion in the 2025 Budget.
- Ask if you are unsure what account should be for a budgeted item. Actual expenses will be charged to the correct account. If a reimbursement is expected or rebate, the full expense amount is budgeted. If it is determined that specific general ledger accounts are unnecessary, could be combined, or that new accounts should be added to better track expenses, contact Mark Nannini or Jim Splitt to discuss.
- If a department determines it appropriate for another department to be responsible for an account, please bring this to Mark Nannini and Jim Splitt's attention for resolution.

Budget Account Descriptions

Office Salaries – Regular

Office salaries will be budgeted by Finance based upon the compensation guidelines for existing personnel and justified open positions.

If you have an open position that you are not currently recruiting to fill, it will be eliminated for 2025 budget purposes unless specifically approved by the Executive Director. If you have open positions that you are recruiting for, please provide this information via email by September 9, 2024 to the Director of Human Resources and Chief Financial Officer.

New (incremental) positions must have approval from the Executive Director to be included in the 2025 budget.

These new positions must be submitted to the Director of Human Resources and Chief Financial Officer prior to the final budget submission in September. Please provide a brief justification for the new position that can be incorporated into the budget. Also, consider the incremental equipment, training, travel, or other expenses that might be associated the hiring of a new employee.

Office Salaries – Overtime

Departments should budget this based upon anticipated needs.

Professional Services

Departments should budget for professional services based upon anticipated needs. The amounts budgeted should include all expenses for services provided.

Tuition

Each department should provide Human Resources with a list of employees who they anticipate will use this benefit in 2025, the course of study and institution, and the anticipated annual cost. As a reminder, IMRF offers tuition reimbursement up to a maximum of \$10,500 per year.

Training

All **external** training expenses (courses, workshops, seminars) continue to be budgeted by each department. Human Resources can assist you with estimating amounts. The Seminar Approval Form (for any external seminar) will continue to be approved by Human Resources before an employee enrolls in an external training program. External training related to an employee's individual learning should be included in this budget account.

All **conference** expenses will continue to be budgeted by each department. This includes travel to and from the conference and any other associated expenses.

All **internal** training requiring purchase of materials and/or use of external vendors for onsite training (multiple staff in one department, multiple departments or IMRF-wide) will still be budgeted and coordinated by Human Resources. Please report to Human Resources your anticipated internal training activities and expenses for 2025 by September 1, 2024.

Travel

Travel should be budgeted based upon anticipated needs. Travel directly related to training should be budgeted as part of the training line item budget in each department. All gasoline expenses should be budgeted in this account, not in the Automobile Maintenance account. **Travel expenses related to meeting and conferences should be budgeted in the Conferences & Meetings accounts (5517).**

Employee Engagement activities (\$55.00 cap per person) are to be charged to 5507-XXX-5. Holidays celebrations are charged to the Human Resources account 5510-A05-0. Expenses for holiday parties and new employee lunches are capped at \$25.00 per person for the 2025 budget.

Meetings & Conferences

These accounts are for staff conferences and the amount budgeted should include all costs associated for the conference. Please provide additional details about the specific conference or meeting, who will be attending, and the estimated cost. All conferences, including the Reciprocal Conference, should be budgeted to this account. If a staff member is going to attend more than one conference, they must get approval from their direct supervisor. Travel costs related to attending a conference should be included here. Expenses not covered by another program or department should be budget for items, i.e., meals. Please provide the following information for each conference, for example:

GFOA Convention	"Employee Name"	\$500
Reciprocal Conference	"Employee Name"	\$100
Lodging Reciprocal Conference	"Employee Name"	\$400

Office Supplies

Most office supplies are purchased centrally through Procurement/Legal and are part of the Commodities group of accounts. Therefore, most departments have no need for a separate account. The one exception is for home-based Employer Services staff that purchase miscellaneous supplies and are reimbursed via expense reports. If you are anticipating a special project that might require additional office supplies, i.e., projectors bulbs, office equipment, or anything else that is significantly out of the ordinary, please let Daniel Martinez in Procurement/Legal know so it can be identified and incorporated into their 2025 budget.

Publications and Dues

Departments should budget for publications and dues based upon anticipated needs.

Expendable Equipment

All purchases of equipment between \$500 and \$5,000 is expendable equipment (not Capital) and should be identified and budgeted in this account. Please complete the 2025 Capital Budget Worksheet for each type of equipment and include a brief explanation of the need or benefit.

Automobile Maintenance

Expenses for maintenance such as car washes, oil changes, tires, batteries, brakes, etc., should be budgeted here. **Gasoline expenses should be budgeted in the Travel account(5507).**

Miscellaneous

IMRF is charged a fee for the use of the lower level conference room. If you plan to use this space in 2024, contact the Office Services Manager so it can be incorporated in the 2025 budget.

2025 Horizon Modernization Project Budget

Budgeting for the Horizon 1.1 needs to be included in the 2025 submittals. While other 2025 projects will be budgeted based on incremental costs, the Horizon 1.1 related costs must be identified by activity, if possible, and evaluated on whether they are expense or capital in nature. Since these costs may not be identified until late in the budget process, we will begin the budget process using the best available estimates and then update the budget materials as more detailed information becomes available. Information Services and Finance will need to work closely together to determine the details for the 2025 Horizon 1.1 budget.

Final Budget Allocation by Month

Once the final budget is approved by the IMRF Board of Trustees in November or December, you will be asked to allocate your approved budgeted amounts by month. This allows your department and Finance to track the budget more effectively for 2025. Please retain as much information you think is necessary to complete this step in the process. The more accurate your monthly allocations are, the less likely you will be asked to explain differences between budgeted and actual expenses each month of the current as well as the new budget year. Monthly allocations should be well thought out and as accurate as possible, not just placing all the expenses in the earlier months of the year or dividing the total by 12.

All actual expenses will be coded to the account that best reflects the actual expenses and may not necessarily be the account you initially budgeted for the expense. If you are uncertain as to the account, please contact Sharon Brown or Jim Splitt.

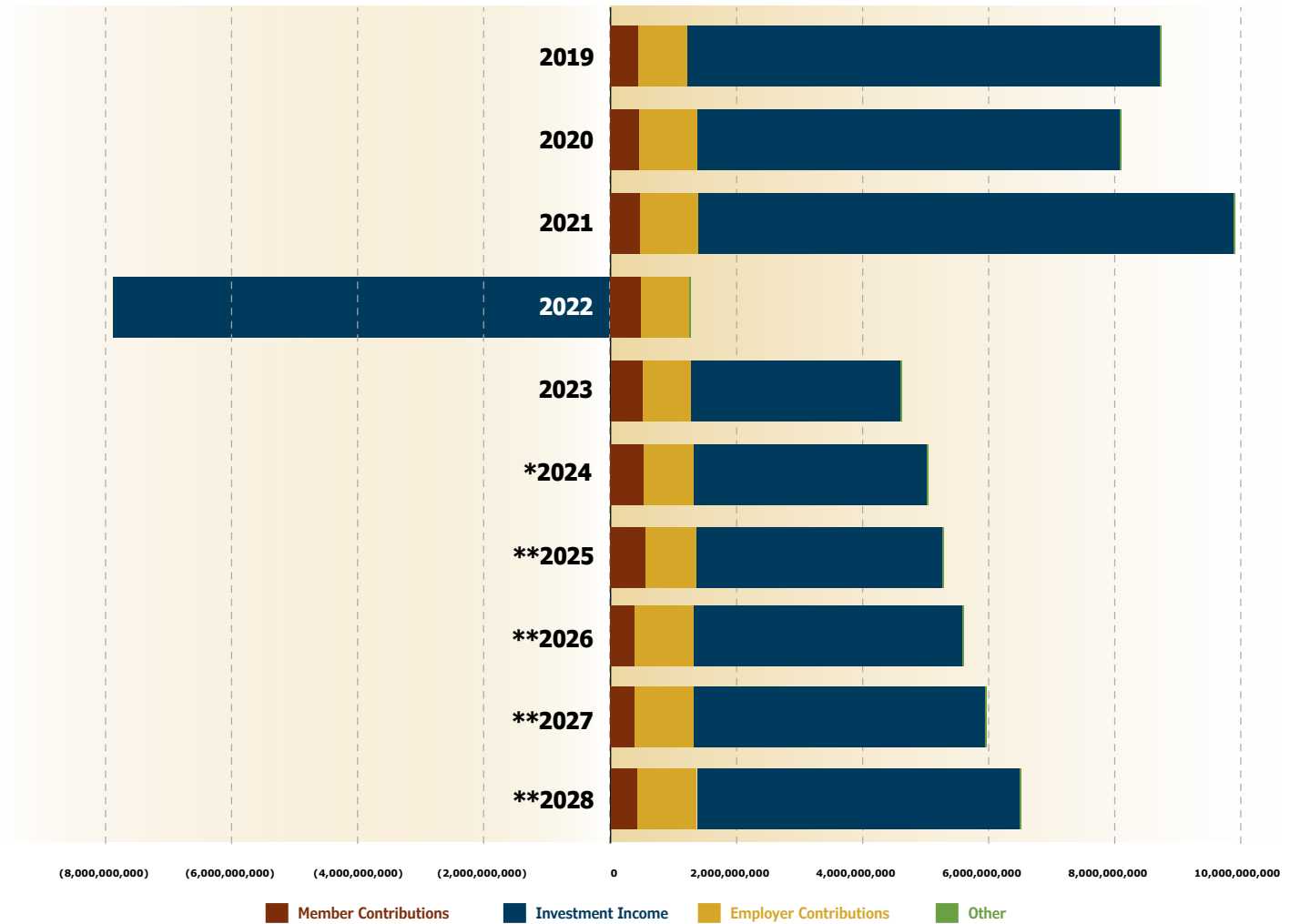
Contact

If you have any questions, need assistance, or require an explanation about anything included in this memo, contact Sharon Brown (x 4582), Mark Fink (x 4769), Geenu Kunnengode (x 4281), Mark Nannini (x4345), or Jim Splitt (x 4260).

REVENUE PROJECTIONS

Year	Member Contributions	Employer Contributions	Investment Income	Other	Total
2019	437,930,911	780,149,698	7,517,792,605	15,300	8,735,888,514
2020	449,724,661	927,591,609	6,722,889,252	12,925	8,100,218,447
2021	471,392,017	969,420,117	8,449,144,804	14,750	9,889,971,688
2022	501,784,408	808,087,538	(7,867,022,837)	125,213	(6,557,025,678)
2023	540,661,005	653,081,876	6,356,023,887	148,792	7,549,915,560
2024 *	572,389,957	699,334,413	6,596,475,272	50,000	7,868,249,642
2025 **	601,269,606	749,579,966	4,414,381,497	50,000	5,765,281,069
2026 **	632,843,696	865,728,838	4,569,611,378	50,000	6,068,233,912
2027 **	667,495,644	836,734,946	4,786,256,080	50,000	6,290,536,670
2028 **	705,554,784	857,591,502	4,918,915,746	50,000	6,482,112,032

* Estimated
** Projected



Explanation of Revenue Projections

Funding for IMRF's defined benefit plan is derived from three main sources: member contributions, employer contributions, and investment income.

Member Contributions

Member contributions are set by statute at 4.5% for the Regular Plan, and 7.5% for the Sheriff's Law Enforcement Plan (SLEP) and the Elected County Officials Plan (ECO).

Employer Contributions

Annually, individual contribution rates are calculated for each participating employer by an independent actuary, based on an individual employer's member demographics (age, salary history, length of service, etc.) and actuarial assumptions. The actuary uses the entry age normal funding method to calculate contribution rates. Under this method, the actuarial present value of projected benefits for each individual is allocated on a level basis over the projected service of the individual between entry age and assumed retirement age.

Investment Income

The investment portfolio is a major contributor to the Fund. In 2023, investment gain of \$6.4 billion represented 85.2% of plan additions for the year. Over the last 5 years, investment income represented the following percentage of additions to fiduciary net position:

Year	Percentage of Additions
2023	84.2%
2022	(120.0)%
2021	85.4%
2020	83.0%
2019	85.9%

IMRF's primary goal is to optimize the long-term total return of the Fund's investments through a policy of diversification within a parameter of prudent risk, as measured on the total portfolio. Currently, the public markets portfolio is managed by 34 professional investment management firms handling 43 mandates. The private markets portfolio is invested with 90 investment firms across 265 separate funds. These firms make investment decisions under the Prudent Person Rule, authorized by Article 1 of the Illinois Pension Code and by investment policy guidelines adopted by the Board of Trustees.

In 2019, the Investment department added an Internally Managed Portfolio (IMP) unit. This team of three staff handled approximately \$5.9 billion in assets as of December 31, 2023.

The Board employs an Investment Consultant to assist staff in the development and evaluation of IMRF's strategic asset allocation, asset liability modelling study, and investment policy statements. The Investment Consultant also assists with the selection of investment management firms and in the monitoring and evaluation of the investment manager performance.

Other Income

The majority of the income in this category is received from fees to process Qualified Illinois Domestic Relations Orders (QILDRO).

2025 ADOPTED EXPENDITURES

Summary by Department

	Actual		Budget	Estimated	Adopted	2025 Adopted as a % Change Over 2024	
	2022	2023	2024	2024	2025	Budget	Estimate
Capital Additions	\$ 9,552,688	\$ 10,573,766	\$ 13,858,724	\$ 9,103,533	\$ 8,210,823	(40.8)%	(9.8)%
Administrative Expenses							
Administration	462,787	454,665	460,950	470,167	485,875	5.4%	3.3%
Benefits	1,142,276	1,139,270	1,498,078	1,593,523	1,776,029	18.6%	11.5%
Board of Trustees	81,971	134,161	252,500	123,000	449,465	78.0%	265.4%
Communications	977,738	1,074,086	1,104,111	968,662	1,162,069	5.2%	20.0%
Customer Service	138,446	64,286	147,512	188,061	249,505	69.1%	32.7%
Disability	877,334	897,873	1,042,833	863,828	991,098	(5.0)%	14.7%
Employer Services	1,048,904	1,667,143	1,590,175	1,801,777	1,890,323	18.9%	4.9%
Finance	11,020,438	5,707,139	12,451,165	10,605,705	13,441,057	8.0%	26.7%
Human Resources	3,090,771	3,435,643	4,043,607	4,064,602	4,567,109	12.9%	12.4%
Information Services	8,398,269	8,481,358	13,694,520	13,270,778	16,689,275	21.9%	25.8%
Internal Audit	560,418	412,892	616,761	484,033	650,534	5.5%	34.4%
Investments	1,896,479	2,103,483	2,232,633	2,248,121	2,372,972	6.3%	5.6%
Investments - IMP	818,397	891,922	1,170,695	1,029,994	1,139,088	(2.7)%	10.6%
Legal	2,043,159	3,268,282	3,486,680	3,647,632	4,382,438	25.7%	20.1%
Member Services	1,618,171	2,106,453	2,298,259	2,468,923	2,801,497	21.9%	13.5%
Office Services	2,456,975	2,861,130	2,662,553	2,874,322	3,128,564	17.5%	8.8%
Organizational Excellence	411,373	303,455	470,865	349,279	784,677	66.6%	124.7%
Total Administrative Expenses	37,043,906	35,003,241	49,223,897	47,052,407	56,961,575	15.7%	21.1%
Direct Investment Expenses							
Investments	192,332,329	212,795,622	189,624,097	212,304,893	212,360,896	12.0%	0.0%
Investments IEM Internal Management	1,553,396	1,724,415	2,250,500	1,942,240	2,462,850	9.4%	26.8%
Total Direct Investment Expenses	193,885,725	214,520,037	191,874,597	214,247,133	214,823,746	12.0%	0.3%
Total	\$240,482,319	\$260,097,044	\$254,957,218	\$270,403,073	\$279,996,144	9.8%	3.5%

ADDITIONS TO FUND BALANCES

	2022 Actual	2023 Actual	2024 Budget
Revenues			
Contributions			
Member Contributions	\$ 501,784,408	\$ 540,661,005	\$572,160,651
Employer Contributions	808,087,538	653,081,876	662,438,103
Total Contributions	1,309,871,946	1,193,742,881	1,234,598,754
Investment Income			
Investment (Loss)/Income	(7,672,318,715)	6,571,435,846	3,943,538,712
Less: Direct Investment Expense	(194,704,122)	(215,411,959)	(191,874,597)
Net Investment (Loss)/Income	(7,867,022,837)	6,356,023,887	3,751,664,115
Miscellaneous Income	125,213	148,792	10,000
Total Additions	(6,557,025,678)	7,549,915,560	4,986,272,869
Expenses			
Benefits (Paid)	2,915,998,093	3,074,349,009	3,342,646,764
Administrative Expenses	36,225,509	34,111,319	48,936,004
Total Expenses	2,952,223,602	3,108,460,328	3,391,582,768
Net (Decrease)/Increase	(9,509,249,280)	4,441,455,232	1,594,690,101
Net Position Restricted for Pensions Beginning of the Year	57,700,053,775	48,190,804,495	52,632,259,727
Net Position Restricted for Pensions End of the Year	\$48,190,804,495	\$52,632,259,727	\$54,226,949,828

During 2022, IMRF's investment portfolio has incurred a significant decline in fair value, consistent with the general decline in the financial markets worldwide.

2024 Estimate	2025 Budget	2026 Projected	2027 Projected	2028 Projected
Revenues				
Contributions				
\$ 572,389,957	\$ 601,269,606	\$ 632,843,696	\$ 667,495,644	\$ 705,554,784
699,334,413	749,579,966	865,728,838	836,734,946	857,591,502
1,271,724,370	1,350,849,572	1,498,572,534	1,504,230,590	1,563,146,286
Investment Income				
6,596,475,272	4,414,381,497	4,569,632,521	4,786,278,861	4,918,940,293
(214,247,133)	(214,823,746)	(220,000,000)	(225,000,000)	(230,000,000)
6,382,228,139	4,199,557,751	4,349,632,521	4,561,278,861	4,688,940,293
50,000	50,000	50,000	50,000	50,000
7,654,002,509	5,550,457,323	5,848,255,055	6,065,559,451	6,252,136,579
Expenses				
3,232,402,417	3,490,256,732	3,735,000,000	3,996,000,000	4,276,000,000
47,052,407	56,961,575	60,000,000	65,000,000	70,000,000
3,279,454,824	3,547,218,307	3,795,000,000	4,061,000,000	4,346,000,000
4,374,547,685	2,003,239,016	2,053,255,055	2,004,559,451	1,906,136,579
52,632,259,727	57,006,807,412	59,010,046,428	61,063,301,483	63,067,860,934
\$57,006,807,412	\$59,010,046,428	\$61,063,301,483	\$63,067,860,934	\$64,973,997,513

2025 ADOPTED CAPITAL ADDITIONS

	Actual		Budget	Estimated	Adopted	2025 Adopted as a % Change Over 2024	
	2022	2023	2024	2024	2025	Budget	Estimate
Capital Purchases	\$ 6,297,480	\$ 7,038,358	\$ 8,271,939	\$ 8,776,843	\$ 6,340,275	(23.4%)	(27.8%)
Internally Generated Computer Software	3,255,208	3,535,408	5,586,785	326,690	1,870,548	(66.5%)	472.6%
Total Capital Budget	\$9,552,688	\$10,573,766	\$13,858,724	\$9,103,533	\$8,210,823	(40.8%)	(9.8%)

Capital Purchases	
Horizon 1.1	\$ 6,865,832
Dell RecoverPoint	400,000
Dell MX7000 Chassis (2)	370,000
Cisco Switch Replacements	230,000
Cisco Catalyst Upgrade to 40G	221,000
Disaster Recovery SAN Switch Port Upgrade	70,000
Vehicle Replacement	30,000
Network Air Conditioning Replacement - Springfield	9,500
Digital Color Copier	9,000
Inbound Tracking System	5,491
Total Capital Budget	\$ 8,210,823

2025 CAPITAL PURCHASES

Horizon 1.1

Horizon 1.0 was implemented in March 2024. Horizon is the key strategic opportunity at IMRF. During 2025, working with our project partners, IMRF will upgrade Horizon with new functionality. This includes \$1,870,548 in capitalized staff salaries per GASB Statement 51.

Estimated purchase price	\$ 6,865,832
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Dell RecoverPoint

This request is to purchase new software for data replication. We are currently using Zerto for data replication services. As our current service contract with Zerto comes to an end, we would like to investigate alternate options that may better suit the needs of IMRF. Throughout the length of the Zerto service contract, we have identified items where Zerto does not fully satisfy our needs. Seeking out alternate vendors will ensure we are getting the proper level of support and reliability.

Estimated purchase price	\$ 400,000
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Dell MX7000 Chassis

This request is to purchase two Dell MX7000 chassis to expand compute capabilities and prepare for the eventual decommission of Chassis 3 and 4 in the Oak Brook Data Center. These will be replacements for the older M1000E chassis and more specifically the M640 blade servers when they are no longer supported by VMware. Rebudgeted for 2025.

Estimated purchase price	\$ 370,000
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Cisco Switch Replacements

The Cisco Catalyst models that IMRF currently utilizes throughout our entire network will reach end of life (EOL) on October 31, 2025. These are used in all the intermediate distribution frameworks (IDFs)/network racks in Oak Brook, Springfield, and our Disaster Recovery (DR) site. They are what interconnect the cabling and provide physical access for all workstations, phones, and certain peripheral devices (i.e. printers, scanners, etc.) in our facilities. Without support, IMRF will no longer receive updates for their firmware and we run the risk of introducing vulnerabilities for malicious actors to exploit. We are planning to replace all 16 switches with newer Catalyst models. This includes network modules, and secondary power supplies for each of them.

Estimated purchase price	\$ 230,000
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Cisco Catalyst Upgrade to 40G

This request is to upgrade the core switches to 40 Gigabytes per second (Gbps). This is needed to make the switching environment redundant while increasing the interface speeds to 40G ports. These switches are the backbone of the data center and are currently limited to two 40G connections. We need to increase this port density to allow for other 40G devices to connect to it and maximize overall throughput capabilities.

Estimated purchase price	\$ 221,000
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Disaster Recovery SAN Switch Port Upgrade

We have outgrown the single Storage Area Network (SAN) switch located in the disaster recovery (DR) site. Rather than purchase new switches, we will repurpose the existing Oak Brook SAN switches for use for DR. To match the speed of the replacement Oak Brook SAN switches, we will upgrade all interfaces from 16Gb to 32Gb.

Estimated purchase price	\$ 70,000
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Vehicle Replacement

Replacement for the Executive Directors vehicle. The current vehicle is eight years old and on target for over 75,000 miles. Repair costs have increased recently due to the age of the vehicle.

Estimated purchase price	\$ 30,000
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Network Air Conditioning Replacement - Springfield

The Springfield network closet's air conditioning (A/C) has been unreliable on several occasions since it was last upgraded in 2019. This has led to several instances in which the closet door has had to remain open so that air can circulate and we can prevent the hardware from overheating. These instances pose a security and operational risk as there could be unauthorized access to the hardware or the equipment could fail without notice. This request is to replace this unit with a more robust and reliable A/C unit that can handle the heat load in this room. Rebudgeted for 2025 due to difficulty soliciting formal quotes from the originally proposed company that services the Springfield office, therefore, IMRF will seek a new proposal from another company.

Estimated purchase price	\$ 9,500
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Digital Color Copier

Replace one copier, upgradeing to a newer color copier/printer in 2025. The machine will be placed in Investments. The current machine has been down longer than normal as it is getting older and replacement parts are difficult to find.

Estimated purchase price	\$ 9,000
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Inbound Tracking System

The current inbound tracking system was purchased in 2018. Since then, the current handheld device has been having maintenance issues and has not been working properly. The original estimated life for that device was 3-5 years. The base scanner would be used for packages delivered to the mail center. We would be able to capture the carrier, tracking number, date and time. It would also show where the package is currently located and has the capability of searching and reporting using historical data that's stored for up to 7 years. It also has the capability to auto notify staff of delivery status via email or text message.

Estimated purchase price	\$ 5,491
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LONG-TERM CAPITAL PLAN *(Five years)*

IMRF's 5 year capital plan is a planning tool that gives a snapshot into the next 5 years. It serves as a guide for planning projects and equipment replacements in the near future. This plan is reviewed and updated annually to reflect the changing needs and priorities of the organization.

	Budget Items	Department	Estimated Cost
2026	HVAC Replacements	Information Services	\$ 480,000
	UPS Replacement	Information Services	234,000
	Audio-Visual Equipment upgrade	Information Services	220,000
	Color Digital Copiers (3; 2 Oak Brook, 1 Springfield)	Office Services	42,000
	Data Center Electrical	Information Services	12,000
2027	Color Digital Copiers for Digital Print Center	Office Services	90,000
2028	General Ledger Upgrade	Finance	150,000
2029	n/a	n/a	-
2030	n/a	n/a	-
Total 5 Year Capital Plan			\$ 1,228,000

ANALYSIS OF 2025 BUDGET TO 2024 ESTIMATED ACTUAL VARIANCES

	Percentage Change	
2025 Budget	\$ 56,961,575	
2024 Estimated Actual	47,052,407	
Increase	\$ 9,909,168	21.1%

Expense Variations by Major Expense Category

Percent of Total Budget		Increase (Decrease)	% Change
41.6%	Salaries The increase in the 2025 budget versus the estimated 2024 reflects the impact of the 2025 compensation plan which provides for a 3.0% base salary adjustment and a 1.25% average discretionary. The estimated increase due to the compensation plan is \$2,038 thousand. Five new positions will add \$320 thousand, accrued absences and temporary services will add an additional \$63 and \$86 thousand, respectively. These increases are offset by a \$211 thousand decrease overtime and a \$(1,107) thousand increase in the amount of salaries capitalized as part of the Horizon Project. Per GASB Statement No. 51, these costs are reclassified from salary expense and capitalized as part of the total project costs and amortized over its estimated useful life.	\$ 1,190,739	5.3%
13.9%	Fringe Benefits The majority of the increase in the 2025 budget versus the 2024 estimated actual is due to an increases of \$320 thousand, \$248 thousand, and \$199 thousand in health and dental insurance, IMRF employer contributions, and employer payroll taxes, respectively. Offsetting these are decreases in capitalized fringe benefits as part of GASB 51 of \$357 thousand and \$7 thousand in expected unemployment expenses.	402,816	5.4%
2.3%	Personnel Costs - Indirect The majority of this increase, \$486 thousand, is driven by higher projected training costs related to IMRF's individual learning plans, tuition reimbursement and organization wide training. There is also an additional \$138 thousand increase in conferences when comparing to the 2024 estimated. Additionally there is an \$36 increase in Employer Services travel. While these increases seem large, all of these areas are under budget for 2024 due to continued effects of the COVID-19 pandemic and Horizon testing.	706,733	122.8%
8.9%	Consulting Services The increase in the 2025 budget versus the 2024 estimated is being driven by a \$1.3 million increase in Horizon consulting services, \$188 thousand in actuarial costs, \$74 thousand in compensation consulting, \$45 thousand in IS risk assessment audit fees, \$30 thousand increase in legal expenses, and \$65 thousand in medical consulting and investigations.	1,769,068	53.4%
3.5%	Facility Expenses The increase in this area, \$30 thousand, is related to increases in equipment disposal costs, \$15 thousand for offsite storage costs, and \$10 thousand for electricity. These are offset by \$50 thousand decrease in building maintenance costs and \$7 thousand in disaster recovery expenses.	219,268	12.4%
4.6%	Commodities & Services The major increase in this area is due to legal fees, cybersecurity consulting, postage, office supplies, address searches, and bank service fees - \$310 thousand, \$155 thousand, \$130 thousand, \$81 thousand, \$46 thousand, and \$23 thousand respectively.	796,884	43.8%
23.9%	Equipment The majority of the increase here is due to increases of \$2,297 thousand in depreciation, \$791 thousand in software subscriptions, \$527 thousand in equipment maintenance, \$511 thousand in software maintenance, and \$323 thousand expendable equipment.	4,492,962	49.3%
1.3%	Miscellaneous This increases in this area relate to trustee election costs of \$319 thousand and \$7 thousand for trustee expenses.	330,698	76.1%
100%		\$9,909,168	21.1%

ANALYSIS OF 2024 BUDGET TO 2023 BUDGET VARIANCES

	Percentage Change	
2025 Budget	\$ 56,961,575	
2024 Budget	49,223,897	
Increase	\$ 7,737,678	15.7%

Expense Variations by Major Expense Category

Percent of Total Budget		Increase (Decrease)	% Change
41.6%	Salaries The increase in the 2025 budget versus the 2024 budget is due to the impact of the 2025 compensation plan which provides for a 3.0% base salary adjustment and a 1.25% average discretionary. The estimated increase due to the compensation plan is \$1,250 thousand. New positions add an additional \$320 thousand and accrued compensation adds \$15 thousand. These are offset by a decrease of \$75 thousand in temporary staff services, \$36 thousand in overtime, and an increase in capitalized salaries as for of the Horizon Project of \$(2,882) thousand. Per GASB Statement No. 51, these costs are reclassified from salary expense and capitalized as part of the total project costs and amortized over it's estimated useful life.	\$4,356,600	22.5%
13.9%	Fringe Benefits The increase in the 2025 budget versus the 2024 budget is being driven by a \$274 thousand increase in health and dental insurance, \$233 thousand increase in IMRF employer contributions, and a \$138 thousand increase for payroll taxes based on the increase in compensation as explained above. This is offset by an decrease in capitalized fringe benefits \$(832) thousand per GASB Statement No. 51.	1,483,198	23.1%
2.3%	Personnel Costs - Indirect The 2025 budget contains a \$261 thousand decrease in travel and training. This is offset by an increase in conferences of \$37 thousand and recruitment costs of \$11 thousand.	(205,325)	(13.8)%
8.9%	Consulting Services The increase in the 2025 budget versus the 2024 budget is being driven by a \$485 thousand increase for IS consulting expenses. Also increasing are expected costs for legal services of \$135 thousand and compensation and benefit consulting of \$75 thousand. These are offset by decreases in actuary services of \$463 thousand, audit services of \$106 thousand, and medical consulting of \$31 thousand.	95,151	1.9%
3.5%	Facility Expenses The increase in this category is related to a \$325 thousand increase in building maintenance costs and \$209 thousand in telephone expenses. This is offset by a decrease to disaster recovery site fees of \$39 thousand.	498,862	33.6%
4.6%	Commodities & Services The major increase in this area is related to professional services of \$650 thousand. There is also in increase of \$23 thousand in office supplies. This is offset by decreases in postage, presort, and permit costs of \$40 thousand and publications and dues of \$13 thousand	616,517	30.8%
23.9%	Equipment The majority of the increase here is due to a \$641 thousand increase due to the ongoing implementation of GASB Statement No. 96, Subscription Based IT Arrangements and a \$174 thousand increase in depreciation. There are also an increase of \$23 for building lease amortization and interest. These are offset by decreases of \$90 thousand, \$45 thousand, and \$5 thousand in equipment maintenance costs, expendable equipment, and auto maintenance, respectfully.	694,310	5.4%
1.3%	Miscellaneous This increase is due to a \$172 thousand increase in trustee election costs and \$25 thousand in trustee expenses	198,365	35.0%
100.0%		\$7,737,678	15.7%

To develop this budget document, IMRF received proposals and data from each operational department within the organization. As outlined on the following pages, consideration is given to programs, staffing, training, and consulting work necessary to best achieve the Fund's goals and objectives.



DEPARTMENTAL BUDGETS

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CONDENSED 2025 BUDGET COMPARISON

The table below provides a synopsis of the 2025 budget with and without the effects of the additional staff and related expense requests for the Horizon Project and the creation of the Investments Internal Equity Management team. For comparison purposes, the 2024 budget and 2024 estimated amounts are also provided.

2025 Budget Summary by Department

	2024 Budget	2024 Estimated	2025 Budget w/o Horizon Costs	2025 Budget w/o Horizon Increase/ (Decrease) over 2024 Budget	Percent
Administrative Expense					
Administration	\$ 460,950	\$ 470,167	\$ 485,875	\$ 24,925	5.4%
Benefits	1,498,078	1,593,523	1,716,029	217,951	14.5%
Board of Trustees	252,500	123,000	449,465	196,965	78.0%
Communications	1,104,111	968,662	1,162,069	57,958	5.2%
Customer Service	147,512	188,061	249,505	101,993	69.1%
Disability	1,042,833	863,828	991,098	(51,735)	(5.0)%
Employer Services	1,590,175	1,801,777	1,890,323	300,148	18.9%
Finance	12,451,165	10,605,705	13,441,057	989,892	8.0%
Human Resources	4,043,607	4,064,602	4,567,109	523,502	12.9%
Information Services	13,694,520	13,270,778	16,689,275	2,994,755	21.9%
Internal Audit	616,761	484,033	650,534	33,773	5.5%
Investments	2,232,633	2,248,121	2,372,972	140,339	6.3%
Investments - Internally Managed Portfolio (IMP)	1,170,695	1,029,994	1,139,088	(31,607)	(2.7)%
Legal	3,486,680	3,647,632	4,382,438	895,758	25.7%
Member Services	2,298,259	2,468,923	2,801,497	503,238	21.9%
Office Services	2,662,553	2,874,322	3,128,564	466,011	17.5%
Organizational Excellence	470,865	349,279	784,677	313,812	66.6%
Sub-total	49,223,897	47,052,407	56,901,575	7,677,678	15.6%
Direct Investment Expense					
Investments	189,624,097	212,304,893	212,360,896	22,736,799	12.0%
Investments - Internally Managed Portfolio (IMP)	2,250,500	1,942,240	2,462,850	212,350	9.4%
Sub-total	191,874,597	214,247,133	214,823,746	22,949,149	12.0%
Total	\$ 241,098,494	\$261,299,540	\$271,725,321	\$30,626,827	12.7%

CONDENSED 2025 BUDGET COMPARISON - *CONTINUED*

2025 Budget Incremental Increase Due to Horizon	2025 Aggregate Budget with Horizon	2025 Aggregate Budget Increase/ (Decrease) over 2024 Budget	Percent	2025 Aggregate Budget Increase over 2024 Estimate	Percent
\$ -	\$ 485,875	\$ 24,925	5.4%	\$ 15,708	3.3%
60,000	1,776,029	277,951	18.6%	182,506	11.5%
-	449,465	196,965	78.0%	326,465	265.4%
-	1,162,069	57,958	5.2%	193,407	20.0%
-	249,505	101,993	69.1%	61,444	32.7%
-	991,098	(51,735)	(5.0)%	127,270	14.7%
-	1,890,323	300,148	18.9%	88,546	4.9%
-	13,441,057	989,892	8.0%	2,835,352	26.7%
-	4,567,109	523,502	12.9%	502,507	12.4%
-	16,689,275	2,994,755	21.9%	3,418,497	25.8%
-	650,534	33,773	5.5%	166,501	34.4%
-	2,372,972	140,339	6.3%	124,851	5.6%
-	1,139,088	(31,607)	(2.7)%	109,094	10.6%
-	4,382,438	895,758	25.7%	734,806	20.1%
-	2,801,497	503,238	21.9%	332,574	13.5%
-	3,128,564	466,011	17.5%	254,242	8.8%
-	784,677	313,812	66.6%	435,398	124.7%
60,000	56,961,575	7,737,678	15.7%	9,909,168	21.1%
-	212,360,896	22,736,799	12.0%	56,003	0.0%
-	2,462,850	212,350	9.4%	520,610	26.8%
-	214,823,746	22,949,149	12.0%	576,613	0.3%
\$ 60,000	\$ 271,785,321	\$ 30,686,827	12.7%	\$ 10,485,781	4.0%

BOARD OF TRUSTEES

IMRF is governed by an eight-member, elected Board of Trustees. IMRF Board members serve five-year, staggered terms:

- Four of the Board members are Executive Trustees and are elected by participating units of government.
- Three are Employee Trustees and are elected by participating IMRF members.
- One Annuitant Trustee is elected by IMRF annuitants.

The IMRF Board of Trustees meets at least four times a year for its full Board meeting. Board members serve without compensation, but are reimbursed for their expenses. The Board is divided into five committees — Audit, Benefit Review, Executive, Investment, and Legislative to handle different areas of business.

Goals and Objectives

Key Result Area: Financial Health and Operational Excellence

- Monitor annual investment returns for the Fund.
- Set employer contributions rates required to fully fund the guaranteed benefits of our members.
- Discuss and review actuarial assumption.
- Continue education in Board Governance, Administration, and Investments to assist in managing the Fund.

The 2024 Board of Trustees include:

Peter Stefan, President	Douglas Cycholl
Louis Kosiba, Vice President	Gwen Henry
Sue Stanish, Secretary	Tom Kuehne
Natalie Copper	David Miller

Board of Trustees – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025
Commodities & Services						
Publications & Dues	5535	\$ 3,016	\$ 2,978	\$ 5,000	\$ 5,000	\$ 5,000
Total Personnel Costs - Direct		3,016	2,978	5,000	5,000	5,000
Miscellaneous						
Trustee Employer Reimbursement	5580	35,569	47,074	45,000	62,500	65,000
Trustee Reimbursement & Education	5581	43,387	81,787	55,000	55,500	60,000
Trustee Elections	5582	-	2,322	147,500	-	319,465
Total Miscellaneous		78,956	131,183	247,500	118,000	444,465
Total Expenses		\$ 81,972	\$ 134,161	\$ 252,500	\$ 123,000	\$ 449,465
2025 Percent Change						78.0%

ADMINISTRATION DEPARTMENT

The Administration department is headed by the Executive Director, who is appointed by the Board of Trustees to manage the office and carry out the technical administrative duties of the Fund. The Executive Director is responsible for management of all operations, customer service, representation of IMRF, Board interaction, policy development and implementation, and leadership of the organization.

Administration – Goals and Objectives

Key Result Area: Operational Excellence

- Support and adhere to the Strategic Plan for the current fiscal year.
- Meet with IMRF members, employers, and legislators to promote the IMRF brand.
- Support and manage our modernization efforts (Horizon Project)

Key Result Area: Financial Health

- Provide and support a balanced budget.

Administration Department – Organization Chart



Administration – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 416,417	\$ 425,200	\$ 429,000	\$ 437,992	\$ 452,425	\$ 452,425
Total Personnel Costs - Direct		416,417	425,200	429,000	437,992	452,425	452,425
Personnel Costs - Indirect							
Travel & Training	5507	5,253	3,818	6,200	6,175	6,200	6,200
Conferences & Meetings	5517	10,346	530	4,500	4,650	4,750	4,750
Total Personnel Costs - Indirect		15,599	4,348	10,700	10,825	10,950	10,950
Commodities & Services							
Publications & Dues	5535	19,148	22,568	16,750	17,500	18,000	18,000
Other Services	5540	7,450	1,000	-	-	-	-
Total Commodities & Services		26,598	23,568	16,750	17,500	18,000	18,000
Equipment							
Auto Maintenance & Expenses	5576	4,174	1,550	4,500	3,850	4,500	4,500
Total Equipment		4,174	1,550	4,500	3,850	4,500	4,500
Total Expenses		\$462,788	\$454,666	\$460,950	\$470,167	\$485,875	\$485,875
2025 Percent Change						5.4%	5.4%

BENEFITS DEPARTMENT

The department is led by one manager and two supervisors and consists of two units: The Benefits unit and the Past Service unit. Four analysts assist in the day-to-day activities, one Business Solution Analyst focuses on support of the Horizon system, 18 employees process claims, and three staff assistants. The department services IMRF's members, beneficiaries, and employers by providing information and services related to all aspects of benefits processing. The department processes retirement, death, past service, and refund applications. Some applications require coordination with other pension systems in Illinois.

Goals and Objectives

Key Result Area: Customer Engagement

- Process benefit applications accurately and in a timely manner according to department identified standards.

Key Result Area: Workforce Engagement

- Support Modernization and shift responsibilities as necessary to complete core tasks.

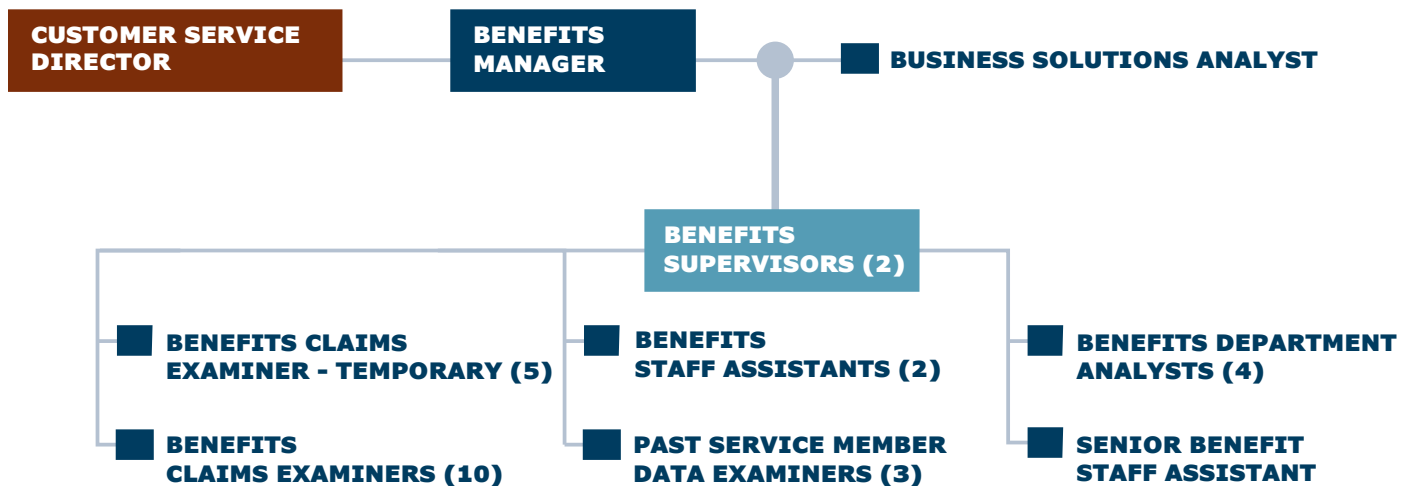
Key Result Area: Financial Health

- Work with the Finance department to support the SOC-1 audit.

Key Result Area: Operational Excellence

- Carry out and support the organization's identified strategic objectives to provide sustainable financial health, operational excellence, workforce engagement, and customer engagement.

Benefits Department – Organization Chart



Benefits Department – Performance Measures

Standards	2019	2020	2021	2022	2023	2024 YTD*
Average processing time for all claim types (days)	9.0	31.1	19.8	20.9	22.6	N/A
Financial accuracy (M)	97.8%	98.3%	99.2%	99.4%	97.3%	N/A
Financial accuracy (A)	99.0%	99.0%	99.5%	99.4%	99.9%	N/A
Procedural accuracy (M)	95.5%	96.5%	99.8%	98.0%	99.3%	N/A
Procedural accuracy (A)	97.0%	97.4%	97.9%	97.9%	99.3%	N/A

M = Manual

A = Automated

*Statistics for the QA program in Horizon are under development.

Benefits Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 1,141,454	\$ 1,137,977	\$ 1,487,653	\$ 1,592,323	\$ 1,705,454	\$ 1,765,454
Total Personnel Costs - Direct		1,141,454	1,137,977	1,487,653	1,592,323	1,705,454	1,765,454
Personnel Costs - Indirect							
Travel & Training	5507	821	1,293	4,150	1,200	4,300	4,300
Conferences & Meetings	5517	-	-	6,275	-	6,275	6,275
Total Personnel Costs - Indirect		821	1,293	10,425	1,200	10,575	10,575
Total Expenses		\$1,142,275	\$1,139,270	\$1,498,078	\$1,593,523	\$1,716,029	\$1,776,029
2025 Percent Change						14.5%	18.6%

COMMUNICATIONS DEPARTMENT

IMRF’s Communications department produces print and web-based publications; creates, reviews, and edits print and web-based newsletters, correspondence, forms, and staff documentation for applications and processes; manages IMRF’s website and social media; oversees internal communications, including IMRF’s intranet; and administers IMRF’s public outreach program, including its media relations.

Goals and Objectives

Key Result Area: Financial Health

- Educate members, employers, and external stakeholders about IMRF’s 100% funding principle.

Key Result Area: Customer Engagement

- Educate members and employers about IMRF’s benefits program.

Key Result Area: Workforce Engagement

- Manage internal knowledge assets, share organizational news, and promote IMRF’s Mission, Vision, and Values with IMRF staff.

Key Result Area: Operational Excellence

- Execute IMRF’s Voice Of the Customer survey program, which supports fact-based decision-making throughout the organization.

Communications Department – Organization Chart



Communications Department – Performance Measures

Key Result Area: Financial Health

Measures	2019	2020	2021	2022	2023	2024 YTD
Open rate for the Employer Digest e-newsletter	49.1%	46.0%	44.3%	48.5%	54.0%	55.0%

Benchmark = Industry-standard "Open Rate" for public entities of 35.3%.

Key Result Area: Customer Engagement

Measures	2019	2020	2021	2022	2023	2024 YTD
Total page views at www.imrf.org	8,219,514	9,418,749	11,430,191	12,280,530	17,849,272	10,722,811

Key Result Area: Workforce Engagement

Measures	2019	2020	2021	2022	2023	2024 YTD
Staff intranet total page views	485,857	338,823	326,052	341,095	476,120	669,898
Open rate for the IMRF Update e-newsletter	82.2%	80.0%	61.0%	45.0%	54.0%	70.0%

Communications Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 714,569	\$ 716,511	\$ 670,961	\$ 754,671	\$ 810,799	\$ 810,799
Professional Services – Temps	5503	116,581	167,422	234,000	12,600	134,076	134,076
Total Personnel Costs - Direct		831,150	883,933	904,961	767,271	944,875	944,875
Personnel Costs - Indirect							
Travel and Training	5507	7,460	6,860	8,200	8,000	9,823	9,823
Conferences & Meetings	5517	2,715	2,075	10,000	10,000	18,596	18,596
Total Personnel Costs - Indirect		10,175	8,935	18,200	18,000	28,419	28,419
Public Relations Services							
Public Relations	5519	997	1,234	1,250	1,250	1,260	1,260
Total Public Relations Services		997	1,234	1,250	1,250	1,260	1,260
Commodities & Services							
Forms & Informational Materials	5532	108,933	149,101	146,800	145,800	145,800	145,800
Publications & Dues	5535	1,483	882	1,400	1,641	1,715	1,715
Professional Services – Other	5540	25,000	30,000	31,500	34,700	40,000	40,000
Total Commodities & Services		135,416	179,983	179,700	182,141	187,515	187,515
Total Expenses		\$977,738	\$1,074,085	\$1,104,111	\$968,662	\$1,162,069	\$1,162,069
2025 Percent Change						5.2%	5.2%

CUSTOMER SERVICE DEPARTMENT

The Customer Service Director provides leadership for the Benefits, Disability, Member Services, Employer Services, and Office Services departments. This position is a key strategic and operational role responsible for leading the development, continuous improvement and delivery of world-class service outcomes for our members, annuitants, and employers.

Goals and Objectives

Key Result Area: Customer Engagement and Operational Excellence

- Support the strategic plan by monitoring relevant objectives and action plans for Customer Engagement, Operational Excellence, and Workforce Engagement.
- Oversee customer focused key approaches.
- Ensure on-time delivery, high levels of satisfaction and engagement, and long-term problem resolution.

Customer Service – Organization Chart



Customer Service– Performance Measures

Measurements	Goal	2019	2020	2021	2022	2023	2024 YTD
Member Transaction Engagement (NPS)	Benchmark	86.63	82.27	82.89	87.14	76.99	10.52
Member Workshop Engagement (NPS)	Benchmark	92.45	89.00	83.87	92.85	90.38	N/A
Member Transaction Satisfaction	90%	97.32%	96.99%	96.19%	97.31%	95.09%	55.88%
Member Workshop Satisfaction	90%	99.59%	97.09%	96.51%	99.61%	92.45%	N/A
Member Transaction Customer Effort	90%	94.90%	94.19%	92.73%	94.90%	82.85%	55.00%
Member Workshop Customer Effort	90%	99.80%	95.96%	95.51%	99.90%	91.51%	N/A
Member Transaction Dissatisfaction	0%	1.41%	1.68%	1.95%	1.40%	2.97%	37.77%
Member Workshop Dissatisfaction	0%	0.16%	1.64%	0.83%	0.10%	1.89%	N/A
Cobalt Overall Percentile Rank	90th or Better	100th	80	80	86	86	33
Employer Transaction Engagement (NPS)	Benchmark	79.23	79.80	81.36	80.65	78.77	22.50
Employer Workshop Engagement (NPS)	Benchmark	90.57	88.04	87.14	93.16	92.13	73.95
Employer Transaction Satisfaction	90%	95.33%	94.48%	95.31%	96.03%	93.53%	68.85%
Employer Workshop Satisfaction	90%	99.20%	97.42%	97.24%	98.64%	97.87%	94.54%
Employer Transaction Customer Effort	90%	90.90%	89.90%	91.37%	92.20%	89.83%	63.03%
Employer Workshop Customer Effort	90%	91.80%	96.57%	94.50%	99.60%	96.81%	94.34%
Employer Transaction Dissatisfaction	0%	0.90%	1.21%	0.96%	0.83%	1.72%	22.60%
Employer Workshop Dissatisfaction	0%	0.20%	0.00%	0.92%	0.19%	0.00%	1.52%

Customer Service Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 131,366	\$ 64,286	\$ 132,697	\$ 185,886	\$ 162,755	\$ 162,755
Total Personnel Costs - Direct		131,366	64,286	132,697	185,886	162,755	162,755
Personnel Costs - Indirect							
Travel & Training	5507	2,741	-	5,750	900	77,750	77,750
Conferences & Meetings	5517	3,415	-	8,565	400	8,500	8,500
Total Personnel Costs - Indirect		6,156	-	14,315	1,300	86,250	86,250
Commodities & Services							
Publications & Dues	5535	924	-	500	875	500	500
Total Commodities & Services		924	-	500	875	500	500
Total Expenses		\$138,446	\$64,286	\$147,512	\$188,061	\$249,505	\$249,505
2025 Percent Change						69.1%	

DISABILITY DEPARTMENT

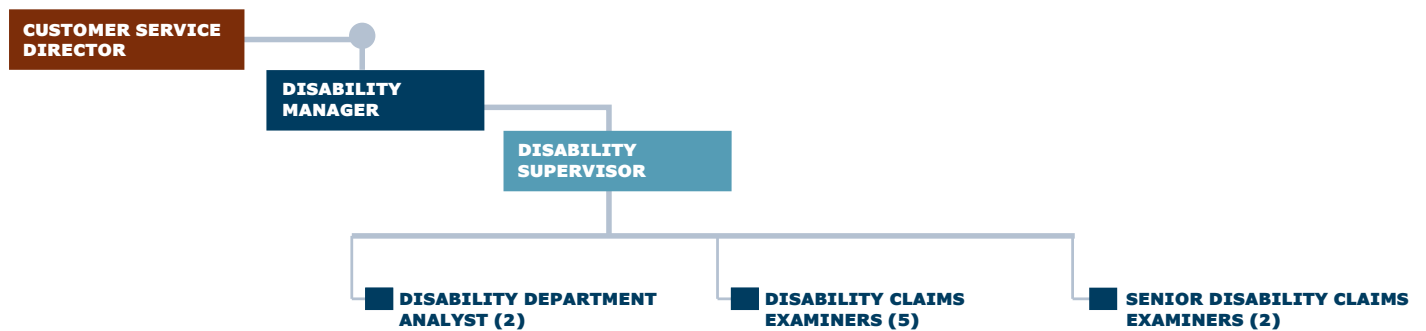
The Disability department is led by one manager and one supervisor. Two analysts assist in the day-to-day activities and 7 examiners to process claims. The department serves IMRF's members and employers by providing information and services related to all aspects of disability application processing..

Goals and Objectives

Key Result Area: Customer Engagement and Operational Excellence

- Process benefit applications accurately and in a timely manner according to department identified standards.
- Support Modernization and shift responsibilities as necessary to complete core tasks.
- Work with the Finance department to support the SOC-1 audit.
- Carry out and support the organization's identified strategic objectives to provide sustainable financial health, operational excellence, workforce engagement, and customer engagement.

Disability Department – Organization Chart



Disability Department – Performance Measures

Standards	2019	2020	2021	2022	2023	2024 YTD
Average processing time for all claim types (days)	8.20	4.70	4.99	6.31	4.99	7.01
Financial accuracy (M)	98.1%	99.0%	100.0%	100.0%	99.1%	99.4%
Financial accuracy (A)	99.3%	100.0%	98.6%	99.0%	100.0%	99.0%
Procedural accuracy (M)	98.1%	97.4%	100.0%	100.0%	97.9%	98.4%
Procedural accuracy (A)	97.7%	100.0%	95.6%	100.0%	100.0%	100.0%

M = Manual

A = Automated

Disability Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 804,538	\$ 816,014	\$ 886,033	\$ 808,928	\$ 864,798	\$ 864,798
Total Personnel Costs - Direct		804,538	816,014	886,033	808,928	864,798	864,798
Personnel Costs - Indirect							
Travel	5507	381	395	6,100	1,100	6,100	6,100
Conferences & Meetings	5517	-	-	2,500	1,000	2,500	2,500
Total Personnel Costs - Indirect		381	395	8,600	2,100	8,600	8,600
Consulting Services							
Medical & Field Investigations	5516	72,414	81,464	148,000	52,700	117,500	117,500
Total Consulting Services		72,414	81,464	148,000	52,700	117,500	117,500
Commodities & Services							
Publications & Dues	5535	-	-	200	100	200	200
Total Commodities & Services		-	-	200	100	200	200
Total Expenses		\$877,333	\$897,873	\$1,042,833	\$863,828	\$991,098	\$991,098
2025 Percent Change						(5.0)%	(5.0)%

EMPLOYER SERVICES DEPARTMENT

The Employer Services Department is led by a Manager, Team Leader, Contact Center Supervisor, and a Employer Member Data Unit Supervisor. It includes a Contact Center, an Employer Education unit and an Employer Member Data unit that supports data accuracy. The department also included a Business Solution Analyst focusing on Horizon Project support, an Employer Services Analyst supporting department operations, a Financial Relations Analyst supporting data accuracy, a Contact Center Analyst, four Wage Report Analysts, two Employer Account Analysts, four Employer Services Representatives, two Senior Contact Center Representatives, and three Contact Center Representatives..

Goals and Objectives

Key Result Area: Financial Health

- Educate employers and members on IMRF's 100% funding principle.
- Educate employers on financial documents: Reserve Statement, GASB68 and Rate Notice.

Key Result Area: Customer Engagement

- Review/develop/innovate appropriate measures for employer engagement and improve engagement levels through education, communication strategy, and excellent customer service.
- Provide consistent information to our customers through high quality programs.
 - Webinars for Employers, Authorized Agent Modules, and the online Learning Center.
 - Virtual meetings for Employers on various financial topics and ERI.
- Continuous implementation of call center best practices.
 - Analyze quarterly graduated scale call standards following industry best practices.
 - Provide consistent information to our customers through Quality Assurance measurements of telephone, email, and written correspondence.
- Communicate survey results with our customers and implement improvements.
- Educate, audit, and assist all employers to maintain accurate monthly data.

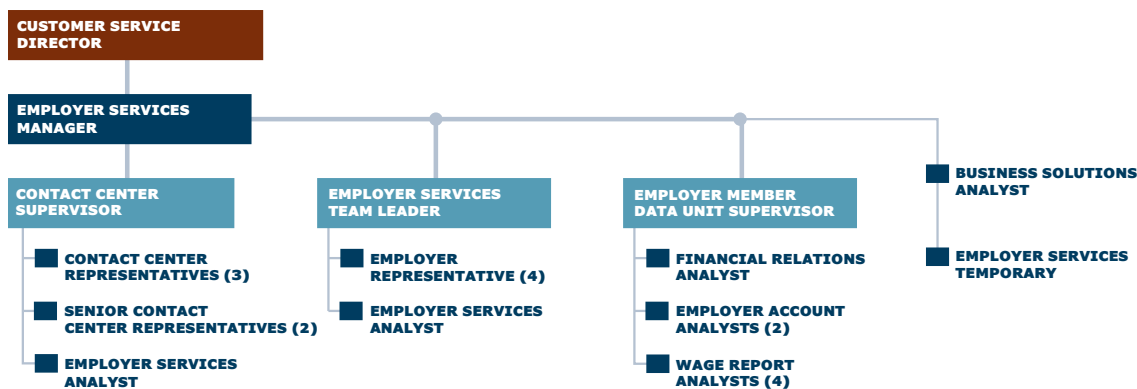
Key Result Area: Workforce Engagement

- Research field operations best practices and implement an approach to improve operations and metrics to reach top decile performance goals for all customer goals.

Key Result Area: Operational Excellence

- Monthly Voice of the Customer Meetings; identify best practices and Opportunities for Improvement (OFI).
- Implement and Communicate survey results with our customers to implement improvements.

Employer Services Department – Organization Chart



Employer Services – Performance Measures

Results - Employer Services	2019	2020	2021	2022	2023	2024 YTD
Employer webinar workshop engagement (NPS)	90.6%	88.0%	87.1%	91.0%	91.6%	94.0%
Employer webinar workshop overall satisfaction	99.2%	97.4%	97.2%	98.5%	98.4%	98.7%
Target for engagement (NPS)	>76.8	>76.8	>76.8	>76.8	>76.8	>76.8
Target for overall satisfaction	>90%	>90%	>90%	>90%	>90%	>90%

Results - Employer Contact Center	2019	2020	2021	2022	2023	2024 YTD
All Call Distribution (ADC) Log on adherence	97.1%	95.0%	96.0%	97.6%	97.8%	98.5%
Call documentation	95.2%	96.3%	96.0%	98.3%	98.2%	98.6%
Call transfer rate	5.4%	2.3%	4.7%	7.2%	7.0%	7.5%
Call Hold Time	2019	2020	2021	2022	2023	2024 YTD
Call hold time (in seconds)	39	40	65	50	37	40
Target (in seconds)	< 105	< 90	< 90	<90	<90	<90
Undesired Calls	2019	2020	2021	2022	2023	2024 YTD
Undesired calls	39,251	34,897	39,251	37,082	1,060	2,435
Percent undesired calls	18.9%	22.4%	18.9%	32.8%	4.8%	11.2%
Target	< 20%	< 20%	< 20%	<20%	<20%	<20%
Wage Reporting	2019	2020	2021	2022	2023	2024 YTD
Outstanding wage reports	-	-	-	-	-	-

* Prior to 2018 statistics are combined for member and employer contacts.

Employer Services Department – Budget

Expense Classification	Ac- count No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 1,026,828	\$ 1,639,517	\$ 1,505,975	\$ 1,765,044	\$ 1,807,473	\$ 1,807,473
Professional Services - Temps	5503	-	-	-	2,500	2,500	2,500
Total Personnel Costs - Direct		1,026,828	1,639,517	1,505,975	1,767,544	1,809,973	1,809,973
Personnel Costs - Indirect							
Travel & Training	5507	1,063	368	9,000	4,933	15,300	15,300
Employer Representatives	5508	15,887	17,758	53,000	17,000	53,000	53,000
Conferences & Meetings	5517	-	-	3,900	-	4,000	4,000
Total Personnel Costs - Indirect		16,950	18,126	65,900	21,933	72,300	72,300
Commodities & Services							
Office Supplies	5531	146	229	300	300	300	300
Postage & Delivery	5533	1,526	1,420	1,000	1,500	1,500	1,500
Publications & Dues	5535	245	835	800	500	1,250	1,250
Total Commodities & Services		1,917	2,484	2,100	2,300	3,050	3,050
Equipment							
Auto Maintenance & Expense	5576	3,210	4,279	10,000	10,000	5,000	5,000
Total Equipment		3,210	4,279	10,000	10,000	5,000	5,000
Total Expenses		\$1,048,905	\$1,664,406	\$1,583,975	\$1,801,777	\$1,890,323	\$1,890,323
2025 Percent Change						19.3%	19.3%

* This increase is due to the 2022 reorganization

FINANCE DEPARTMENT

IMRF's Finance department is headed by the Chief Financial Officer and consists of two units: the Treasury Unit and the Control Unit. Additionally, there are three analysts that assist the department in day-to-day activities. The Finance department works in partnership with other IMRF departments to maintain the integrity of IMRF member and employer data to ensure the timely and accurate payment of benefits, to compile accurate financial data for the Fund in compliance with all Federal, State, and regulatory requirements, and to explore and utilize technological advances to provide the most efficient service to members, employers, staff, and benefit recipients.

The Finance department is responsible for financial reporting and accounting functions, actuarial reporting, and financial reporting. The department also processes staff payroll, accounts payable, recording and deposit of incoming checks and electronic transfers, and the issuance of benefit payments.

Goals and Objectives

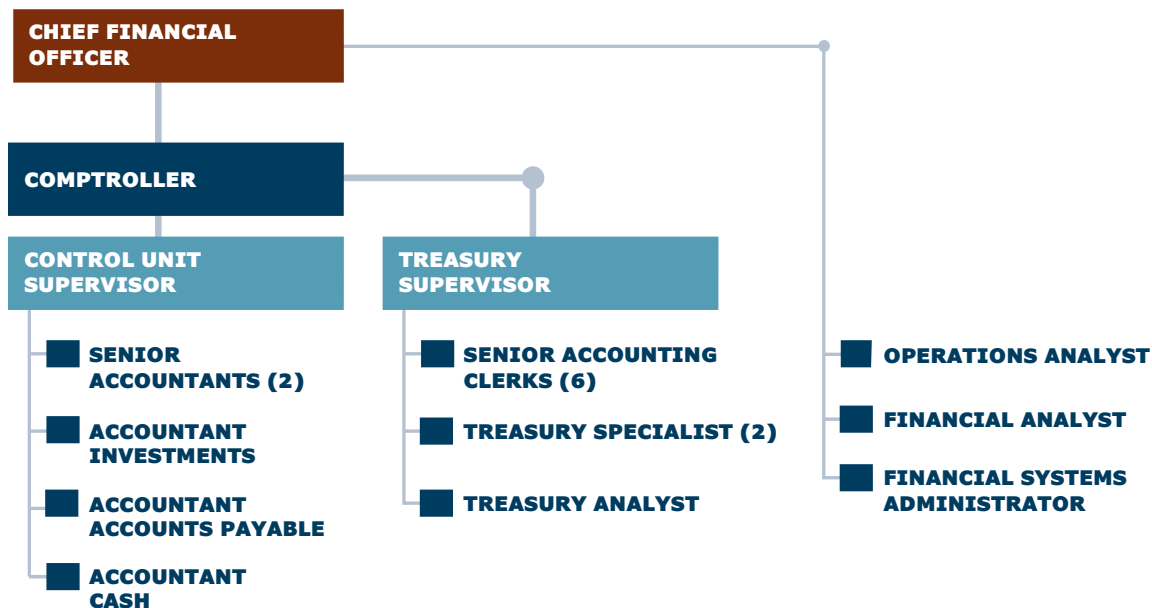
Key Result Area: Financial Health

- Close each month within 30 business days of month-end.
- Provide monthly financial reports to the Board of Directors.
- Provide preliminary Expense versus Budget reports by the 8th business day of the month to management staff.

Key Result Area: Operational Excellence

- Strive to continue to receive the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting and Distinguished Budget Presentation Award.

Finance Department – Organization Chart



Finance Department - Performance Measures

Standards	2019	2020	2021	2022	2023	2024 YTD
Benefit checks issued in lieu of EFTs	28,499	16,941	20,653	17,841	15,137	12,271
Benefit payment - EFTs	1,697,384	1,169,442	1,838,101	1,908,947	1,967,169	1,492,791
Treasury transactions	48,626	31,211	45,015	45,159	44,808	9,506

Finance Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 1,757,919	\$ 1,582,718	\$ 1,421,419	\$ 1,834,420	\$ 1,852,790	\$ 1,848,648
Professional Services - Temps	5503	-	-	-	20,000	15,000	15,000
Unemployment Costs	5504	22,624	8,431	15,000	22,000	15,000	15,000
IMRF/SS ER Contributions	5505	4,556,852	682,408	3,676,163	4,226,613	4,481,632	4,481,632
Total Personnel Costs - Direct		6,337,395	2,273,557	5,112,582	6,103,033	6,364,422	6,360,280
Personnel Costs - Indirect							
Travel & Training	5507	1,531	1,082	7,500	7,500	7,500	7,500
Conferences & Meetings	5517	1,177	1,013	10,000	10,000	10,000	10,000
Total Personnel Costs - Indirect		2,708	2,095	17,500	17,500	17,500	17,500
Consulting Services							
Auditing	5511	316,164	266,200	375,000	325,000	343,860	343,860
Actuarial	5512	535,000	582,420	1,106,000	454,500	643,000	643,000
Total Consulting Services		851,164	848,620	1,481,000	779,500	986,860	986,860
Commodities & Services							
Publications & Dues	5535	3,857	9,007	4,500	5,750	5,000	5,000
Professional Services - Other	5540	223,738	227,497	188,750	202,475	241,750	241,750
Total Commodities & Services		227,595	236,504	193,250	208,225	246,750	246,750
Equipment							
Depreciation - Capital Assets	5571	2,408,102	2,434,772	5,568,333	3,438,422	5,741,844	5,741,844
Software Maintenance PC	5574	33,281	31,112	65,000	47,500	64,250	64,250
SBITA Interest	5577	-	-	-	-	-	-
SBITA Amortization	5578	-	-	-	-	10,073	10,073
Total Equipment		2,441,383	2,465,884	5,633,333	3,485,922	5,816,167	5,816,167
Miscellaneous Expenses							
Filing Fees	5586	10,605	10,814	13,500	11,525	13,500	13,500
Total Miscellaneous Expenses		10,605	10,814	13,500	11,525	13,500	13,500
Total Expenses		\$9,870,850	\$5,837,474	\$12,451,165	\$10,605,705	\$13,445,199	\$13,441,057
2025 Percent Change						8.0%	8.0%

* This decrease is due to the 2022 reorganization

HUMAN RESOURCES DEPARTMENT

The Human Resources department is led by one director, and includes a manager, an assistant, a generalist, and an organizational development business partner. The department is responsible for all employee relations functions, including workforce planning and employment initiatives, record keeping, and training and development. The department partners with Fund leadership for strategic Human Resources planning.

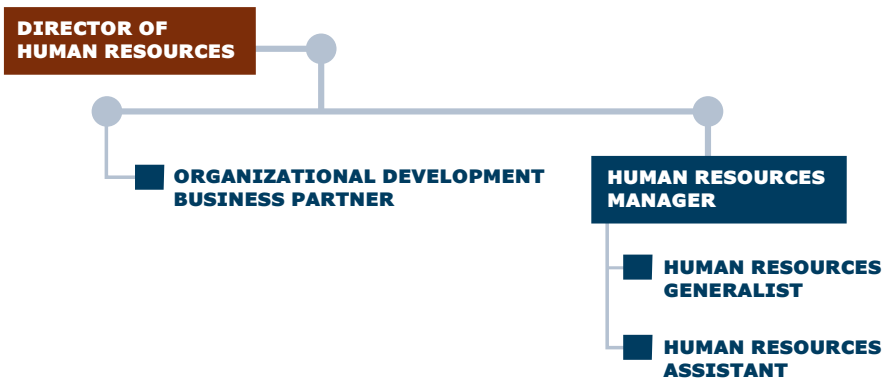
Goals and Objectives

The Human Resources Team partners with our colleagues across the Fund, and we leverage HR best practices to support IMRF’s Journey of Excellence and our mission. They do this in many ways, such as enhancing staff engagement, developing and implementing sound employment practices, developing and administering a competitive compensation and benefits package, recruiting and retaining engaged team members, developing an effective workforce planning process, leading change management practices, training and developing our leaders and staff members, implementing performance management standards, processing payroll, and supporting a safe and healthy work environment.

Key Result Area: Workforce Engagement and Operational Excellence

- Achieving top decile percent engaged scores on the Employee Engagment Survey
 - Implementing tactics outlined in Building our Future (WE02) Strategic Action Plan
- Achieving employee turnover levels below average as measured by CompData Midwest Benchmark.
 - Implementing tactics outlined in Building our Future (WE02) Strategic Action Plan

Human Resources Department – Organization Chart



Human Resources – Performance Measures

Year	2019	2020	2021	2022	2023	2024 YTD
Workforce Engagement Survey (Percent Engaged)	71%	73%	67%	68%	68%	56%

Year	2019	2020	2021	2022	2023	2024 YTD
Turnover Rate - IMRF	12.00%	5.58%	9.00%	15.00%	8.84%	16.44%
Turnover Rate - CompData average	21.70%	24.60%	29.30%	26.20%	26.90%	TBD

*Through September 2024

Human Resources Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 467,077	\$ 569,220	\$ 472,296	\$ 620,837	\$ 590,506	\$ 590,506
Fringe Benefits	5504	2,187,059	2,364,265	2,540,325	3,072,502	3,215,692	3,215,692
Total Personnel Costs - Direct		2,654,136	2,933,485	3,012,621	3,693,339	3,806,198	3,806,198
Personnel Costs - Indirect							
Travel & Training	5507	193,675	285,404	733,284	115,775	347,825	347,825
Recruitment & Testing	5509	42,204	47,762	72,620	55,867	83,820	83,820
Other Personnel Costs	5510	62,906	69,753	105,272	93,851	112,662	112,662
Conferences & Meetings	5517	3,689	-	14,190	1,250	12,395	12,395
Total Personnel Costs - Indirect		302,474	402,919	925,366	266,743	556,702	556,702
Consulting Services							
Compensation & Benefit Surveys	5514	117,804	73,319	88,200	88,200	162,690	162,690
Total Consulting Services		117,804	73,319	88,200	88,200	162,690	162,690
Commodities & Services							
Publications & Dues	5535	1,439	1,240	1,200	1,200	2,496	2,496
Total Commodities & Services		1,439	1,240	1,200	1,200	2,496	2,496
Equipment							
Maintenance & Rentals	5574	14,918	17,833	14,020	14,020	26,750	26,750
Software Maintenance PC	5575	-	6,848	2,200	1,100	2,200	2,200
Expendable Equipment	5578	-	-	-	-	10,073	10,073
Total Equipment		14,918	24,681	16,220	15,120	39,023	39,023
Total Expenses		\$3,090,771	\$3,435,644	\$4,043,607	\$4,064,602	\$4,567,109	\$4,567,109
2025 Percent Change						12.9%	12.9%

INFORMATION SERVICES DEPARTMENT

The Information Services division is headed by the Chief Information Services Officer (CISO) and consists of two departments: Enterprise Business Solutions and Technology Infrastructure. There are two Technical Solution Architect Leads reporting directly to the CISO, who serves as the liaison between the two departments and the vendor for the Horizon solution. Information Services' governance is the overall approach to ensure the quality and availability of data and information, software, and hardware. IMRF's Strategic Plan includes a key strategy to replace the existing information systems and technology to better meet rising customer service requirements.

Goals and Objectives

Key Result Area: Operational Excellence and Customer Engagement

- Develop and maintain a technology strategy for IMRF that supports the strategic plans and business requirements of the organization, including but not limited to the Modernization program.
- Ensure that adequate computing resources provide for the efficient operation of the Fund, including system response times that meet the performance needs of IMRF's staff, employers, and members, including peak period demand.
- Ensure that systems are developed/configured in accordance with the Illinois Statute (Pension Code), IMRF Policies, and IS standards.
- Implement appropriate controls and safeguards to manage electronic and other data/information to ensure their accuracy and validity, integrity and reliability, currency, and availability.
- Develop, implement, and maintain policies and procedures, controls, and safeguards that secure and protect data for members, employers, and the organization, such that data integrity is not compromised.
- Develop, implement, and maintain procedures, standards and guidelines that adhere to the controls and safeguards established by the overarching Governance Framework that secure and protect data for members, employers, and the organization, such that data integrity is not compromised.

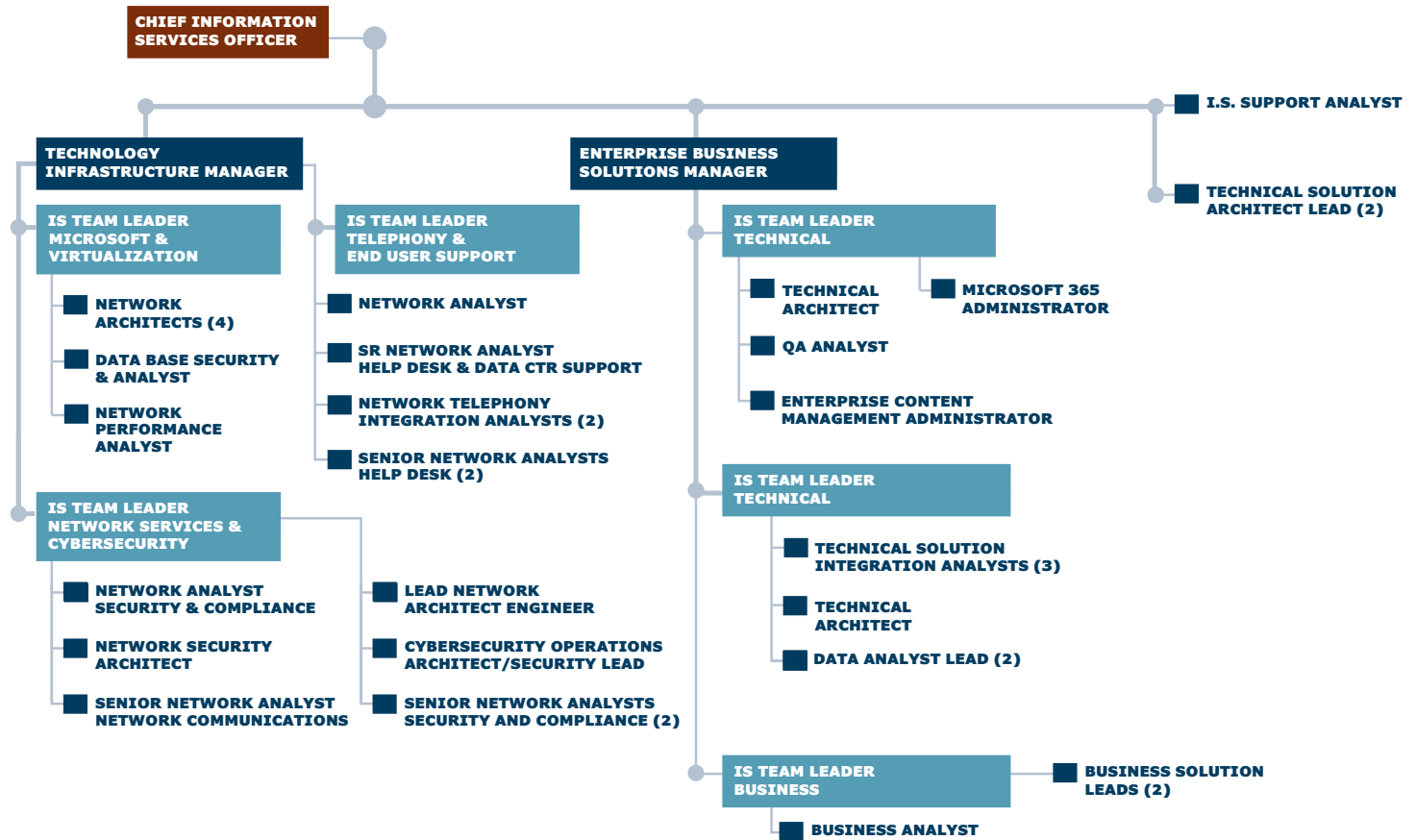
Key Result Area: Financial Health and Operational Excellence

- Ensure that appropriate procedures are used for the evaluation and selection of purchased software, and for the contractual arrangements with vendors for the implementation and support of critical software and hardware systems.

Key Result Area: Workforce Engagement and Operational Excellence

- Develop staff's skills and depth to both meet project requirements and ensure depth of support knowledge (cross-training).
- Develop, maintain, and test the Disaster Recovery Plan. Participate in the implementation of a comprehensive Business Continuity Plan.

Information Services Department – Organization Chart



Information Services Department – Performance Measures

Standards	2019	2020	2021	2022	2023	2024 YTD
Outage minutes	2,640	510	23	0	0	1,023
Percent uptime	92.6%	99.8%	100.0%	100.0%	100.0%	97.0%
Transactions less than 1 second	93.0%	93.0%	90.0%	93.0%	93.0%	N/A
Technology audit: High-risk findings	-	1	-	1	4	N/A
Technology audit: Moderate & low-risk findings	19	26	12	15	34	N/A

Business Continuity and Disaster Recovery Drills	2019	2020	2021	2022	2023	2024 YTD
Desktop drills	1	-	1	-	-	N/A
Live drills at warm site	1	1	1	1	1	N/A
Restore toll-free number	Yes	Yes	Yes	Yes	Yes	N/A
Restore benefits system	Yes	Yes	Yes	Yes	yes	N/A
Print benefits checks	Yes	No	Yes	Yes	Yes	N/A
Critical systems capability	100%	89%	100%	97%	94%	N/A

*Statistics for the above program in 2024 are under development.

Information Services Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 3,449,137	\$ 3,938,223	\$ 3,861,381	\$ 6,130,979	\$ 5,930,791	\$ 5,930,791
Professional Services - Temps	5503	944,990	295,688	36,000	-	-	-
Total Personnel Costs - Direct		4,394,127	4,233,911	3,897,381	6,130,979	5,930,791	5,930,791
Personnel Costs - Indirect							
Travel & Training	5507	56,277	74,452	130,716	86,599	187,222	187,222
Conferences & Meetings	5517	11,937	12,360	38,506	9,244	37,385	37,385
Total Personnel Costs - Indirect		68,214	86,812	169,222	95,843	224,607	224,607
Consulting Services							
Implementation Phase Consulting	5514	452,852	78,114	486,353	118,565	847,702	847,702
Systems Design - Modernization	5515	33,140	65,319	2,373,660	1,893,506	2,402,602	2,402,602
Total Consulting Services		485,992	143,433	2,860,013	2,012,071	3,250,304	3,250,304
Facility Expenses							
Telephone	5523	197,180	239,829	396,758	385,712	605,555	605,555
Other Facility Expense	5525	336,219	345,921	433,135	354,975	392,400	392,400
Total Facility Expenses		533,399	585,750	829,893	740,687	997,955	997,955
Commodities & Services							
Office Supplies	5531	162,261	164,494	171,600	148,885	208,375	208,375
Publications & Dues	5535	1,682	1,646	2,095	1,449	2,771	2,771
Total Commodities & Service		163,943	166,140	173,695	150,334	211,146	211,146
Equipment							
Maintenance & Rentals	5572	868,711	818,520	1,696,421	1,090,833	1,606,225	1,606,225
Software Maintenance	5573	1,641,997	1,296,236	2,159,156	1,664,995	2,080,813	2,080,813
Expendable Equipment	5575	240,534	219,195	555,900	182,716	508,500	508,500
SBITA Interest	5577	-	5,949	11,990	11,990	17,791	17,791
SBITA Amortization	5578	-	924,060	1,338,497	1,188,836	1,858,791	1,858,791
Total Equipment		2,751,242	3,263,960	5,761,964	4,139,370	6,072,120	6,072,120
Miscellaneous Expenses							
Filing fees	5586	1,352	1,352	2,352	1,494	2,352	2,352
Total Miscellaneous		1,352	1,352	2,352	1,494	2,352	2,352
Total Expenses		\$8,398,269	\$8,481,358	\$13,694,520	\$13,270,778	\$16,689,275	\$16,689,275
2025 Percent Change						21.9%	21.9%

INTERNAL AUDIT DEPARTMENT

The Internal Audit department is headed by the Internal Audit Officer and is comprised of one senior internal auditor and two internal audit associates. This department is responsible for auditing IMRF’s internal operations, validating compliance with policies, plans, regulations, including the Illinois Pension Code, and best business practices. The Internal Audit department also performs consulting and advisory services related to governance, risk management, and control, and provides assistance to IMRF’s external audit team.

Goals and Objectives

Key Result Area: Financial Health and Operational Excellence

- Develop a risk-based Annual Audit Plan and present it to the Audit Committee for review and approval.
- Audit IMRF’s internal operations, validating compliance with IMRF policies, plans, regulations, and best business practices.
- Train and maintain a professional audit team of staff with sufficient knowledge, skills, and experience needed to carry on the Audit Plan.
- Review and/or update audit policies and procedures annually to ensure effectiveness and efficiency of the audit process.
- Coordinate the annual IMRF IS Security Audit.
- Follow-up on the implementation of audit recommendations.
- Report audit status to the Audit Committee quarterly.
- Provide assistance to external auditors during the year-end and SOC1 activities.
- Provide consulting services to IMRF departments, as needed.

Internal Audit Department – Organization Chart



Internal Audit Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 329,611	\$ 263,522	\$ 295,205	\$ 301,612	\$ 402,378	\$ 402,378
Total Personnel Costs - Direct		329,611	263,522	295,205	301,612	402,378	402,378
Personnel Costs - Indirect							
Travel & Training	5507	8,527	1,705	4,000	1,300	1,500	1,500
Conferences & Meetings	5517	3,338	2,300	7,500	5,000	14,000	14,000
Total Personnel Costs - Indirect		11,865	4,005	11,500	6,300	15,500	15,500
Consulting Services							
Auditing	5511	211,736	137,849	306,056	174,181	231,056	231,056
Total Consulting Services		211,736	137,849	306,056	174,181	231,056	231,056
Commodities & Services							
Publications & Dues	5535	2,085	2,015	1,000	1,940	1,600	1,600
Total Commodities & Services		2,085	2,015	1,000	1,940	1,600	1,600
Equipment							
Software Maintenance PC	5574	5,120	5,500	3,000	-	-	-
Total Equipment		5,120	5,500	3,000	-	-	-
Total Expenses		\$560,417	\$412,891	\$616,761	\$484,033	\$650,534	\$650,534
2025 Percent Change						5.5%	5.5%

INVESTMENTS DEPARTMENT

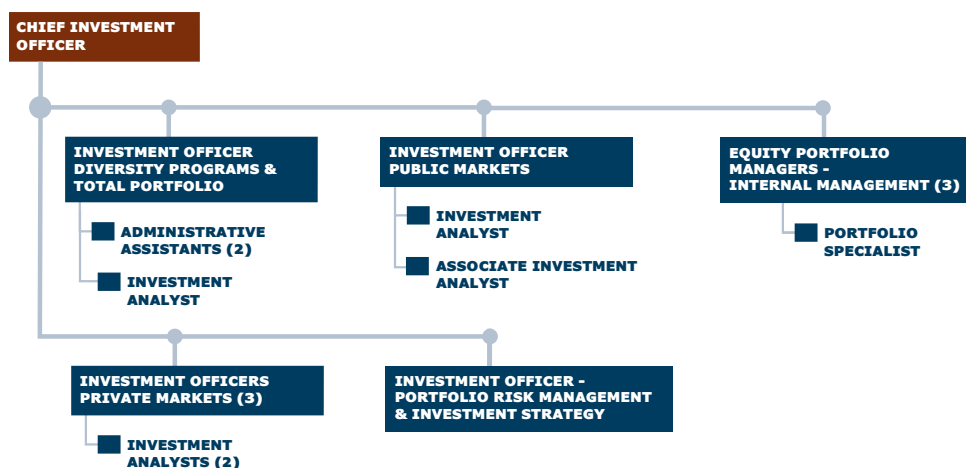
IMRF's Investment department works to optimize the total return of the IMRF investment portfolio through a policy of long-term diversified investment, using parameters of prudent risk management. The Investment department's strategic objective is to meet or exceed IMRF's actuarial assumed rate of return and outperform the total portfolio benchmark. The Chief Investment Officer heads the Investment department and leads a team of 16 (based on approved positions). The Investment department is organized by key function areas, including Public Markets, Private Markets, Diversity Programs and Total Portfolio, Operations, Portfolio Strategy and Risk Management, and Internal Equity Management. Key highlights of the Investment department's activity in 2023 include: working with Wilshire to produce an Asset-Liability Modeling Study and Strategic Asset Allocation recommendation and, 3-year implementation plan; completing an extensive search for private credit asset managers and strategies; evaluation and analysis of current and prospective investments for the total portfolio; implementing a U.S. Small-Cap Multi-Factor Equity Portfolio that utilizes the S&P DJI SmallCap 600 QVML Top 90% Multi-Factor Index; allocating additional assets to the internally managed small cap portfolio; managing the two active U.S. equity portfolios that are managed against the Scientific Beta US HFI Diversified 6-Factor Index and the Goldman Sachs Asset Management (GSAM) ActiveBeta U.S. Large Cap Factor Diversity Custom Index; rebalancing and reallocating Emerging Market assets to de-risk and add efficiencies to the portfolio; implementing additional software and data tools; hosting IMRF Minority Brokerage Roundtables and IMRF Diverse Manager Days; monitoring portfolio performance; and presenting investment recommendations to the Investment Committee of the IMRF Board of Trustees.

Goals and Objectives

Key Result Area: Financial Health an Operational Excellence

- Achieve and maintain a funding level that sustains the Plan.
- Utilize portfolio construction tools and principles, including asset liability models, portfolio optimization, cost control, evaluation of various investment program structures, internal equity portfolio, and relevant performance measurements, to increase net returns and mitigate risks.
- Achieve or exceed a 7.25% annual return over the long term (over 5-, 10-, and 15-year basis).
- Outperform the total portfolio benchmark (over 3-, 5-, and 10-year basis)

Investments Department – Organization Chart



Investments Department – Performance Measures Gross Annual Investment Returns for 1-, 3-, 5-, and 10-Years.

Total Fund Performance	2024 YTD	2023	Last 3 Years	Last 5 Years	Last 10 Years
IMRF Total Fund - Gross of Fees	7.24%	13.42%	4.94%	9.74%	7.38%
Total Fund Benchmark	8.88%	14.28%	4.00%	8.60%	6.99%
Difference	(1.64)%	(0.86)%	0.94%	1.14%	0.39%
Rank: IMRF Total Fund		16	43	16	28

Goal is for IMRF returns greater than portfolio benchmarks over 3-, 5-, and 10-year periods.
2023 Performance YTD through 08/31/2023. All other performance as of 12/31/2022.

Investments Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025
Personnel Costs - Direct						
Salaries	5501	\$ 1,891,135	\$ 2,096,511	\$ 2,221,338	\$ 2,241,926	\$ 2,364,392
Total Personnel Costs - Direct		1,891,135	2,096,511	2,221,338	2,241,926	2,364,392
Personnel Costs - Indirect						
Travel & Training	5507	5,344	6,972	11,295	6,195	8,580
Total Personnel Costs - Indirect		5,344	6,972	11,295	6,195	8,580
Sub-total Administrative Expenses		\$ 1,896,479	\$ 2,103,483	\$ 2,232,633	\$ 2,248,121	\$ 2,372,972
2025 Percent Change				17.7%		6.3%
Investment Expenses						
Investment Managers Fees	5788	\$ 190,199,072	\$ 210,585,677	\$ 186,789,535	\$ 209,475,631	\$ 209,095,979
Master Trust Services	5789	301,500	323,000	323,000	323,000	373,000
Investment Travel	5790	92,471	110,607	100,000	98,200	115,000
Investment Legal Fees	5791	350,934	341,570	375,000	375,000	400,000
Investment RFP Support	5792	17	21	55	40	55
Investment Consultants	5793	795,000	795,000	795,000	795,000	750,000
Securities Lending Fees	5794	432,174	688,989	495,000	515,000	560,000
Tax Preparation & Custodial Expense	5795	12,965	115,440	34,250	13,250	52,490
Investment Publications & Dues	5796	12,629	12,976	14,371	11,886	16,256
Investment Licenses	5797	105	107	206	206	4,255
Investment Information Service Providers - Investments	5798	467,637	511,223	697,680	697,680	993,861
Total Investment Expenses		\$192,664,504	\$213,484,610	\$189,624,097	\$212,304,893	\$212,360,896
2025 Percent Change						12.0%
Total Expenses		\$194,560,983	\$215,588,093	\$191,856,730	\$214,553,014	\$214,733,868
2025 Percent Change						11.9%

Investments Department (IMP) – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025
Personnel Costs - Direct						
Salaries	5501	\$ 681,798	\$ 752,995	\$ 982,284	\$ 850,833	\$ 948,315
Fringe Benefits	5504	66,448	69,538	85,873	85,873	90,827
IMRF/SS ER Contributions	5505	69,476	69,390	101,138	91,893	98,546
Total Personnel Costs - Direct		817,722	891,923	1,169,295	1,028,599	1,137,688
Personnel Costs - Indirect						
Travel & Training	5507	675	-	1,400	1,395	1,400
Total Personnel Costs - Indirect		675	-	1,400	1,395	1,400
Sub-total Administrative Expenses		\$ 818,397	\$ 891,923	\$ 1,170,695	\$ 1,029,994	\$ 1,139,088
2025 Percent Change				43.0%		(2.7)%
Investment Expenses						
Investment Travel	5790	\$2,434	\$4,922	\$15,000	\$7,540	\$15,000
Investment Publications & Dues	5796	3,225	3,323	5,200	4,400	6,300
Investment Information Service Providers - Investments IEM	5798	1,647,737	1,716,170	2,230,300	1,930,300	2,441,550
Sub-Total Investment Expenses		\$ 1,653,396	\$ 1,724,415	\$ 2,250,500	\$ 1,942,240	\$ 2,462,850
2024 Percent Change						9.4%
Total Expenses		\$2,471,793	\$2,616,338	\$3,421,195	\$2,972,234	\$3,601,938
2025 Percent Change						5.3%

LEGAL DEPARTMENT

IMRF's Legal department acts as legal counsel to the IMRF Board of Trustees; provides legal counsel to IMRF staff; interprets the Illinois Pension Code and IMRF Board Policies; defends IMRF Board administrative decisions in court; and maintains a presence and represents the Board of Trustees at the Illinois General Assembly. The General Counsel also serves as the Compliance Officer to the Fund and is the Sponsor of the Business Continuity Plan. The Legal department oversees all procurement functions for the Fund, including the administration of the bidding process, contract review, and vendor management. The Legal department is also responsible for assuring the confidentiality, integrity, and security of information throughout the Fund. The cybersecurity function also falls under the Legal department and this function is currently performed by Sentinel Technologies, Inc. Finally, the Legal department conducts employer compliance reviews which ensure participating employer compliance with the Illinois Pension Code.

Goals and Objectives

Key Result Area: Operational Excellence

- Defend the IMRF Board's administrative decisions in state court.
- Serve as counsel to the IMRF Board of Trustees Benefit Review Committee.
- Serve as IMRF's FOIA officer and Compliance Officer.
- Oversee and administer IMRF Board of Trustees elections.
- Review, approve, and administer QILDROs.
- Develop and implement plans that support IMRF's goal to utilize businesses owned by minorities, females, and persons with disabilities.
- Create and manage key cybersecurity performance indicators to gauge information risk.
- Maintain and provide education surrounding IMRF's Code of Conduct and Business Continuity Plan.

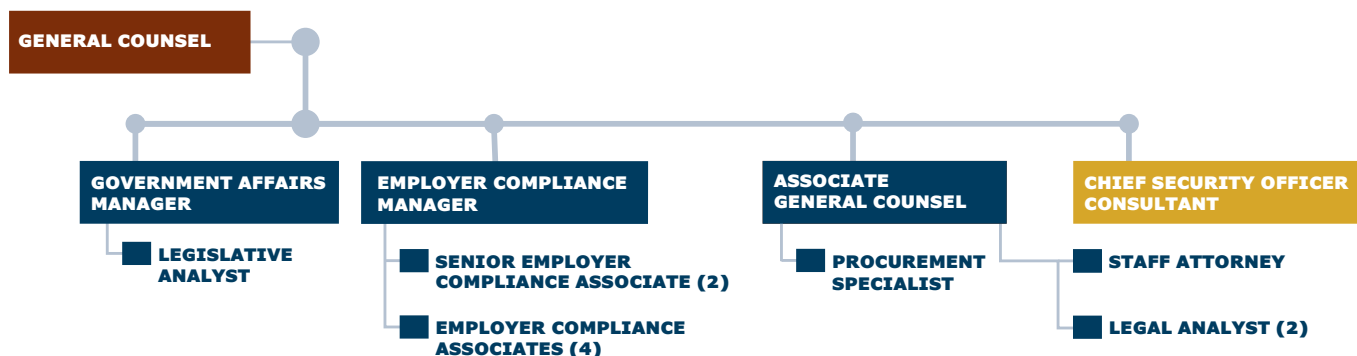
Key Result Area: Financial Health

- Review and approve Requests for proposals and contracts, and ensure compliance with purchasing rules.
- Effectively represent IMRF's position before the Illinois General Assembly.
- Ensure that IMRF is adequately protected through the purchase of insurance coverage.
- Utilize statutory methods to secure contributions from delinquent employers.
- Review IMRF employers for compliance with the Illinois Pension Code.

Key Result Area: Customer Engagement

- Strive for 90% employer engagement in post-compliance review surveys.
- Maintain the IMRF Authorized Agent's Manual.

Legal Department – Organization Chart



Legal Department – Performance Measures

Performance Measures	2019	2020	2021	2022	2023	2024 YTD
FOIA requests	168	134	112	97	44	108
Percent satisfied FOIA turnaround time	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
QILDRO Court Orders	165	165	159	180	181	149
Percent satisfied QILDRO court order turnaround time	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Contract review	101	148	109	109	87	55
Percent satisfied contract review turnaround time	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Compliance reviews	188	198	191	295	231	173
Percent of active membership reviewed	10.4%	10.5%	10.5%	1.6%	1.9%	2.1%

Legal Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025 w/out Horizon	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$1,201,793	\$1,219,839	\$1,202,563	\$1,314,765	\$1,473,323	\$1,473,323
Total Personnel Costs - Direct		1,201,793	1,219,839	1,202,563	1,314,765	1,473,323	1,473,323
Personnel Costs - Indirect							
Travel & Training	5507	6,478	10,685	24,365	21,095	25,160	25,160
Conferences & Meetings	5517	9,592	19,247	39,620	25,000	51,315	51,315
Total Personnel Costs - Indirect		16,070	29,932	63,985	46,095	76,475	76,475
Consulting Services							
Legal Counsel	5513	96,079	24,003	76,000	181,000	211,000	211,000
Total Costs - Consulting Services		96,079	24,003	76,000	181,000	211,000	211,000
Facility Expenses							
Rent	5521	10,860	-	-	-	-	-
Total Facility Expenses		10,860	-	-	-	-	-
Commodities & Services							
Office Supplies	5531	30,561	36,664	35,000	35,000	37,500	37,500
Forms & Informational Materials	5532	16,092	4,788	9,500	6,500	6,830	6,830
Publications & Dues	5535	27,000	19,007	35,580	20,500	20,350	20,350
Professional Services - Other	5540	305,569	352,524	389,300	389,300	699,300	699,300
Total Commodities & Services		379,222	412,983	469,380	451,300	763,980	763,980
Equipment							
Amortization & Interest on Right to Use Assets	5570	1,171,419	1,208,551	1,263,822	1,244,982	1,286,860	1,286,860
Maintenance & Rentals	5572	19,788	24,944	31,600	30,000	29,550	29,550
Software Maintenance PC	5574	44,911	67,894	75,730	75,890	141,250	141,250
Auto Maintenance & Expense	5576	260	-	-	-	-	-
SBITA Amortization	5578	-	-	-	-	95,000	95,000
Total Equipment Costs		1,236,378	1,301,389	1,371,152	1,350,872	1,552,660	1,552,660
Miscellaneous Expenses							
Insurance	5583	274,177	280,136	303,600	303,600	305,000	305,000
Total Miscellaneous		274,177	280,136	303,600	303,600	305,000	305,000
Total Expenses		\$3,214,579	\$3,268,282	\$3,486,680	\$3,647,632	\$4,382,438	\$4,382,438
2025 Percent Change						25.7%	25.7%

MEMBER SERVICES DEPARTMENT

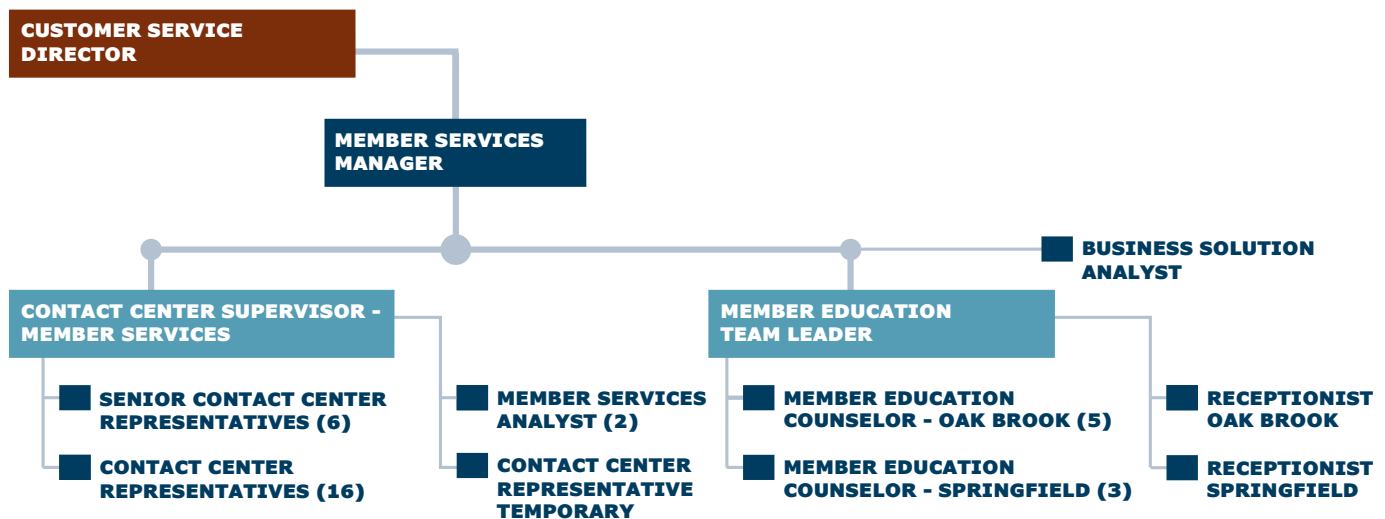
The Member Services Department is led by one Manager, one Team Leader, and one Supervisor. The unit is comprised of a Contact Center and Member Education Counselors. Within the department there is one Business Solution Analyst that focuses on support of the Horizon Project, five Member Education Counselors in Oak Brook and three in Springfield, two Member Services Analysts that support department operations, five Senior Contact Center Representatives that support the Horizon Project, five Member Education Counselors in Oak Brook and three in Springfield, two Member Services Analysts that support department operations, five Senior Contact Center Representatives, 16 Contact Center Representatives, and two Receptionists (one in Oak Brook and one in Springfield).

Goals and Objectives

Key Result Area: Customer Engagement and Operational Excellence

- Research call center best practices and implement an approach to improve operations and metrics to reach top decile performance goal.
 - Reassessing and revising graduated scale to be more in line with capabilities.
 - Analyze quarterly graduated scale call standards following industry best practices.
- Review/develop/innovate appropriate measures for member and employer engagement and improve engagement levels through education, communication strategy, and excellent customer service.
 - Monthly Voice Of the Customer meetings; identify best practices and Opportunities for Improvement (OFI).
 - Communicate survey results with our customers; implement improvements.
- Provide consistent information to our customers through Quality Assurance measurements.
 - Telephone
 - Email responses
 - Written correspondence
 - Counseling sessions
- Web-Centric initiatives
 - Increase Member Access accounts for Active, Inactive, and Retirees.
 - Capture member email address and collect telephone numbers (landline and/or cell) via phone call, secure messages, form capture.

Member Services Department – Organization Chart



Member Services – Performance Measures

Results - Member Services	2019	2020	2021	2022	2023	2024 YTD
Member webinar workshop engagement (NPS)	92.5	89.0	93.9	90.0	90.4	72.1
Member webinar workshop overall satisfaction	99.6%	97.1%	98.9%	97.9%	92.5%	92.1%
Target for engagement (NPS)	>76.8	>76.8	>76.8	>77.6	>80%	>80%
Target for overall satisfaction	>90%	>90%	>90%	>90%	>90%	>90%

Performance Standards	2019	2020	2021	2022	2023	2024 YTD
All Call Distribution (ADC) Log on adherence	97.1%	95.0%	96.6%	98.3%	98.0%	99.0%
Call documentation	95.2%	96.3%	97.0%	98.2%	99.2%	100.0%
Call transfer rate	5.4%	2.3%	5.3%	5.3%	8.8%	6.7%
Call Hold time	2019	2020	2021	2022	2023	2024 YTD
Call hold time (in seconds)	52	108	338	251	417	3,577
Target (in seconds)	< 105	< 90	< 90	< 90	<90	<90
Undesired Calls	2019	2020	2021	2022	2023	2024 YTD
Undesired calls	39,251	34,897	48,003	96,573	129,232	71,472
Percent undesired calls	18.9%	22.4%	27.7%	50.7%	71.5%	79.5%
Target	< 20%	< 20%	< 20%	< 20%	<20%	<20%

Member Services Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025 w/out Horizon	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 1,603,423	\$ 2,075,931	\$ 2,198,139	\$ 2,331,493	\$ 2,642,447	\$ 2,642,447
Professional Services Temps	5503	3,570	3,570	2,500	75,000	45,000	45,000
Total Personnel Costs - Direct		1,606,993	2,079,501	2,200,639	2,406,493	2,687,447	2,687,447
Personnel Costs - Indirect							
Travel & Training	5507	5,333	20,014	66,400	37,500	79,130	79,130
Field Staff	5508	1,700	2,300	4,600	5,000	5,000	5,000
Conferences & Meetings	5517	3,344	2,847	11,845	4,750	15,020	15,020
Total Personnel Costs - Indirect		10,377	25,161	82,845	47,250	99,150	99,150
Commodities & Services							
Office Supplies	5531	-	20	575	680	400	400
Publications & Dues	5535	800	850	900	1,200	1,200	1,200
Professional Services - Other	5540	-	150	800	800	800	800
Total Commodities & Services		800	1,020	2,275	2,680	2,400	2,400
Equipment							
Software Maintenance PC	5574	-	-	11,000	11,000	11,000	11,000
Auto Maintenance & Expense	5576	-	770	1,500	1,500	1,500	1,500
Total Equipment		-	770	12,500	12,500	12,500	12,500
Total Expenses		\$1,618,170	\$2,106,452	\$2,298,259	\$2,468,923	\$2,801,497	\$2,801,497
2025 Percent Change						21.9%	21.9%

OFFICE SERVICES DEPARTMENT

The Office Services department is led by one manager and one supervisor. The department is comprised of three units: the Records and Mail Processing Unit, the Digital Print Center, and Facilities/Maintenance. There are 16 support employees. The department is responsible for processing member enrollments and beneficiary forms, processing all documents entered into the Imaging System, processing all incoming and outgoing mail and faxes, printing forms and other informational documents, and managing IMRF’s office space.

The mission statement of the Office Services department is:

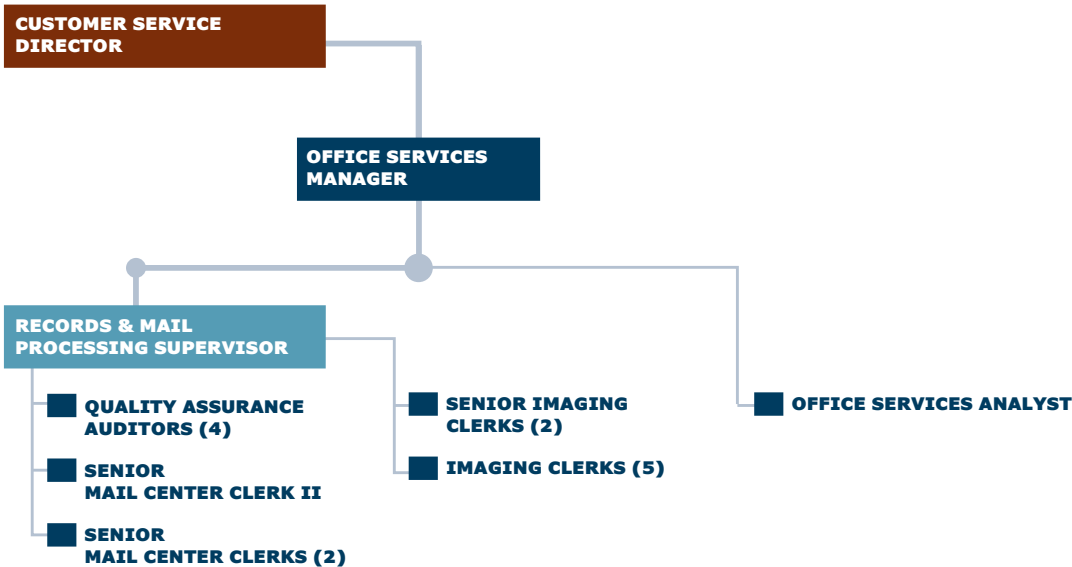
“Our high level of support services will allow our internal customers the opportunity to focus on serving the needs of the IMRF members, employers, and annuitants.” The department’s vision statement is: “To provide timely and accurate support services to all of our internal and external customers.” Teamwork is the motto and key to meeting our goals. The performance measures listed below illustrate the error rate of indexing documents and the timeliness measurement evaluates that all mail is sorted, batched, scanned, and indexed on the day the mail is initially received.

Goals and Objectives

Key Result Area: Operational Excellence and Customer Engagement

- Office Services supports the Modernization strategic objective by participating in meetings identified for the department and contributing to the discussions.

Office Services Department – Organization Chart



Office Services – Performance Measures

Performance Standards	2019	2020	2021	2022	2023	2024 YTD
Indexing accuracy: Error rate	0.3%	0.1%	0.2%	0.2%	0.4%	0.4%
Mail timeliness: Percent same day	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Year	2019	2020	2021	2022	2023	2024 YTD
Volume	367,624	326,863	358,190	356,341	333,192	229,686
Errors	883	451	691	765	1,180	1,022
Error rate	0.3%	0.1%	0.2%	0.2%	0.4%	0.4%
Accuracy rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Office Services Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025 w/out Horizon	Budget with Horizon 2025
Personnel Costs - Direct							
Salaries	5501	\$ 994,782	\$ 1,059,615	\$ 1,107,243	\$ 1,027,894	\$ 1,101,020	\$ 1,101,020
Total Personnel Costs - Direct		994,782	1,059,615	1,107,243	1,027,894	1,101,020	1,101,020
Personnel Costs - Indirect							
Travel & Training	5507	1,357	1,333	3,450	1,209	7,155	7,155
Conferences & Meetings	5517	-	-	3,600	-	7,400	7,400
Total Personnel Costs - Indirect		1,357	1,333	7,050	1,209	14,555	14,555
Facility Expenses							
Electricity	5522	100,746	77,428	120,000	114,000	124,000	124,000
Building Operating Expense	5524	403,540	746,661	476,200	852,000	801,200	801,200
Other Facility Expense	5525	29,261	30,876	33,000	32,000	34,800	34,800
Total Facility Expenses		533,547	854,965	629,200	998,000	960,000	960,000
Commodities & Services							
Office Supplies	5531	91,924	79,626	72,000	36,065	55,720	55,720
Postage & Delivery	5533	620,159	641,996	616,000	445,288	575,900	575,900
Publications & Dues	5535	431	225	450	450	450	450
Professional Services - Other	5540	102,592	109,673	111,600	250,023	296,900	296,900
Total Commodities & Services		815,106	831,520	800,050	731,826	928,970	928,970
Equipment							
Maintenance & Rentals	5572	75,636	87,883	77,810	67,910	80,319	80,319
Expendable Equipment	5575	17,723	14,088	16,200	22,483	18,700	18,700
Total Equipment		93,359	101,971	94,010	90,393	99,019	99,019
Miscellaneous Expenses							
Building Renovation/Relocation Exp.	5585	18,824	11,725	25,000	25,000	25,000	25,000
Total Miscellaneous		18,824	11,725	25,000	25,000	25,000	25,000
Total Expenses		\$2,456,975	\$2,861,129	\$2,662,553	\$2,874,322	\$3,128,564	\$3,128,564
2025 Percent Change						17.5%	17.5%

ORGANIZATIONAL EXCELLENCE DEPARTMENT

The Organizational Excellence department provides organizational support across a broad range of key strategies and provides an integrated approach to organizational performance management that results in:

- Delivery of ever-increasing value to customers and stakeholders, contributing to organizational improvement and sustainability;
- Systematic improvement of overall organizational effectiveness and capabilities; and
- Organizational and personal learning.

Goals and Objectives

Key Result Area: Financial Health, Operational Excellence, Customer Engagement, and Workforce Engagement

- Administer and oversee the triennial strategic planning process.
- Administer and oversee the strategic plan including ownership and facilitation of action plans, monitoring objectives, and metrics via the Leadership Scorecard process.
- Administer and oversee the Journey of Excellence and the application of the Baldrige Criteria for Performance Excellence at IMRF, including ownership and facilitation of key work processes.
- Manage the Continuous Process Improvement initiatives.

Key Result Area: Financial Health and Operational Excellence

- Administer and oversee the Project Portfolio Management process and Project Management process.
- Administer and oversee the Enterprise Risk Management process.

Key Result Area: Operational Excellence and Customer Engagement

- Administer and oversee the CEM and COBALT benchmarking studies.

Key Result Area: Customer Engagement

- Provide support, key metrics, and insights for the Voice of the Customer (VOC) Program.

Organizational Excellence Department – Organization Chart



Organizational Excellence – Performance Measures

Key Result Area: Financial Health, Operational Excellence, Customer Engagement, and Workforce Engagement

Standards	2019	2020	2021	2022	2023	2024 YTD
Key approach update on-time compliance	100.0%	100.0%	100.0%	100.0%	100.0%	TBD
Annual CEM benchmarking study completion	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Triennial Strategic Plan milestones	100.0%	N/A	100.0%	100.0%	100.0%	TBD

Organizational Excellence Department – Budget

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025
Personnel Costs - Direct						
Salaries	5501	\$ 311,986	\$ 214,383	\$ 222,676	\$ 225,521	\$ 363,863
Total Personnel Costs - Direct		311,986	214,383	222,676	225,521	363,863
Personnel Costs - Indirect						
Travel	5507	23,237	2,654	43,815	23,241	25,480
Conferences & Meetings	5517	9,970	16,650	19,050	8,181	25,000
Total Personnel Costs - Indirect		33,207	19,304	62,865	31,422	50,480
Consulting Services						
Process Improvement/ Scorecarding	5514	8,400	7,400	29,000	26,700	124,000
Total Consulting Services		8,400	7,400	29,000	26,700	124,000
Commodities & Services						
Publications & Dues	5535	1,389	4,349	6,324	1,574	3,334
Professional Services - Other	5540	56,390	58,019	150,000	64,062	243,000
Total Commodities & Services		57,779	62,368	156,324	65,636	246,334
Total Expenses		\$411,372	\$303,455	\$470,865	\$349,279	\$784,677
2025 Percent Change						66.6%

2025 IMRF BUDGET – SUMMARY BY ACCOUNT

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025 w/out Horizon	Budget with Horizon 2025
Personnel Costs - Direct							
Office Salaries - Regular	5501	\$16,923,833	\$18,572,462	\$19,096,863	\$22,425,124	\$23,473,529	\$23,529,387
Office Salaries - Temps & Interns	5503	1,065,141	466,680	272,500	110,100	196,576	196,576
Fringe Benefits	5504	2,276,131	2,442,234	2,641,198	3,180,375	3,321,519	3,321,519
IMRF & Payroll Employer Contributions	5505	4,626,328	751,798	3,777,301	4,318,506	4,580,178	4,580,178
Total Personnel Costs - Direct		24,891,433	22,233,174	25,787,862	30,034,105	31,571,802	31,627,660
Personnel Costs - Indirect							
Travel & Training	5507	320,153	417,035	1,065,625	324,117	810,425	810,425
Field Staff	5508	17,587	20,058	57,600	22,000	58,000	58,000
Recruitment & Testing	5509	42,204	47,762	72,620	55,867	83,820	83,820
Other Personnel Costs	5510	62,906	69,753	105,272	93,851	112,662	112,662
Conferences & Meetings	5517	59,523	57,022	180,051	79,475	217,136	217,136
Total Personnel Costs - Indirect		502,373	611,630	1,481,168	575,310	1,282,043	1,282,043
Consulting Services							
Auditing	5511	527,900	404,049	681,056	499,181	574,916	574,916
Actuarial	5512	535,000	582,420	1,106,000	454,500	643,000	643,000
Legal Counsel	5513	96,079	24,003	76,000	181,000	211,000	211,000
Website Consulting	5514	579,056	158,833	603,553	233,465	1,134,392	1,134,392
Systems Design	5515	33,140	65,319	2,373,660	1,893,506	2,402,602	2,402,602
Medical & Field Investigations	5516	72,414	81,464	148,000	52,700	117,500	117,500
Total Consulting Services		1,843,589	1,316,088	4,988,269	3,314,352	5,083,410	5,083,410
Public Relations Services							
Public Relations	5519	997	1,234	1,250	1,250	1,260	1,260
Facility Expenses							
Building Rent	5521	10,860	-	-	-	-	-
Electricity	5522	100,746	77,428	120,000	114,000	124,000	124,000
Telephone	5523	197,180	239,829	396,758	385,712	605,555	605,555
Building Operating Expenses	5524	403,540	746,661	476,200	852,000	801,200	801,200
Other Facility Expenses	5525	365,480	376,797	466,135	386,975	427,200	427,200
Total Facility Expenses		1,077,806	1,440,715	1,459,093	1,738,687	1,957,955	1,957,955
Commodities and Services							
Office Supplies	5531	284,892	281,033	279,475	220,930	302,295	302,295
Forms & Informational Materials	5532	125,025	153,889	156,300	152,300	152,630	152,630
Postage & Delivery	5533	621,685	643,416	617,000	446,788	577,400	577,400
Publications & Dues	5535	63,499	65,602	76,699	59,679	63,866	63,866
Other Services	5540	720,739	778,863	871,950	941,360	1,521,750	1,521,750
Total Commodities and Services		1,815,840	1,922,803	2,001,424	1,821,057	2,617,941	2,617,941

Expense Classification	Account No.	Actual 2022	Actual 2023	Budget 2024	Estimated 2024	Budget 2025 w/out Horizon	Budget with Horizon 2025
Equipment							
Amortization & Interest on Right to Use Assets	5570	1,171,419	1,208,551	1,263,822	1,244,982	1,286,860	1,286,860
Depreciation - Capital Assets	5571	2,408,102	2,434,772	5,568,333	3,438,422	5,741,844	5,741,844
Equip. Maint. & Rentals	5572	964,135	931,347	1,805,831	1,188,743	1,716,094	1,716,094
Software Maintenance	5573/5574	1,740,227	1,418,575	2,327,906	1,813,405	2,324,063	2,324,063
Expendable Equipment	5575	258,257	240,131	574,300	206,299	529,400	529,400
Auto Maint & Expense	5576	7,644	6,599	16,000	15,350	11,000	11,000
Interest on SBITA	5577	-	5,949	11,990	11,990	17,791	17,791
Amortization on SBITA	5578	-	924,060	1,338,497	1,188,836	1,973,937	1,973,937
		6,549,784	7,169,984	12,906,679	9,108,027	13,600,989	13,600,989
Miscellaneous							
Trustee Employer Reimbursement	5580	35,569	47,074	45,000	62,500	65,000	65,000
Trustee Travel & Education	5581	43,387	81,787	55,000	55,500	60,000	60,000
Trustee Elections	5582	-	2,322	147,500	-	319,465	319,465
Insurance	5583	274,177	280,136	303,600	303,600	305,000	305,000
Building Renovation/Relocation Expense	5585	18,824	11,725	25,000	25,000	25,000	25,000
Other Items	5586	11,957	12,166	15,852	13,019	15,852	15,852
Total Miscellaneous		383,914	435,210	591,952	459,619	790,317	790,317
Sub-total Administrative Expenses		\$37,065,736	\$35,130,838	\$49,217,697	\$47,052,407	\$56,905,717	\$56,961,575
2025 Percent Change						15.6%	15.7%
Investment Expenses							
Investment Managers Fees	5788	\$190,199,072	\$210,585,677	\$186,789,535	\$209,475,631	\$209,095,979	\$209,095,979
Master Trust Services	5789	301,500	323,000	323,000	323,000	373,000	373,000
Investment Travel	5790	94,905	115,529	115,000	105,740	130,000	130,000
Investment Legal Fees	5791	350,934	341,570	375,000	375,000	400,000	400,000
Securities Litigation Monitoring/ RFP Support	5792	17	21	55	40	55	55
Investment Consultants	5793	795,000	795,000	795,000	795,000	750,000	750,000
Securities Lending Fees	5794	432,174	688,989	495,000	515,000	560,000	560,000
Tax Preparation & Custodial Expense	5795	12,965	115,440	34,250	13,250	52,490	52,490
Investment Publications & Dues	5796	15,854	16,299	19,571	16,286	22,556	22,556
Investment Licenses	5797	105	107	206	206	4,255	4,255
Investment Information Service Providers	5798	2,115,374	2,227,393	2,927,980	2,627,980	3,435,411	3,435,411
Sub-total Investment Expenses		\$194,317,900	\$215,209,025	\$191,874,597	\$214,247,133	\$214,823,746	\$214,823,746
2024 Percent Change						12.0%	12.0%
Total Expenses		\$231,383,636	\$250,339,863	\$241,092,294	\$261,299,540	\$271,729,463	\$271,785,321
2025 Percent change						12.7%	12.7%

IMRF adheres to Governmental Accounting Standards Board (GASB) accounting principles and a defined Strategic Plan, offering a road map to continuously provide the highest quality retirement services. A compilation of commonly used terms completes this document to best translate IMRF's operations and procedures.

ILLINOIS MUNICIPAL RETIREMENT FUND



SUPPLEMENTARY INFORMATION

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APPENDIX A: NEW ACCOUNTING PRONOUNCEMENTS

New Accounting Pronouncements

In June 2022, GASB issued Statement No. 100, “Accounting Changes and Error Corrections.” The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. IMRF will adopt Statement No. 100 for its December 31, 2024, financial statements.

In June 2022, GASB issued Statement No. 101, “Compensated Absences.” The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. IMRF will adopt Statement No. 101 for its December 31, 2024, financial statements.

In December 2023, GASB issued Statement No. 102, “Certain Risk Disclosures.” The objective of this Statement is to establish financial reporting requirements for risks related to vulnerabilities due to certain concentrations or constraints that may limit its ability to acquire resources or control spending. IMRF will adopt Statement No. 102 for its December 31, 2025, financial statements.

In April 2024, GASB issued Statement No. 102, “Financial Reporting Model Improvements.” The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. The statement also addresses certain application issues. IMRF will adopt Statement No. 102 for its December 31, 2026, financial statements.

APPENDIX B: STRATEGIC PLANNING METHODOLOGY

Strategic Planning General Methodology

Assess and Develop Phase

(Steps in this phase are completed every 3 years as part of the 3-year Strategic Planning Process. Steps 1-2 require active involvement of the Board of Trustees and the IMRF leadership team. Step 3 requires active involvement of the Board of Trustees, stakeholders, IMRF leadership, and staff. Steps 4-5 are to be completed by leadership and staff, with periodic reports to the Board of Trustees.)

1. Examine Mission, Vision, and Values (MVV):

Examine the Mission Statement to determine if it answers the question: “Why does our organization exist?” Examine the Vision Statement to determine if it answers the question: “What do we want for our membership?” Examine our Values to determine if they represent our priorities in how we carry out our activities with key stakeholders. Senior Leaders make any needed changes to draft versions of the MVV in preparation for review by the Board.

2. Conduct an Environmental Scan:

The Board of Trustees and Senior Leaders meet to discuss how shifts in Societal, Technological, Economic, and Political factors are impacting IMRF utilizing a STEP Analysis. National Association of State Retirement Administrators (NASRA) articles, recent or pending legislation, demographic trends, possible competitive factors, and how our stakeholders perceive IMRF are used as inputs to frame the STEP Analysis. The output of the STEP Analysis is a list of Societal, Technological, Economic, and Political factors that may have an effect on the Fund over the next 3 years and must be considered during Strategic Planning.

3. Conduct a SWOT Analysis:

Meetings are held to identify our major Strengths, Weaknesses, Opportunities, and Threats utilizing a SWOT Analysis. A SWOT analysis of each Key Result Area (KRA) is facilitated by the Organizational Excellence Officer. Fact sheets using data from benchmarking services such as CEM, Cobalt, and McLean, plus our Leadership Scorecard are used to frame these brainstorming sessions. The following SWOT Analyses are performed:

- Cross functional teams of Fund employees perform a SWOT analysis for each KRA
- External stakeholder groups such as special interest group representing members and employers perform an overall Fund SWOT
- The Board and senior leaders perform a SWOT analysis for each KRA

These SWOT Analyses consider how our reputation, funding, finances, operational efficiencies, monopolistic position, staff issues, employee expertise, depth of knowledge, staff development, succession planning, expectations, innovation opportunities, and possible threats affect the Fund. The output of the SWOT analyses is a list of Fund Strengths, Weaknesses, Opportunities, and Threats that must be considered during Strategic Planning.

4. Summarize Key Strategic Challenges, Advantages, and Opportunities, and Validate Core Competencies:

We summarize the output of the STEP and SWOT Analyses into a set of key strategic challenges, opportunities, and advantages for each KRA that IMRF must address, both short and long term. Guidelines for these analyses include:

- Relative to the weaknesses and threats identified, what are our key strategic challenges? Consider what improvements or contingencies might be necessary to address these challenges.
- Relative to the opportunities identified, what are our key strategic opportunities? Consider what is necessary to address these opportunities.
- Relative to the strengths and opportunities identified, what are the key strategic advantages? Consider how we can leverage these advantages to ensure current and future success.
- Consider issues over the term of our strategic plan, but especially look closely at the next year. Avoid looking too far into the future.

- Consider the relative priority of challenges and advantages. Concentrate on the most important issues.
- Consider opportunities to for innovation. Evaluate these opportunities in a 4x4 Intelligent Risk Matrix and align with budget and resource constraints.
- Focus on those issues we can affect. Avoid addressing broad issues which we cannot control.

The output of these summaries is a short list (3–5) of key strategic challenges, opportunities, and advantages for each KRA. Innovation opportunities are denoted with an innovation icon. Senior leaders consider these summaries in reviewing and revising the Fund Core Competencies.

5. Establish Strategic Objectives:

We use the summaries of key strategic challenges, opportunities, and advantages identified in Step 4 to develop Strategic Objectives for each KRA to ensure we accomplish our Mission and realize our Vision. Objectives clarify what IMRF must achieve to remain successful in both the short- and long-term, and will be used to communicate direction, and guide goal-setting, action planning, resource allocation and prioritization. Senior Leaders must balance the needs of all key stakeholders, and address opportunities for innovation in services and operations, utilizing the 4x4 Intelligent Risk Matrix and current and future core competencies. Each strategic objective will have a member of the senior leadership team serve as Sponsor with overall responsibility for the strategic objective. Each Strategic Objective consists of two parts; a description of the objective and the method(s) of measuring the achievement of the objective. The output of Step Five is a draft Strategic Objective and one or more measures for each KRA. These drafts are reviewed, revised as needed, and approved by the Board.

Implementation Phase

(Steps in this phase are completed every year in order to ensure that the strategies, action plans, Leadership Scorecard, and budget remain up to date and reflect recent changes within and outside the Fund. These steps are completed by management and staff, with periodic reports to the Board of Trustees.)

6. Develop Key Strategies for each Strategic Objective:

Identify the short- and long-term strategies required to achieve our strategic objectives. Consider strategies over the term of the Strategic Plan, but pay particular attention to the next 12 months. Each year, the Strategic Objectives are re-validated, strategies are updated and the remaining steps in the Strategic Planning Process are repeated to refresh the Plan for the coming year. Annual updates to Strategic Objectives and Key Strategies are included in the Budget submitted to the Board of Trustees for their approval in November each year.

7. Develop or Update Action Plans:

Assign individuals as Single Point Accountable (SPA), to take the lead role in planning and executing each Key Strategy. Each SPA documents the actions required to implement the strategy and reviews plans with the sponsor for their Strategic Objective. There will usually be one action plan for each strategy; however, multiple Key Strategies may be combined into one action plan. Action plans identify needed actions, resources, timelines and the staff responsible to ensure completion of the action. Action plan details will be used to determine staffing plans and the annual operating budget in Step 9. SPAs also determine the Key Performance Measures (KPMs) that will be used to track the effectiveness of action plans in achieving Strategic Objectives. As part of the annual mid-year and year-end review of the action plans, Senior Leaders review staffing and other resource implications of action plans to identify and resolve potentially competing needs and/or trade-offs between the various strategic objectives.

8. Align Leadership Scorecard Measures and Goals with Strategic Objectives:

The Key Performance Measures (KPMs) that are used to evaluate progress toward achievement of the Strategic Objective are defined in the “as measured by” clause. Each KPM is tracked on the Leadership Scorecard and evaluated to determine historical performance and projected improvements expected from identified strategies. Appropriate comparisons, projections and requirements are reviewed to establish short- and long-term goals for the KPMs on the Leadership Scorecard. Intelligent risks are denoted with an innovation icon and tracked as part of the Leadership Scorecard. Taken together, objectives, goals and measures must be specific, measurable, attainable, relevant, time-bound and aligned with our Mission, Vision, and Values.

9. Develop an Annual Operating Budget:

Determine the resources needed to implement the strategies and action plans that are required to achieve Strategic Objectives. Include corresponding resource requests in development of the annual operating budget for the coming year. As part of the annual operating budget process, assess workforce capability and capacity needs as follows:

- Each Department Manager assesses the workforce capability and capacity needed to maintain current operations and meet future needs
- Each Action Plan SPA assesses the workforce capability and capacity needed to implement key strategies and action plans

Where current staffing does not meet these needs, senior leaders develop a plan to restructure, add staff, or take other measures to align workforce capability and capacity with what is needed to achieve the Strategic Objectives. The annual operating budget is included in the Planning and Budget document submitted to the Board of Trustees in November of each year for their approval.

10. Align Performance Goals of Senior Leaders with Strategic Objectives:

Senior leaders are responsible for Strategic Objectives, key goals, and the alignment of action plans with the Strategic Plan. The Board updates the performance objectives of the Executive Director, such that they are aligned with achievement of the Strategic Plan. The Executive Director completes this same exercise for each member of the senior leadership group. Sponsors ensure that SPAs are responsible for implementation of their action plans.

11. Communicate and Deploy the Strategic Plan:

The plan document includes an Executive Summary, a Board Authorization section, and an Organization Information section that includes a history of the Fund, our services, and a description of the process used to develop the Strategic Plan. Senior leadership communicates highlights of the Strategic Plan, Strategic Objectives, Leadership Scorecard, key goals and action plans to Trustees, staff, and our membership. We discuss the plan at Board Meetings and publish portions of the Plan in member newsletters and employer memos. We develop department plans and scorecards that directly align with and support the overall Strategic Plan.

12. Implement, Monitor, and Adjust:

We develop a calendar of meetings to review the Leadership Scorecard and Action Plan status during the year, in order to evaluate organizational performance and to monitor progress to achieve Strategic Objectives. Prior to each monthly Leadership Scorecard and Action Plan review meeting, Sponsors will update the Leadership Scorecard and SPAs will update action plans. These updates and review meetings also provide the information needed for quarterly reports to the Board of Trustees, which address whether objectives are being met, outline current issues, and ensure that the resources needed to implement the plan are in place. In addition to regular review meetings, twice each year we evaluate the completion of action plans (mid-year and year-end) and determine whether to continue, modify, or discontinue existing plans, or develop new plans. Each year during Step 6, we evaluate key strategies and develop or modify action plans as needed. As progress is made and goals are achieved, we communicate and celebrate successes, including employee events and Board recognition as appropriate.

Our Strategic Plan provides the Fund with a road map for meeting our challenges and leveraging our strengths and opportunities in providing excellent service to our annuitants, members, and employers.

APPENDIX C: STATISTICAL DATA

Statistical Data

Overview

Created in 1939, by the Illinois General Assembly in response to economic conditions (The Great Depression); Social Security was not available to public employees

- Began operations in 1941
- Governed by Articles 1, 7, and 20 of the Illinois Pension Code
- Neither funded nor managed by the state
- Independently managed by an autonomous Board of Trustees that represents municipal employers, employees, and retirees:
 - 4 elected by employers
 - 3 elected by active members
 - 1 elected by retired members
 - No appointed or *ex-officio* trustees
- Serves 3,045 units of local government (employers) throughout Illinois, that includes 43 types of government such as cities, counties, park districts, and school districts (non-teaching personnel)
- Second largest public pension system in Illinois

Financial and Actuarial

- \$52.6 billion in assets as of December 31, 2023
- Best funded statewide system
- 95.0% funded on a market basis
- 96.6% funded on an actuarial basis

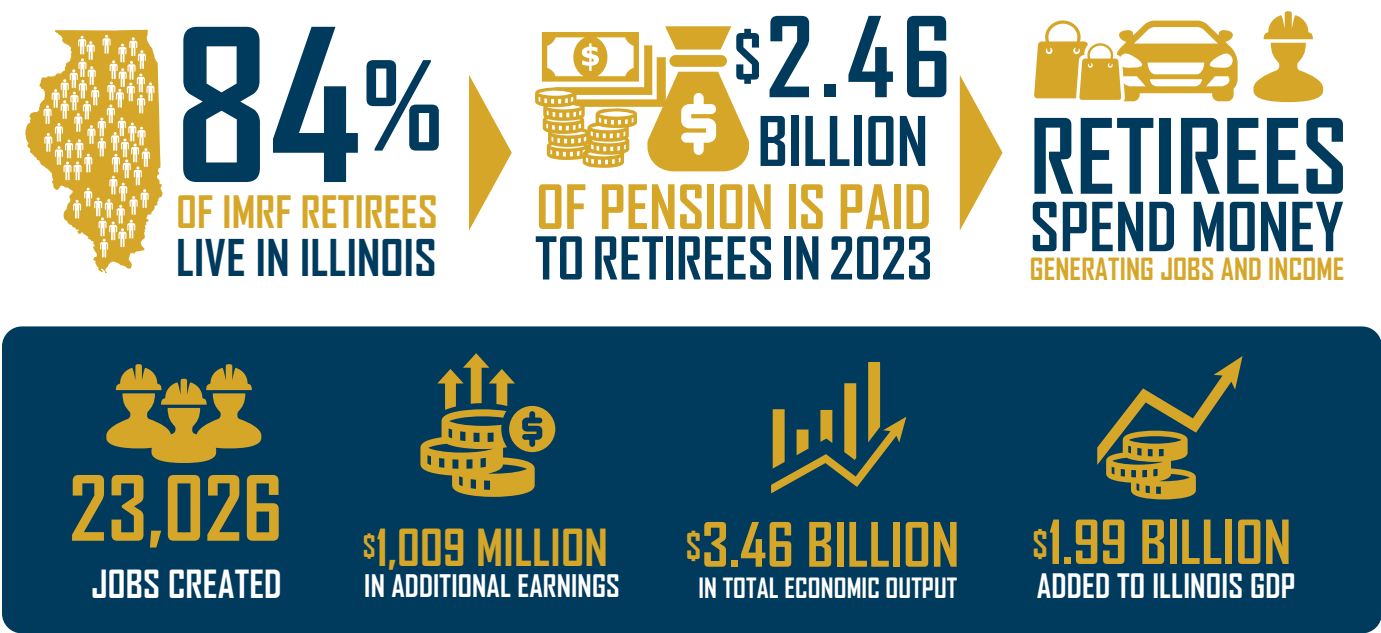
Demographics

- 181,205 actively participating members
- 154,554 benefit recipients
- 157,200 inactive members
- Profile of average active member in 2023
 - Age: 46.9
 - Service: 9.3 years
 - Annual salary: \$49,375
- Profile of average member who retired in 2023
 - Age at retirement: 62.8
 - Service at retirement 20 years
 - Average monthly pension: \$1,988
- Employee contribution rates: Regular = 4.5% of pay, SLEP and ECO = 7.5% of pay

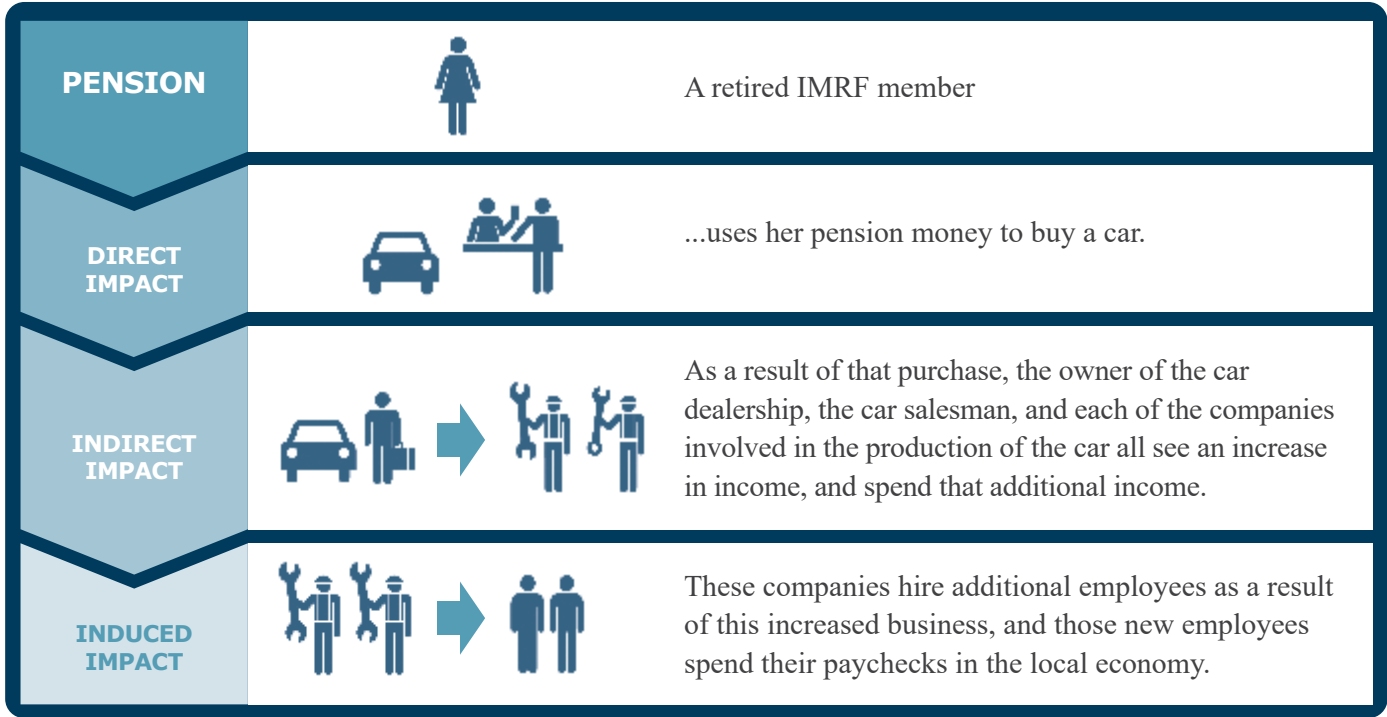
Community Impact

IMRF’s latest economic impact study shows that the system paid \$2.46 billion in benefits to Illinois residents last year. Using multipliers from the Bureau of Economic Analysis of the U.S. Department of Commerce, we see that these payouts generated \$3.46 billion in statewide economic activity.

In addition, the study shows that annuitants are spending money. In 2023, IMRF’s pension recipients helped support 23,026 Illinois jobs. The report also attributes about \$1,009 million in total earnings for Illinois workers, to more than 140,000 IMRF retirees spending pension payments statewide.



Eighty-four percent of IMRF’s public service employees retire and stay in the state. They have a positive impact on the Illinois economy because every single day, they are shopping, eating, traveling, and paying sales taxes. The chart below illustrates how spending ripples through the economy, supporting jobs and incomes in the process.



APPENDIX D: 2025 SALARY DETAIL BY DEPARTMENT

2025 Salary Detail by Department

The chart below provides detailed salary expenditures for IMRF staff by department:

- Gross salaries are budgeted at the adopted level of 241 staff positions.
- Per GASB Statement No. 101, accrued absences is budgeted based on the estimated increase of the liability for compensated absences.
- Per GASB Statement No. 51, staff time associated with the Horizon Project is capitalized based on the estimated time allocated to the project and the salary of the individual.
- Overtime is budgeted to compensate staff during heavy work load periods.

	Gross Salaries	Accrued Absences	Horizon Capitalized Costs	Overtime	Net Salaries
Administration	\$ 432,568	\$ 19,857	\$ -	\$ -	\$ 452,425
Benefits	1,774,379	22,991	(91,916)	60,000	1,765,454
Communications	834,036	29,221	(62,458)	10,000	810,799
Customer Service	188,082	12,083	(37,410)	-	162,755
Disability	850,467	28,671	(51,340)	37,000	864,798
Employer Services	1,792,274	66,288	(106,089)	55,000	1,807,473
Finance	1,908,586	76,686	(181,624)	45,000	1,848,648
Human Resources	626,044	20,512	(56,050)	-	590,506
Information Services	6,057,200	236,561	(602,970)	240,000	5,930,791
Internal Audit	395,645	6,733	-	-	402,378
Investments	2,277,086	87,006	-	300	2,364,392
Investments Internal Managed Portfolio	920,930	27,385	-	-	948,315
Legal	1,463,146	47,253	(40,576)	3,500	1,473,323
Member Services	2,711,754	43,604	(187,911)	75,000	2,642,447
Office Services	1,034,262	30,679	(15,921)	52,000	1,101,020
Organizational Excellence	357,122	6,741	-	-	363,863
Total	\$23,623,581	\$762,271	\$(1,434,265)	\$ 577,800	\$23,529,387

GLOSSARY OF TERMS AND ACRONYMS

A

ACSI (American Customer Satisfaction Index)

An index score reported by the Cobalt Community Research survey of member satisfaction with pension inception. Cobalt uses measurement methods similar to the University of Michigan's American Customer Satisfaction Index (ACSI), the only uniform, cross-industry measure of satisfaction available in the United States today. For over a decade, the index has been considered the "gold-standard" for customer satisfaction metrics in both the private sector and the federal government.

Accrual

An accounting method that measures the performance and position of an organization by recognizing economic events regardless of when the cash transaction occurs (matching principle).

Action Plans

Each Strategic Goal is sponsored by an IMRF Director or Manager. Each Sponsor is responsible for assigning team members and developing high level Action Plans for a Strategic Goal. These Action Plans provide direction towards the achievement of the goals, but are expanded to include a greater level of detail and corresponding time lines.

Active Member

A member currently working in an IMRF-qualified position and making contributions to IMRF, or who is receiving IMRF disability benefits.

Actuarial Assumptions

A formal set of estimates of what will happen to IMRF members, e.g., salary increases, retirement age, mortality. The assumptions are developed by the Board of Trustees with assistance from independent actuaries. They are also used to calculate funding levels and employer contribution rates.

Affinity Analysis

Through this analysis, an Affinity Diagram is created which helps to synthesize large amounts of data by finding relationships between ideas. The information is then gradually structured from the bottom up into meaningful groups.

Annuitant

See "Retired Member."

Asset Liability Study

A third party study to match revenues with future liabilities.

Assumed Rate of Return

IMRF's actuarial studies set 7.25% as the long-term assumed rate of return on investments.

Audit

An objective examination and evaluation of an organization's financial statements by an external certified public accounting firm, to ensure they are a fair and accurate representation of the transactions they claim to represent.

Authorized Agent

The employee designated by an employer (unit of government) to administer IMRF locally.

B

Balanced Budget

A budget in which revenues equal expenditures.

Baldrige Award

The only formal recognition of the performance excellence of both public and private U.S. organizations given by the President of the United States.

Beneficiaries

The individual(s) or organization(s) members choose to receive their IMRF death benefits. Also, individuals who choose to receive their IMRF death benefit as a monthly payment.

Benefit Recipients

Those who receive some sort of benefit payment from IMRF, including disabled or retired members, surviving spouses of deceased members, and in some cases their children, etc.

Board of Trustees

A group of eight persons organized to oversee IMRF; seven must be active members and one Trustee must be receiving an IMRF pension. Four Trustees are elected by employers, three are elected by active members, and one is elected by retired members. The Board hires an Executive Director to administer the Fund.

C

Capital Expenditures

An expenditure greater than \$5,000 with an estimated useful life of three years or more. Capital assets are depreciated over their useful life and expensed each period.

CEM Benchmarking Study

CEM Benchmarking, Inc.'s Defined Benefit Administration Benchmarking Analysis. IMRF participates in the CEM analysis to evaluate its operations in such areas as benefit administration costs, service levels, and industry best practices. The CEM analysis aids IMRF in critically assessing the value it provides to members and employers compared to other retirement systems.

CompData Surveys

CompData Surveys is a national compensation survey data and consulting firm. Each year, they gather compensation information from 5,000 organizations covering more than six million employees across the country.

Compliance Certification Process

IMRF is required to fully adhere to federal, state, and local laws, rules, and regulations governing all aspects of public pension fund administration. Quarterly, Directors must certify in writing that IMRF is in compliance with all applicable rules and regulations.

Contributions

See "Member Contributions" and "Employer Contributions."

Continuous Process Improvement (CPI) Program

A formal program implemented in 2008 to enhance customer focus and ongoing improvement.

COTS

This acronym stands for Commercial Off The Shelf product. This is referring to prepurchased, web based, computer software that IMRF is updating and customizing to use as its pension administration system (Horizon). A COTS solution was chosen, rather than building a new solution from scratch.

D

Defined Benefit (DB) Pension Plan

A retirement plan in which a member's retirement income is determined by a formula that typically uses age, years of service, and salary history. Benefits are payable for life and the investment risk is borne by the employer.

Defined Contribution (DC) Plan

A retirement plan in which a participant's retirement income is based upon the amount contributed and on the

performance of investment choices. These include 401(k), 403(b), and 457 plans. Investment risk is borne by the employee.

Disability Benefits

IMRF provides both temporary or total and permanent disability benefit payments to active members. While on disability, members can earn service credit and have the same death benefit as if they were working.

Disaster Recovery (DR)

A facility an organization can use to recover and restore its technology infrastructure and operations in case its primary data center becomes unavailable.

E

Early Retirement Incentive (ERI)

At the employer's option, a member can purchase up to five years of service credit to qualify sooner for retirement. For each period of service credit purchased, the member's age is increased accordingly. The member must be at least age 50 and have at least 20 years of service credit.

Elected County Official (ECO) Plan

This alternate benefit plan is available for some elected county officials. This plan was closed to new members effective August 8, 2011.

Emerging Investment Managers

As defined by the Illinois Pension Code, a qualified investment adviser that manages an investment portfolio of at least \$10 million but less than \$10 billion, and is a "minority owned business" or "female owned business" or "business owned by a person with a disability" as those terms are defined in the Business Enterprise for Minorities, Females, and Persons with Disabilities Act.

Employee Engagement

IMRF administers an annual employee engagement survey. IMRF analyzes the results and implements recommendations to improve engagement.

Employer

IMRF employers are local units of government in the state of Illinois (with the exclusion of the government of Cook County and the city of Chicago). Agency types eligible or

mandated to join include school districts, counties, cities, villages, towns, townships, park districts, library districts, and other special districts, among others.

Employer Contributions

The percentage of payroll contributed by an employer and submitted to IMRF each month. Each employer has a unique contribution rate for each plan it participates in, determined by its individual funding level, demographics, and any optional programs it has adopted.

Employer Representatives/Employer Services

Four IMRF Employer Representatives work with assigned employers throughout the state. They are trained to conduct counseling, provide educational programs, investigate problems, and to serve as key representatives to employers and governing bodies.

F

Fiduciary

Individuals required to exercise the highest standard of care when dealing with another's assets; in the case of IMRF, it's pension trust assets. The IMRF Board and staff are fiduciaries to IMRF members.

Fiduciary Counsel

The Illinois Pension Code requires Trustees to follow the Prudent Person Rule and discharge their duties "solely in the interest of the participants and beneficiaries." IMRF retains fiduciary counsel to review Board materials, attend meetings, and offer guidance that helps Trustees fulfill their fiduciary duties.

Final Rate of Earnings

Average of the highest continuous 48 months (Tier 1) or 96 months (Tier 2) of the final 10 years of service.

FOIA (Freedom of Information Act)

The Freedom of Information Act (FOIA) is a U.S. federal law that grants the public access to information possessed by government agencies. Upon written request, agencies are required to release information, unless it falls under one of nine exemptions. Though not an agency of state or federal government, IMRF is subject to FOIA requirements.

Formula

The Regular plan formula to calculate a pension is 1-2/3% of the Final Rate of Earnings (FRE) for each of the first 15 years of service credit, plus 2% of the FRE for each year of service credit thereafter, with a maximum benefit of 75% of the FRE. SLEP and ECO have separate formulas.

Fund

A fiscal entity with revenues and expenses which are segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations, and constituting an independent fiscal and accounting entity.

Fund Balance

The cumulative difference between revenues and expenditures over the life of a fund. A negative fund balance is usually referred to as a deficit.

Funding

The ratio of IMRF's assets to liabilities.

Funding, 100% Goal

An optimal state in which assets equal liabilities.

G

GAAP

(Generally Accepted Accounting Principles)

The common set of accounting principles, standards, and procedures that companies use to compile their financial statements.

GASB

(Governmental Accounting Standards Board)

The independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.

H

Horizon

A key project within the Modernization Program and a key strategic opportunity to develop a new, state-of-the-art pension administration system.

I**Illinois Pension Code**

Articles 1, 7, and 20 specifically govern IMRF operations. (40 ILCS 5/1–101 et. seq)

Illinois General Assembly (IGA)

The Illinois State Legislature. Any changes to the IMRF plan must be introduced as legislation, passed by the General Assembly, and signed into law by the Governor.

Illinois Performance Excellence (ILPEX)

Illinois Performance Excellence, a non-profit organization that seeks to help other organizations improve their performance by embracing the Baldrige Criteria for Performance Excellence and aligning their processes to become more efficient and sustainable

Inactive Member

A member who no longer actively contributes to IMRF, but who has contributions on deposit for a future benefit.

Investment Consultant

IMRF's current investment consultant is Wilshire Associates, Inc., a fiduciary who works for the IMRF Board of Trustees and makes recommendations on investment strategy and asset allocation; reports on the performance of the investment portfolio and investment managers; assists with the selection or termination of investment managers; and recommends new investment opportunities.

Investment Managers

IMRF hires independent, professional investment firms to manage our assets.

J**K****Key Result Areas (KRA)**

Four Key Result Areas—Financial Health, Customer Engagement, Workforce Engagement and Operational Excellence—are established as the pillars of a balanced scorecard approach to achieving the goals of IMRF's Strategic Plans.

L**Leadership Scorecard**

Leadership scorecards are IMRF's highest-level scorecards. They summarize those issues of highest-level importance to IMRF, and are closely aligned with IMRF's Strategic Plan. There are currently five key categories measured on IMRF Leadership Scorecards: Financial Health and Sustainability, Investment Returns, Customer Service and Operational Excellence, Workforce Engagement, and Modernization Program.

M**Master Trustee**

A Master Trust is an arrangement where a trust company acts as a Trustee to custody the assets or properties of IMRF. The Master Trustee facilitates asset transactions and works with IMRF staff and investment managers.

Member Contributions

The percentage of an IMRF member's gross salary withheld by the IMRF employer and submitted to IMRF each month in order to fund their health and retirement benefits. These monies are held until the member requests a refund or qualifies to receive a pension, or when the member's beneficiaries receive a death benefit. The percentage is 4.5% for the Regular plan and 7.5% for SLEP and ECO.

Members

Current or former employees of units of local government who participate in any IMRF plan. See "Active Member," "Retired Member," and "Inactive Member." Also known as "participants."

Mission

It is IMRF's mission to efficiently and impartially develop, implement, and administer programs that provide income protection to members and their beneficiaries on behalf of participating employers in a prudent manner. IMRF incorporates its mission into the Illinois Compiled Statute 40ILCS5/7-102.

Modernization Program

A comprehensive program that includes replacing or upgrading IMRF's technology systems, continuous process improvement, and the expansion of IMRF's customer service capabilities.

N

O

Opportunity for Improvement (OFI)

Formal suggestions to improve any process or procedure, e.g., modifying a current procedure, or implementing an entirely new procedure to complete a task in a more effective, customer-focused way. OFIs can be identified in many ways, from staff suggestions to CEM benchmarking survey feedback.

P

Pension

A monthly payment that is paid as long as the member lives. It is increased by 3% of the original amount each year. No lump sum payouts are permitted.

Portfolio Benchmarks

A standard against which the performance of a security or investment manager can be measured. Generally, broad market and market-segment stock and bond indexes are used for this purpose.

Prudent Person Rule

Also known as "prudent" or "reasonable person" rule. This standard assigns to the investment manager the responsibility to restrict investments to assets that a prudent person seeking reasonable income and preservation of capital might buy for his or her own portfolio.

Q

QILDRO

Qualified Illinois Domestic Relations Orders (QILDROs) are court orders that direct IMRF to pay a portion of a member's retirement benefit or refund to an alternate payee, typically a former spouse.

R

Regular Plan

Unless a member's position qualifies for participation in an alternate benefit plan (see "SLEP" and "ECO" plans), he or she participates in IMRF's Regular plan. Approximately 98.8% of IMRF's membership participates in this plan.

Reciprocal Act/System, Reciprocity

Reciprocity is a statutory requirement covering IMRF and 12 other Illinois public pension funds that allows a member's service credit to be combined to determine eligibility for and the amount of retirement benefits.

Retired Member

A person receiving an IMRF pension or surviving spouse pension.

S

SBITA

Subscription Based Information Technology Arrangements. (GASB Statement No. 96), is a contract that conveys control of the right to use another party's (a SBITA vendor) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Service Credit

This is the total time as an IMRF member, referred to as service credit, service, or pension credits. Service is credited monthly while working or while receiving IMRF disability benefits. Service credits are one factor in determining the retirement benefit.

Sheriff's Law Enforcement Personnel (SLEP) Plan

This alternate benefit plan is available to county sheriffs, deputy sheriffs, forest preserve rangers, airport police, and certain police chiefs. It provides a different formula and earlier retirement; members contribute 7.5%.

SIPOC

A method for analysis of work systems that identifies Suppliers-Inputs-Process-Outputs-Customers.

Spectrum

IMRF's proprietary mainframe computer pension administration system.

Sponsor

Each of IMRF's Strategic Goals is assigned a sponsor, either a director or manager. Each sponsor is responsible for assigning team members and developing high level Action Plans for the Strategic Goal.

Staff

An employee of IMRF. IMRF staff are also IMRF members.

Strategic Plan

Every three years, the IMRF Board and staff establish a multi-year strategic plan. The 2023-2025 includes objectives for the four key result areas (KRAs).

T

Tier

A modification to a pension plan, which offers reduced or enhanced benefits to members participating in that tier; pension plan tiers are often developed to provide reduced benefits to new members. "Tier 1" is the legacy program that applies to people entering the system prior to January 1, 2011. The "Tier 2" program became effective for IMRF on January 1, 2011. Changes included increasing the earliest retirement age, increasing the years of service needed to vest for a pension (Regular and ECO plan), and increasing the number of months used to calculate the final rate of earnings.

U

Unit of Government

See "Employer."

V

Values

IMRF's Values: Respect, Empathy, Accountability, Accuracy, Honesty, Courage.

Vest

Vesting establishes the right to a guaranteed future monthly retirement benefit. Under Tier 1, a member needs a minimum of eight years of credit to vest for the Regular plan, 20 years of SLEP service to vest for the SLEP plan, and eight years of service in the same elected office to vest for the ECO plan. Under Tier 2, a member needs a minimum of 10 years to vest for the Regular, 10 years of SLEP service to vest for the SLEP plan, and 10 years of service (eight in the same elected office) to vest for the ECO plan.

Vision

IMRF's Vision: "To provide the highest quality retirement services to our members, their beneficiaries, and employers."

W

Web-Centric Customer Service Delivery Model

IMRF is transitioning to a Web-Centric Customer Service Delivery Model that emphasizes digital over paper-based communication and customer support. Some of the initiative's objectives include prompting more members to activate online accounts; changing the organization's business processes to better support digital customer service; and conserving the organization's resources and better respecting the environment by decreasing the amount of paper-based communication.

Workforce Engagement

Engagement of workforce to demonstrate they are highly involved with their work and the organization.

X

Y

Z



Oak Brook Office

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

Springfield Regional Counseling Center

3000 Professional Drive, Suite 101
Springfield, IL 62703-5934

Member Contact Center

1-800-ASK-IMRF (275-4673)

Employer Contact Center

1-800-728-7971

www.imrf.org



**2025
BUDGET**