

2026



ILLINOIS MUNICIPAL RETIREMENT FUND

2026 ADOPTED BUDGET

Offices In Oak Brook &
Springfield Illinois

BUDGET

TABLE OF CONTENTS

OVERVIEW	
Board of Trustees	4
Organization Chart	5
Distinguished Budget Presentation Award	6
IMRF Mission, Vision & Values	7
BUDGETARY STRUCTURE	
Budget Transmittal Letter	9
Strategic Plan	17
Implementation of the Strategic Plan	20
Asset Allocation	22
Contributions vs. Benefits Paid	23
BUDGETARY FOUNDATION	
Profile of IMRF	25
Legislative Update	26
Funding	26
Appropriations	26
Balanced Budget	26
Basis of Budgeting	26
Budget Policies	27
Debt Policy	27
Actuarial Methods and Assumptions	27
Fund Description and Structure	27
Department to Fund Relationship Matrix	29
Revenue Schedules	31
2026 Employer Contribution Rate Ranges	32
2026 Budget Timeline	33
Summary of IMRF Benefits	34
Summary of IMRF Departments and Workforce	39
Funded Status and Funding Progress	40
Schedule of Aggregate Funding Progress <i>(Last ten years)</i>	41
Changes in Fiduciary Net Position <i>(Last ten years)</i>	42
BUDGET COMPONENTS	
Budget Process - General Guidelines from the Chief Financial Officer	44
Long-Term Financial Plan	48
Revenue Projections	49
2026 Adopted Expenditures	51
Additions to Fund Balances	52
2026 Adopted Capital Additions	54
2026 Capital Purchases	54
Long-term Capital Plan <i>(Five years)</i>	57
Analysis of 2026 Budget to 2025 Estimated Actual Variances	58
Analysis of 2026 Budget to 2025 Budget Variances	59
DEPARTMENTAL BUDGETS	
Condensed 2026 Budget Comparison	61
Board of Trustees	62
Administration Department	63
Benefits Department	64
Communications Department	66
Customer Service Department	68
Disability Department	70
Employer Services Department	72
Finance Department	74
Human Resources Department	76
Information Services Department	78
Internal Audit Department	81
Investments Department	83
Legal Department	86
Member Services Department	88
Office Services Department	90
Organizational Excellence Department	92
2026 IMRF Budget – Summary by Account	94
SUPPLEMENTARY INFORMATION	
Appendix A: New Accounting Pronouncements	97
Appendix B: Strategic Planning Methodology	98
Appendix C: Statistical Data	101
Appendix D: 2026 Salary Detail by Department	103
Glossary of Terms and Acronyms	104

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.

GWEN HENRY
2025 PRESIDENT
EXECUTIVE TRUSTEE

Current term ending December 31, 2025
DuPage County



DOUGLAS CYCHOLL
2025 VICE PRESIDENT
EMPLOYEE TRUSTEE

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



WILLIAM STAFFORD
2025 SECRETARY
ANNUITANT TRUSTEE

Current term ending December 31, 2025
Retired from Evanston Township High School



NATALIE COPPER
EMPLOYEE TRUSTEE

Current term ending December 31, 2029
Dawes School in Evanston



JASON ISAAC
EMPLOYEE TRUSTEE

Current term ending December 31, 2025
Champaign Unit 4 School District



DAVID MILLER
EXECUTIVE TRUSTEE

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



PETER STEFAN
EXECUTIVE TRUSTEE

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



BRIAN TOWNSEND
EXECUTIVE TRUSTEE

Current term ending Dec. 31, 2025
Village of Schaumburg



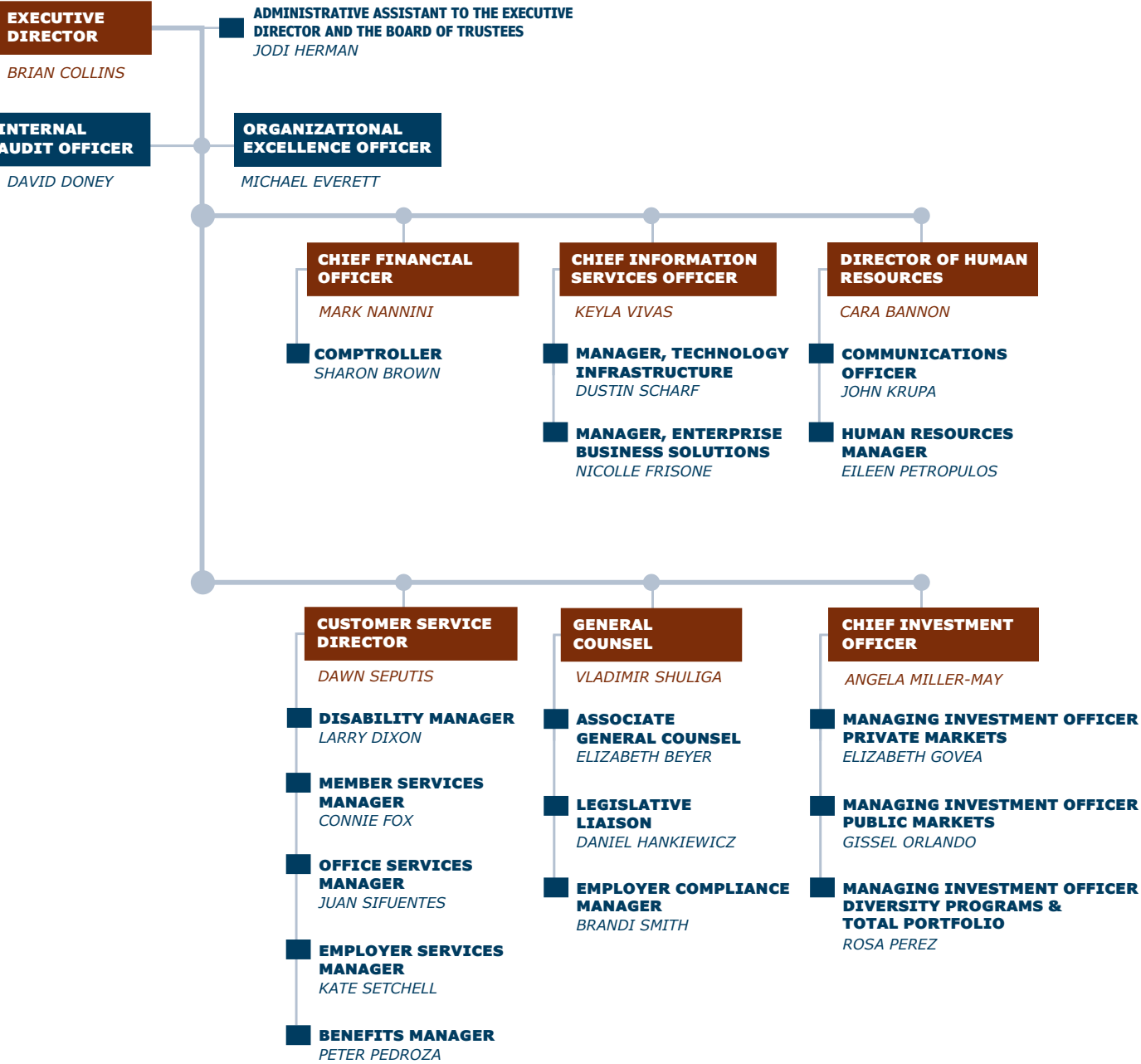
ORGANIZATION CHART

BOARD OF TRUSTEES

CONSULTANTS

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

STAFF

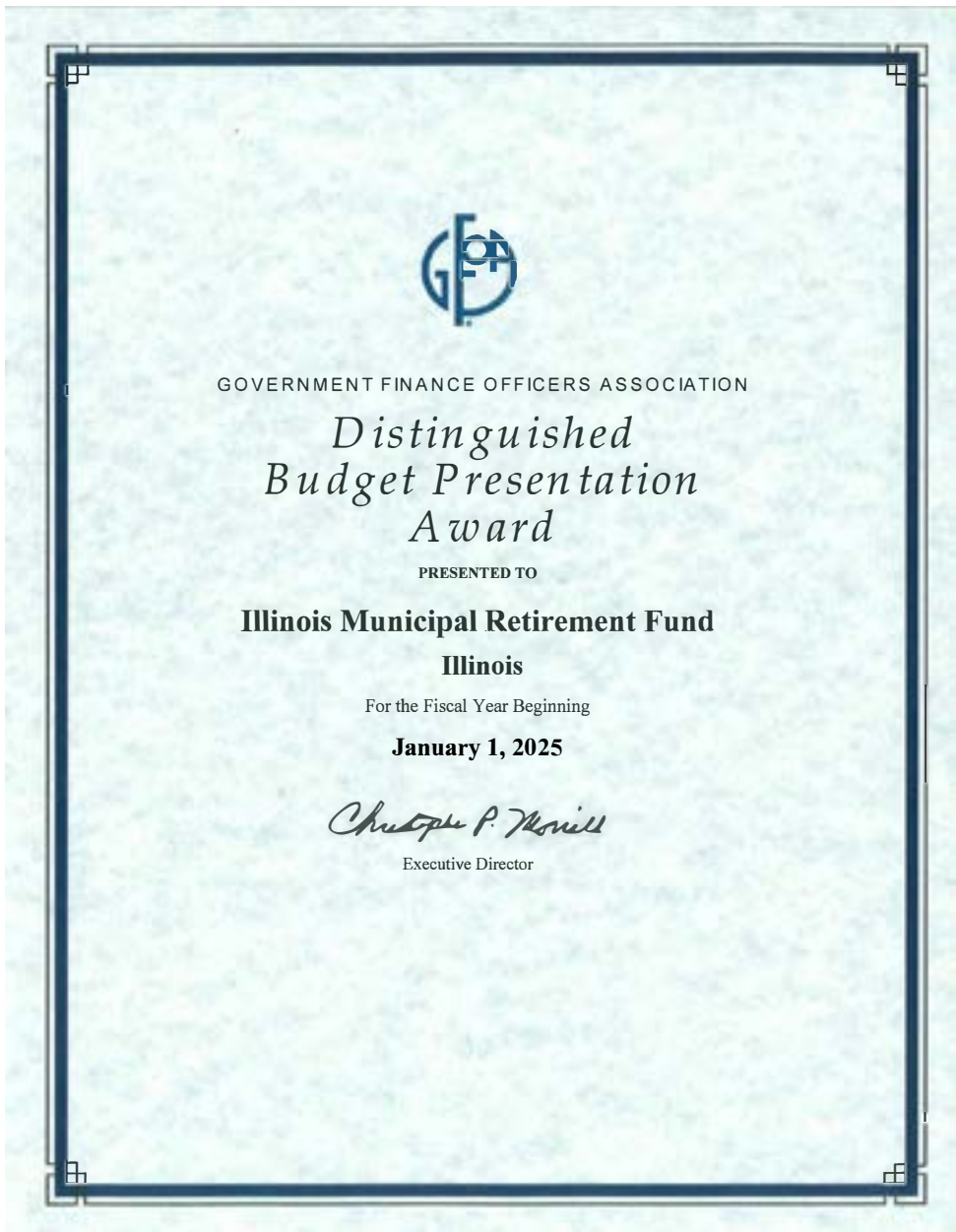


DISTINGUISHED BUDGET PRESENTATION AWARD

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 2025, IMRF received the Distinguished Budget Presentation Award for the eleventh 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 2026.



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

Driven by our commitment to excellence, we deliver financial security and peace of mind.

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

Embracing change with confidence and intelligent risk-taking fuels innovation and drives continuous improvement.

H

Honesty

Acting with integrity and professionalism unites us and builds trust with our community.

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.

BUDGETARY STRUCTURE

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



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

www.imrf.org

November 7, 2025

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, 2026, 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 reflects the Mission, Vision and Values of IMRF and is guided by our three-year Strategic Plan and its four primary building blocks, or Key Result Areas (KRA's): (1) Financial Health, (2) Workforce Engagement, (3) Customer Engagement, and (4) Operational Excellence. Each section of this budget cites a KRA that reinforces the connection between our Annual Budget, our Strategic Plan, and our Mission, Vision and Values.

This Budget year also marks a major milestone in the history of IMRF and sets the foundation on which the next several decades will stand. It incorporates for the first time the two biggest changes at IMRF in over a quarter of a century. First, we have now implemented our new Pension Administration System (Horizon) which has changed the way we work today and will help us continue to adapt and evolve for many years to come. Second, we are moving into a new, modern headquarters at 800 Commerce Drive, Oak Brook, after 33 years at our current location. Our new Horizon system and new headquarters will help us deliver best-in-class service to our members and attract and retain the finest employees.

OVERVIEW

Our total budget for 2026 shows an increase of 7.9%, which includes both our Operating expenses and Investing expenses. Our Investment budget by itself shows a 7.6% increase, which reflects the growth in our assets under management. Our core Operating budget has an increase of 9.1%, reflecting both 4.9% tied to three special increases and a core expense growth rate of 4.2%. More on this, below.

Special Expenses: 4.9%

- 1.7% - IMRF has grown substantially since 2018 when we began our Horizon Modernization Project in earnest. Membership has increased 25% and Assets Under Management has grown 42% during these past eight years, and this budget catches up with and mirrors that growth. In the later part of the third quarter of 2025, the Board amended the 2025 budget with the authorized fourteen additional full-time equivalents (FTE's) that brought our total headcount to 255, capping a 24% cumulative increase since 2018, effectively matching our processing capacity to our membership growth. This 4Q 2025 headcount increase is the largest portion of our year-over-year increase in 2026 operating expenses, or 1.74%.
- 0.4% - This budget also reflects the special market-based compensation increases (Comp-a-Ratios) implemented by management for specific job descriptions in the latter half of 2025. This process takes place only periodically and the full 12-month impact is included in this budget. This special expense added 0.43% to operating expenses.
- 2.7% - The 2026 budget will be the first year that a full twelve months of Horizon cost will be depreciated at the full capitalized cost. The impact of this adds an additional 2.74% special increase to the 2026 budget.

Special Expenses: 4.9%

Holding these special increases aside, the net core increase to our operations budget is 4.2%. Recall that the most recent CEM study shows that IMRF’s expenses have been 27% below the industry average. Our goal is to maintain our position as a low-cost, high-quality provider.

Additional items for this year’s budget include the election of one Board of Trustee position in the fall of 2026, continuation of customer service training, cyber security software and tools, preparation for the next Baldrige application process, and new investment software.

The budget incorporates management’s perspective on the overall economic outlook, including concerns for job growth, inflation pressures, tariffs, interest rates, and strain on the economy from political pressure here and abroad. The budget is reflective of these factors but not solely reliant on one specific factor. Staff has worked diligently to present a concise and realistic outlook for 2026 Budget presentation. The theme of this year’s budget reflects our focus on continued improvement in service levels coupled with low relative delivery costs.

In developing this budget, we received input data 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.

NOTABLE 2026 BUDGET ITEMS (Financial Health)

Health insurance costs reflected in the 2026 budget includes a 14.9% increase in premiums. This was expected based on the marketplace and claims. The average increase in health insurance premiums over the last 10 years, including the projected increase for 2026, has been only 4.03%.

The 2026 personnel budget reflects a combined 4.25% increase divided between a 3.0% base salary adjustment (COLA) and a 1.25% discretionary merit increase for staff.

The budget reflects an increase for the resumption of travel and training in 2026 throughout the organization. The 2026 budget also reflects the resumption of regular activities for meetings, training, conferences, etc. If staff are unable to attend, these funds will not be spent.

The Capital Plan purchases are down \$0.5 million versus the prior year. The total for 2026 is \$6,658,241 versus \$7,108,241 for 2025. In both years, the largest expenditure is for the Horizon software enhancements and upgrades. The Horizon Project remains the main driver of capital expenditure as we focus on the streamlining of the Horizon product. The capital purchases also focus on our headquarters relocation and cybersecurity.

Additional Highlights of the 2026 Budget:

- The Information Services area reflects third-party support for the Horizon software with an upgrade version to 1.1b, proof of concept for new phone system, replacement for VMware software (virtual machine), upgrade of Sitecore (Internet platform) content management system (CMS), SQL server licenses, and infrastructure improvements.
- Funds are included in the Organizational Excellence area as we prepare for Baldrige application process and software to assist with Project Portfolio Management (PPM).
- Capital items are outlined on [\(page 54\)](#)
- Increase in the bank’s master service banking agreement and securities lending fees.
- Funding the election of one open Board position.

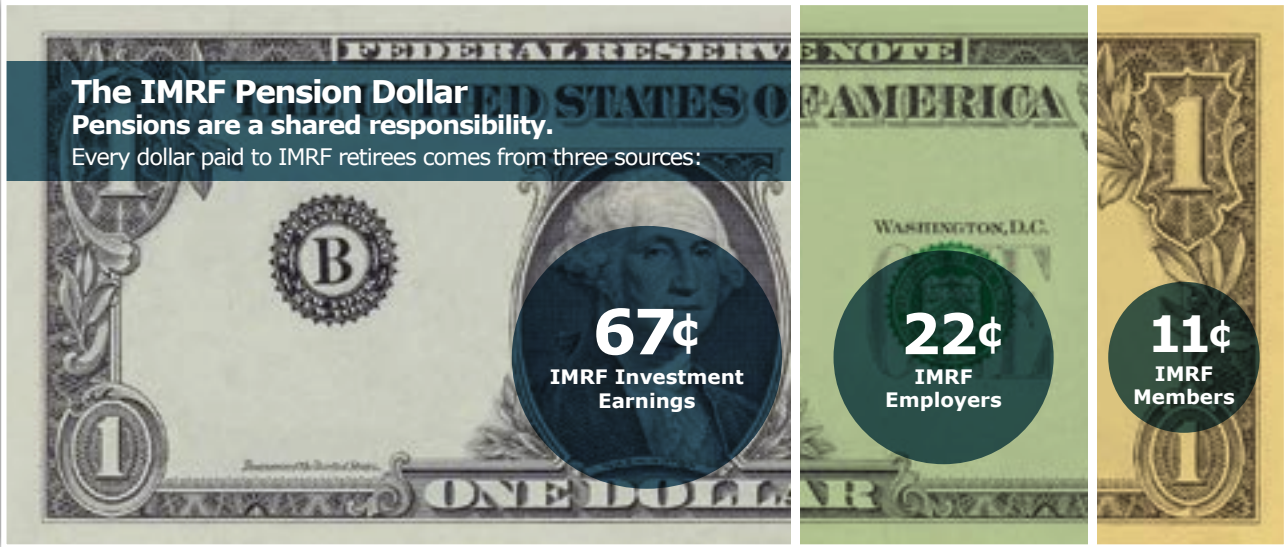
PROFILE OF IMRF (Customer Engagement)

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 3,062 different employers, 196,859 active participating members, 169,066 inactive members, and 158,379 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 mandated 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.

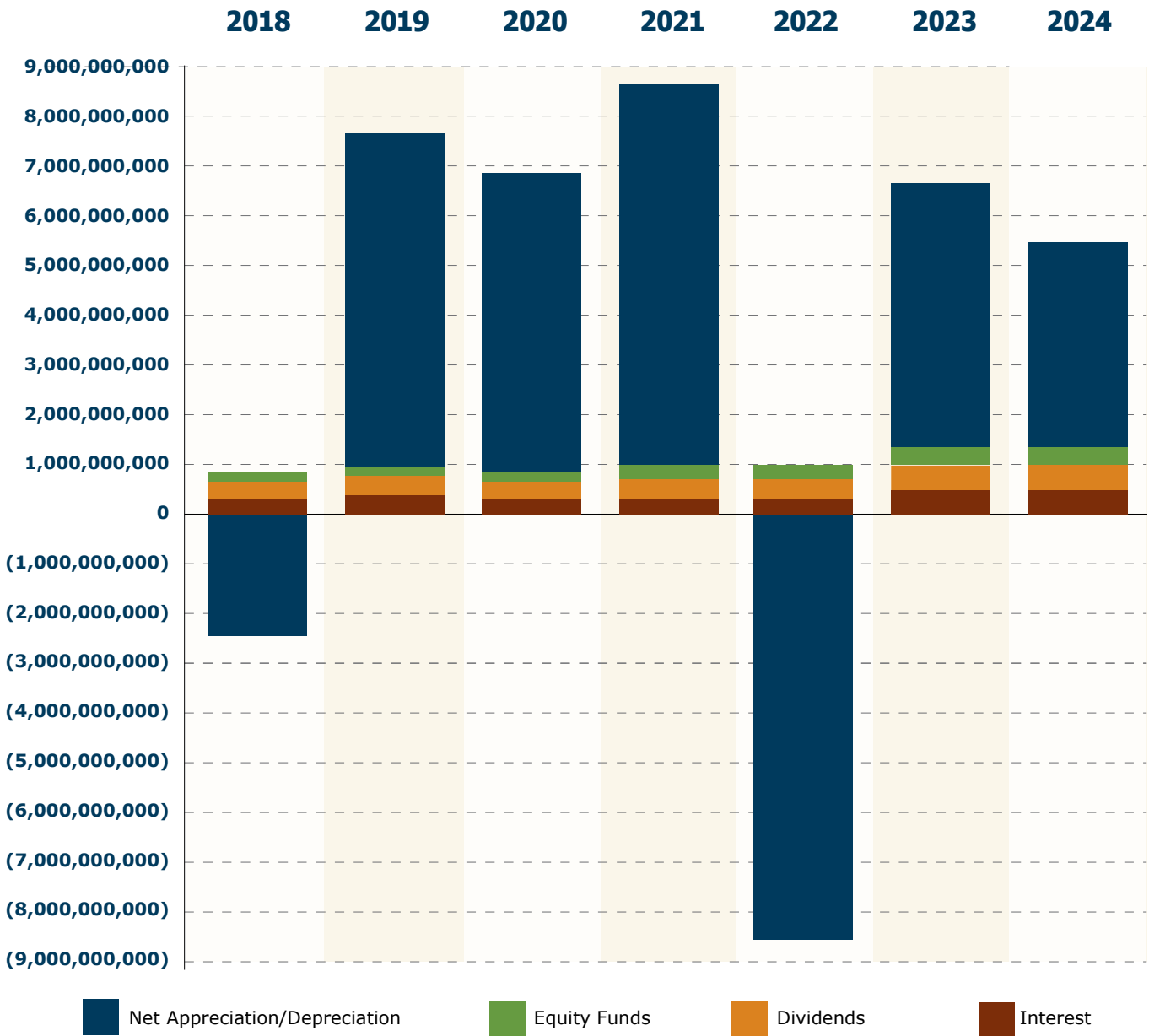
INVESTMENTS (Financial Health)

The Investment department is under the direction of the Chief Investment Officer, Angela Miller-May. Currently, the public markets portfolio is managed by 27 professional investment management firms, handling 39 mandates. The private markets portfolio is invested in by 96 firms, including 279 separate funds and 17 co-investments. 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 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 have a market value of \$7.4 billion in funding, as of June 30, 2025.

The Trustees employ an investment consultant to monitor and evaluate the investment management firm’s 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. Callan LLC, 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, 2029.

2026 PROPOSED BUDGET



PERSONNEL (Workforce Engagement)

Total staffing as presented in this budget will increase from 255 to 257, for both our Oak Brook and Springfield locations for full-time equivalents positions. The 2026 budget reflects the addition of 2 new positions in the investment area. Our goal is to continue to provide excellent customer service to all our customers, while we develop the next generation of employees in response to the natural attrition of staff as they retire from IMRF.

Department	Headcount			
	2025 Budget Total	2025 Additional *	2026 Additional **	2026 Budget Total
Administration	2	-	-	2
Benefits	27	-	-	27
Communications	9	-	-	9
Customer Service	1	-	-	1
Disability	11	-	-	11
Employer Services	23	-	-	23
Finance	21	2	-	23
Human Resources	5	-	-	5
Information Services	45	4	-	49
Internal Audit	4	-	-	4
Investments	14	-	2	16
Investments IMP	4	-	-	4
Legal	15	-	-	15
Member Services	39	8	-	47
Office Services	17	-	-	17
Organizational Excellence	4	-	-	4
Total	241	14	2	257

* In 2025, 14 new positions were approved due to the Horizon Project.

** For 2026, 2 additional positions are being requested.

ADOPTED 2026 OPERATIONAL INITIATIVES (Operational Excellence)

- Relocating and modernizing our main headquarters in Oak Brook, Illinois.
- Prepare IMRF staff for Horizon 1.1b version upgrade.
- Continued training for staff.

2026 PROPOSED BUDGET

STRATEGIC PLAN SUMMARY

The Strategic Plan for 2026 through 2028 provides the Fund with a road map for achieving our vision, which is “driven by our commitment to excellence, we deliver financial security and peace of mind”. It guides our efforts to continuously improve our service to our employers and members. It is a framework for the 2026 Budget submittal and acts as a guide for the subsequent year’s budgets.

The 2026-2028 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 is 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.

In October 2019, IMRF became the first pension fund to win the Malcolm Baldrige National Quality Award. IMRF will sustain its Journey of Excellence program throughout the duration of the 2026-2028 Strategic Plan.

DEFINED BENEFIT ADMINISTRATION

BENCHMARKING ANALYSIS *(Operational Excellence)*

Annually, IMRF participates in a benchmarking study to further identify potential process improvements. CEM Benchmarking Inc. conducts the 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’s best practices. Our goal is to provide efficient and effective service at a reasonable cost. For fiscal year 2024, IMRF achieved lower cost and higher service when compared against the average participant in the CEM universe. IMRF’s costs per active member and annuitant were 27% below our peer average. We will continue our participation in this benchmarking program in 2026.

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, 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, 2023, (2024 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 43 consecutive years (Fiscal Years 1980-2023). 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, 2023. IMRF has received the PAFR award 22 times.

IMRF has received for the eleventh straight year the Distinguished Budget Presentation Award from the Government Finance Officers Association (GFOA). IMRF is proud of the 2026 budget and feels that it provides the reader with 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 fifth 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. IMRF is one of only three pension plans nationwide to earn this honor for the Triple Crown Award. Overall, only two other public pension plans have received this award.



ACKNOWLEDGMENTS

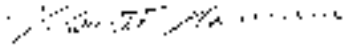
The production of this document reflects the combined efforts of IMRF staff under the leadership of the Board of Trustees and the Executive Director Brian Collins. The Finance Department, under the direction of the Chief Financial Officer Mark Nannini, compiled the report. We believe this report provides 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, Laurie Duszynski, Sharon Brown, 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 2026 IMRF budget for your consideration.



Brian Collins
Executive Director



Mark F. Nannini
Chief Financial Officer

STRATEGIC PLAN

Approved in November 2025



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

www.imrf.org

November 2025
IMRF Strategic Plan

The Illinois Municipal Retirement Fund Board of Trustees and staff are proud to present our proposed Strategic Plan for 2026-2028. 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.

- 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 3,062 employers; 196,859 participating members; 158,379 annuitants; 169,066 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 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 is evaluated and improved during each cycle.

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 increasing workloads and the implementation of a new pension administration system. Our success continues to be validated through the high marks received on customer satisfaction surveys and through outside benchmarking services.

We expanded our strategic planning process in 2010 to include elements of the Baldrige Criteria for Performance Excellence to ensure we align our objectives, processes, and resources with our Vision. The feedback from the application process is used to evaluate and improve key business processes across the Fund. Although we have received the highest honor of the Malcom Baldrige National Quality Award in 2019, 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 committed to 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 toward 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 2025. 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 2026-2028 Strategic Plan. Staff will develop action plans, including milestones and timelines, for the Key Strategies associated with each of these objectives.

STRATEGIC OBJECTIVES AND KEY STRATEGIES FOR 2026-2028

Our four Strategic Objectives define our approach to realize our Vision, and as such, constitute the focus of our Strategic Plan for 2026-2028. 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 we continue to assess our internal and external environment. The strategies selected focus on continuous improvements efforts for the member and employer experience post Horizon implementation. Listed below 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)

2026-2028
STRATEGIC PLAN



Key Strategy

- Continue expansion of Internal Equity Management
- Integrate technological tools for optimal investment due diligence
- Explore investments in emerging markets to increase geographic diversification of private marker portfolios

Key Result Area: Customer Engagement

Strategic Objective

To foster and maintain engaged members and employers.

As measured by:

- Achieving top quartile “Overall Satisfaction” and “Customer Effort” results on customer surveys
- Exceeding “American Customer Satisfaction Index” (ACSI) benchmark
- Exceeding the 3 NPS Benchmarks (Financial, Business Services, Government) on customer surveys

Key Strategies

- Enhance the Member and Employer Experience Program
- Increase customer digital adoption of web-based services

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

- Implement the Building Our Future program to enhance the workplace experience
- Enhance the learning and development experience for staff

Key Result Area: Operational Excellence

Strategic Objective

To provide efficient and effective service at a reasonable cost.

As measured by:

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

Key Strategies

- Strengthen efficiency, cross-functionality and quality across IMRF business processes
- Develop process to evaluate technological tools across the organization
- Accelerate Journey of Excellence momentum

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 will be made to our staff in January 2026. 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

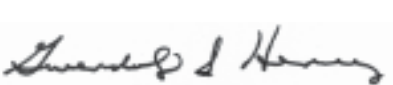
The Trustees will review and validate the Strategic Plan as part of the 2026 Budget at the November 2025 Board Meeting. We will provide quarterly status updates to the Trustees throughout the three-year cycle of this Plan. Another comprehensive triennial strategic planning process will be completed by staff and the Board in 2028. This will start at the February 2026 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 2026-2028 as described in this document.



Gwen Henry
Board President

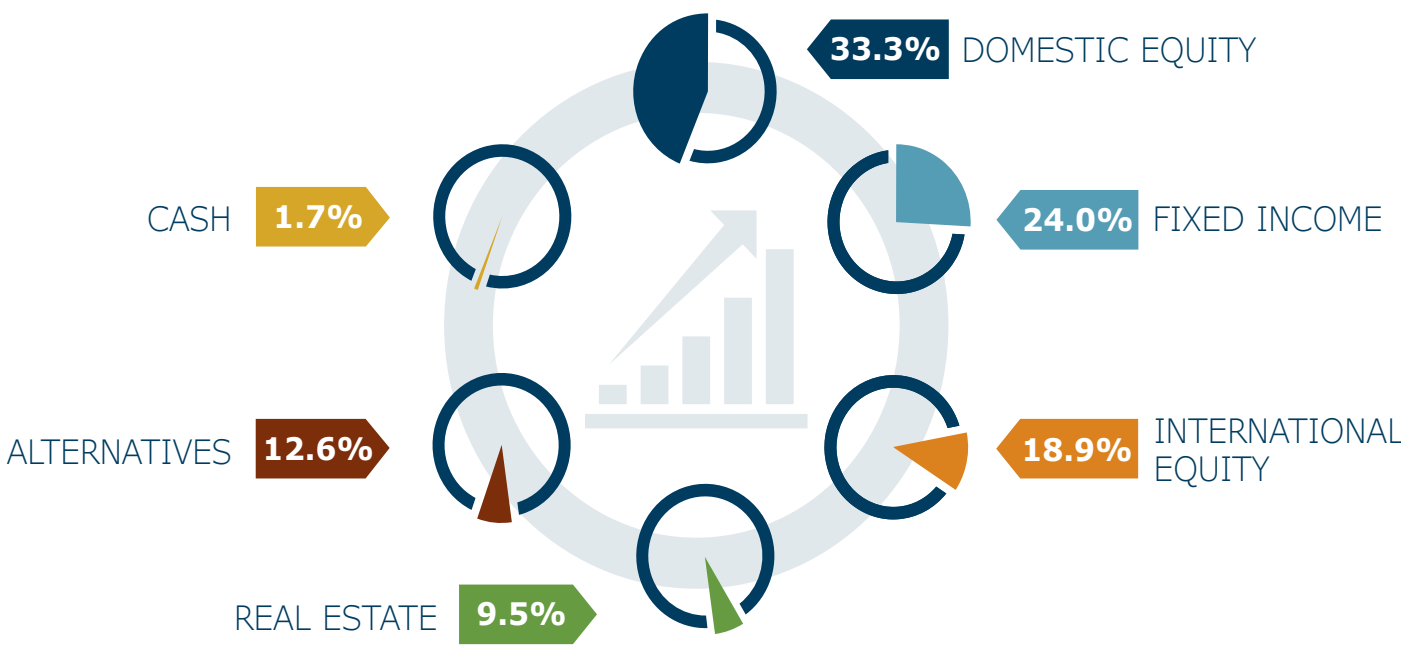


Brian Collins
Executive Director

ASSET ALLOCATION

IMRF’s public markets portfolio is managed by 27 professional investment management firms, handling 39 mandates. The Fund’s private markets portfolio is invested by 96 firms, including 279 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, 2025

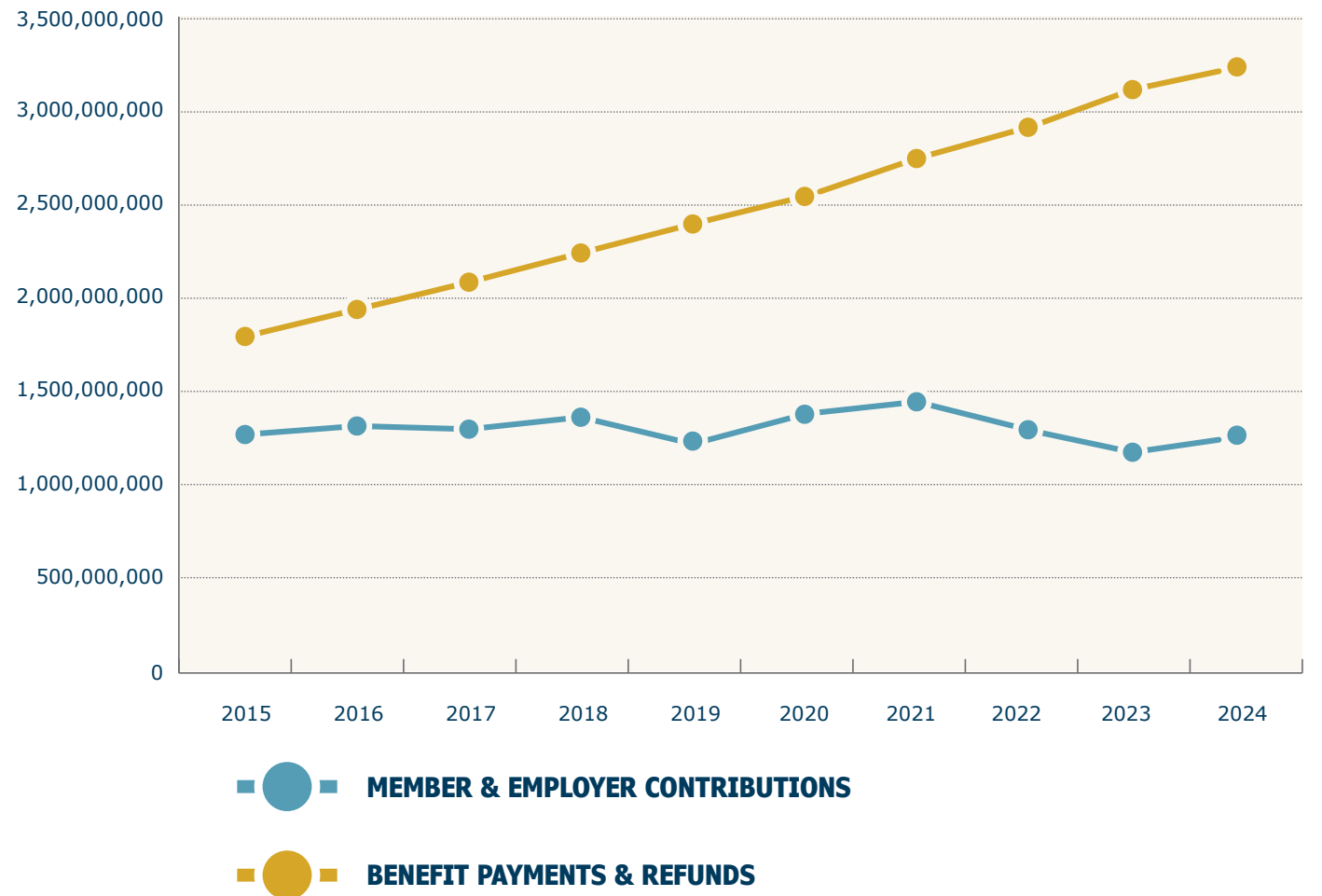


	Market Value in Millions	Target Asset Allocation	Actual Asset Allocation	Variance
Domestic Equity	19,446	32.5%	33.3%	0.8%
International Equity	11,050	18.0%	18.9%	0.9%
Fixed Income	13,980	24.0%	24.0%	0.0%
Real Estate	5,512	10.5%	9.5%	(1.0)%
Alternative Investments	7,316	14.0%	12.6%	(1.4)%
Cash & Cash Equivalents	1,013	1.0%	1.7%	0.7%
Total	58,317	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
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)
2024	1,295,240,144	3,177,123,107	(1,881,882,963)



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.

BUDGETARY FOUNDATION

25

Profile of IMRF

26

Legislative Update

26

Funding

26

Appropriations

27

Balanced Budget

27

Basis of Budgeting

27

Budget Policies

27

Debt Policy

27

Actuarial Methods and Assumptions

28

Fund Description and Structure

29

Department to Fund Relationship Matrix

31

Revenue Schedules

32

2026 Employer Contribution Rate Ranges

33

2026 Budget Timeline

34

Summary of IMRF Benefits

39

Summary of IMRF Departments and Workforce

40

Funded Status and Funding Progress

41

Schedule of Aggregate Funding Progress

42

Changes in Fiduciary Net Position

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 3,062 different employers, 196,859 participating members, and 158,379 benefit recipients.

Employers

	2024	2023
Participating employers	3,062	3,045

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	2024	2023
Retirees and beneficiaries currently receiving benefits	158,379	154,554
Terminated members entitled to benefits but not yet receiving them	15,837	16,633
Terminated members—non-vested	153,229	140,567
Total inactive members	327,445	311,754
Active members		
Non-vested	130,831	104,100
Vested	66,028	77,105
Total active members	196,859	181,205
Grand Total	524,304	492,959

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 2025.

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, 2024, valuation, the aggregate actuarial value of assets was \$55.2 billion. The aggregate actuarial liability for all IMRF employers was \$57.6 billion. The aggregate actuarial funding ratio is currently 95.8% (a decrease from the 2023 ratio of 96.6%). 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 96.9% as of December 31, 2024, an increase from 95.0% as of December 31, 2023. While IMRF’s fair value based funding value was more than the actuarial funding value, as of December 31, 2024, there were no unrecognized actuarial investment gains or losses to be reflected in the future. 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 2024.

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	2025	2024	2023	2022	2021
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, 2024 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 2.50%. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls over a closed 17-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.

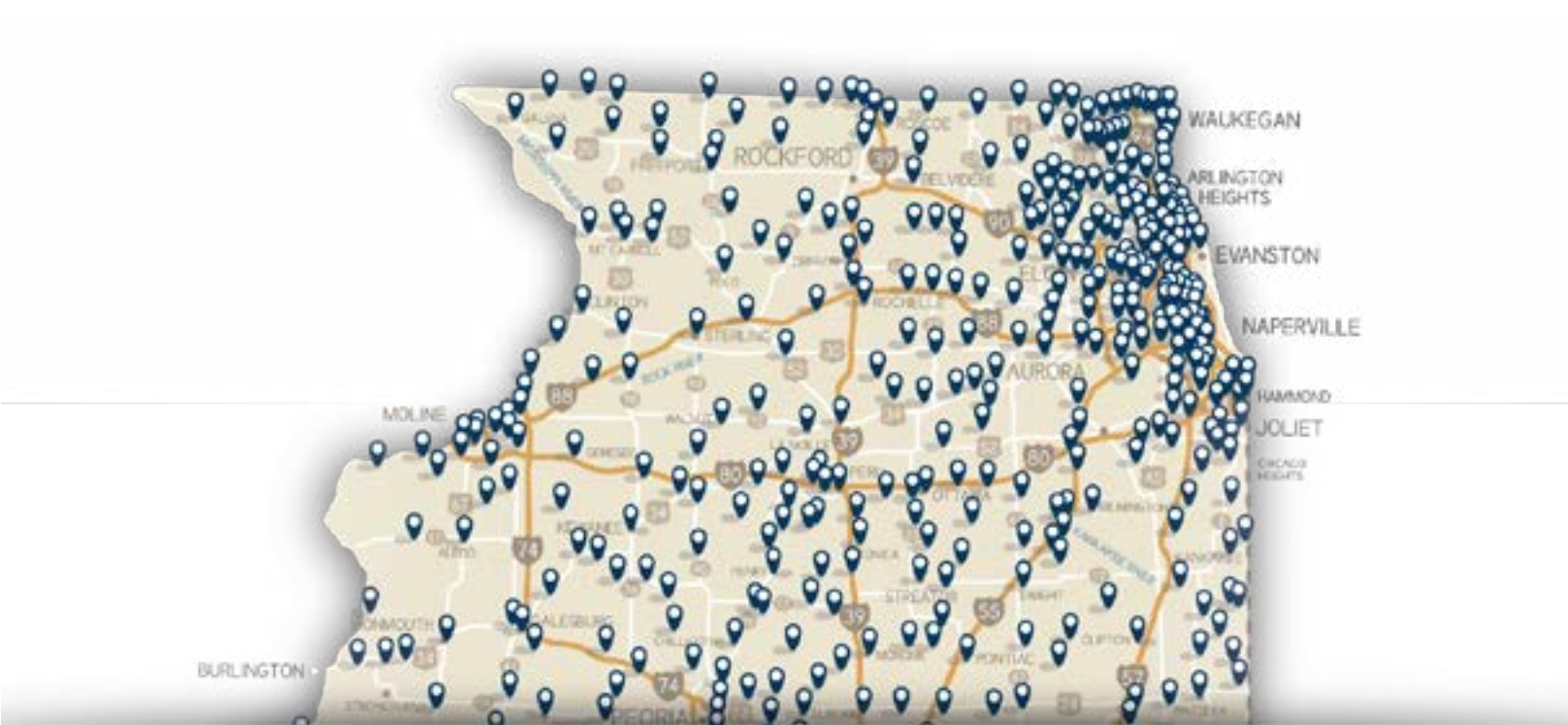
Earnings & Experience Reserve

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

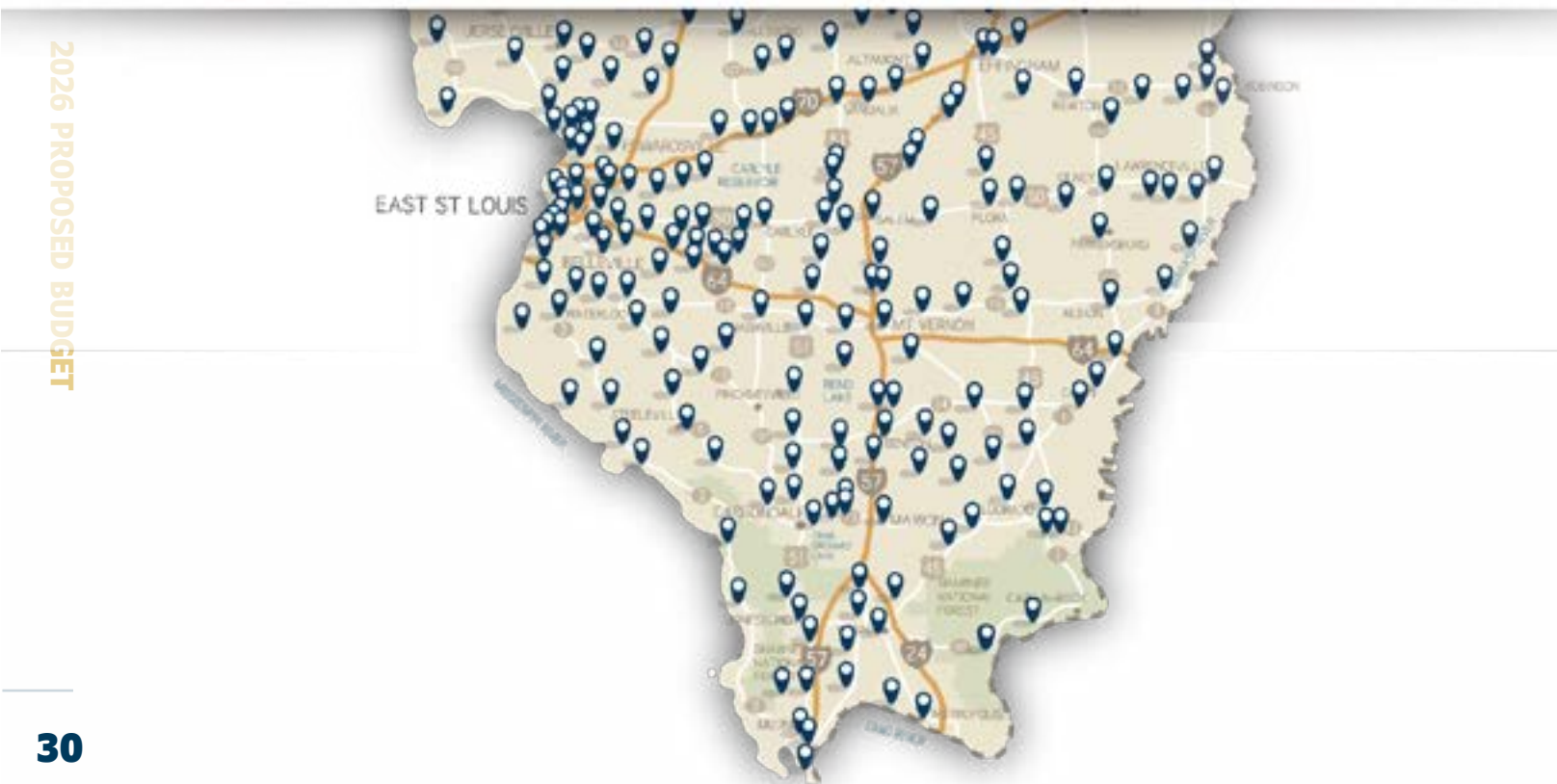
The matrix below correlates the relationship between IMRF’s reserves under its sole fund to each organizational department:

	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
3,062 DIFFERENT EMPLOYERS,
196,859 PARTICIPATING MEMBERS,
 AND **158,379** BENEFIT RECIPIENTS.

As of December 31, 2024

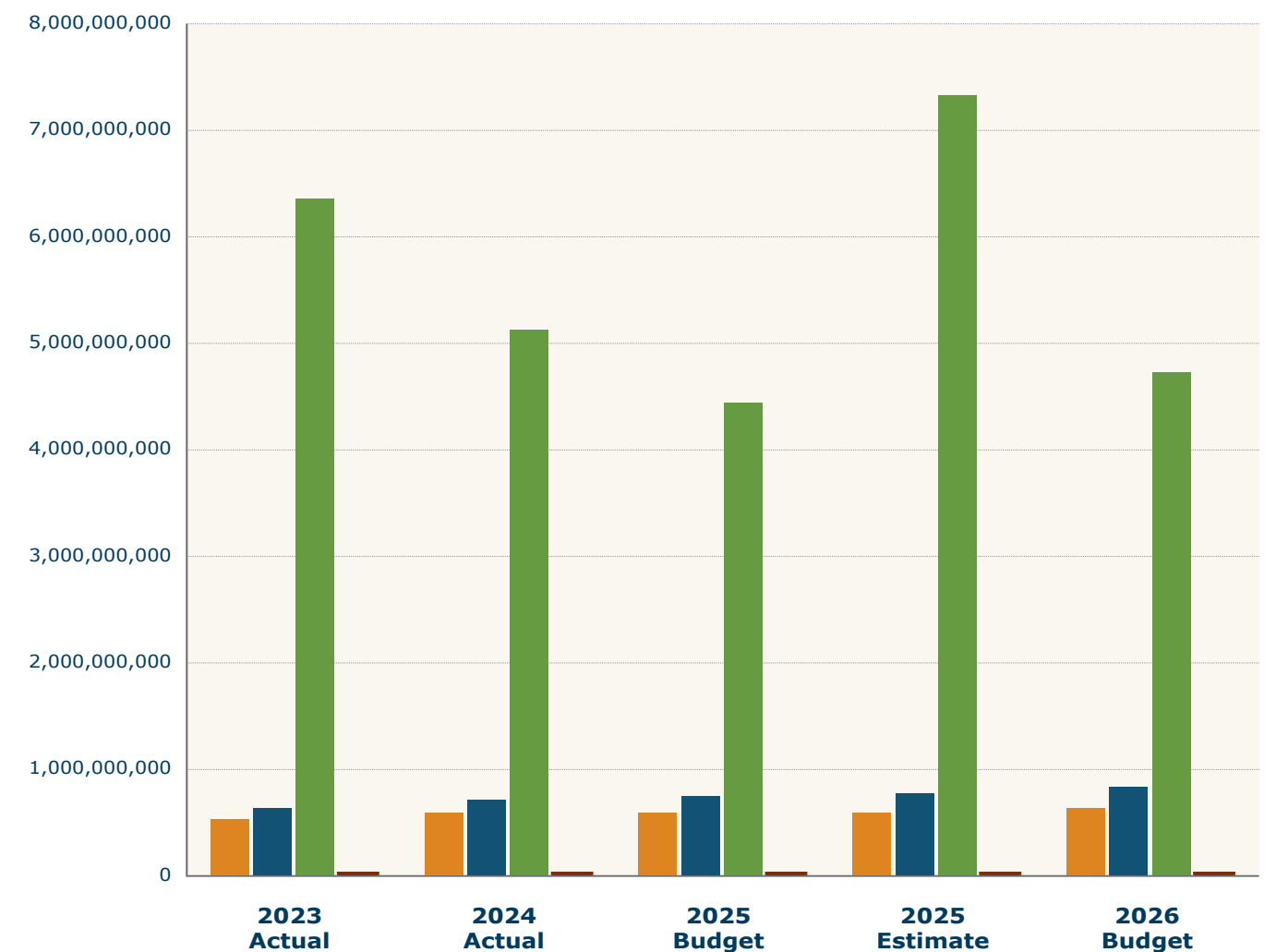


REVENUE SCHEDULES

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 196,859 active members reported from 3,062 employers. Investment income is projected at 7.75% (gross of fees) investment return target.

	2023 Actual	2024 Actual	2025 Budget	2025 Estimate	2026 Budget
Member Contributions	\$540,661,005	\$584,525,889	\$601,269,606	\$614,986,585	\$651,644,431
Employer Contributions	653,081,876	710,714,255	749,579,966	772,963,783	831,620,985
Investment Income	6,356,023,887	5,092,383,602	4,414,381,497	7,290,619,985	4,714,385,202
Other Income	148,792	642,874	50,000	100,000	100,000
Total	\$7,549,915,560	\$6,388,266,620	\$4,986,272,869	\$8,678,670,353	\$6,197,750,618



2026 EMPLOYER CONTRIBUTION RATE RANGES

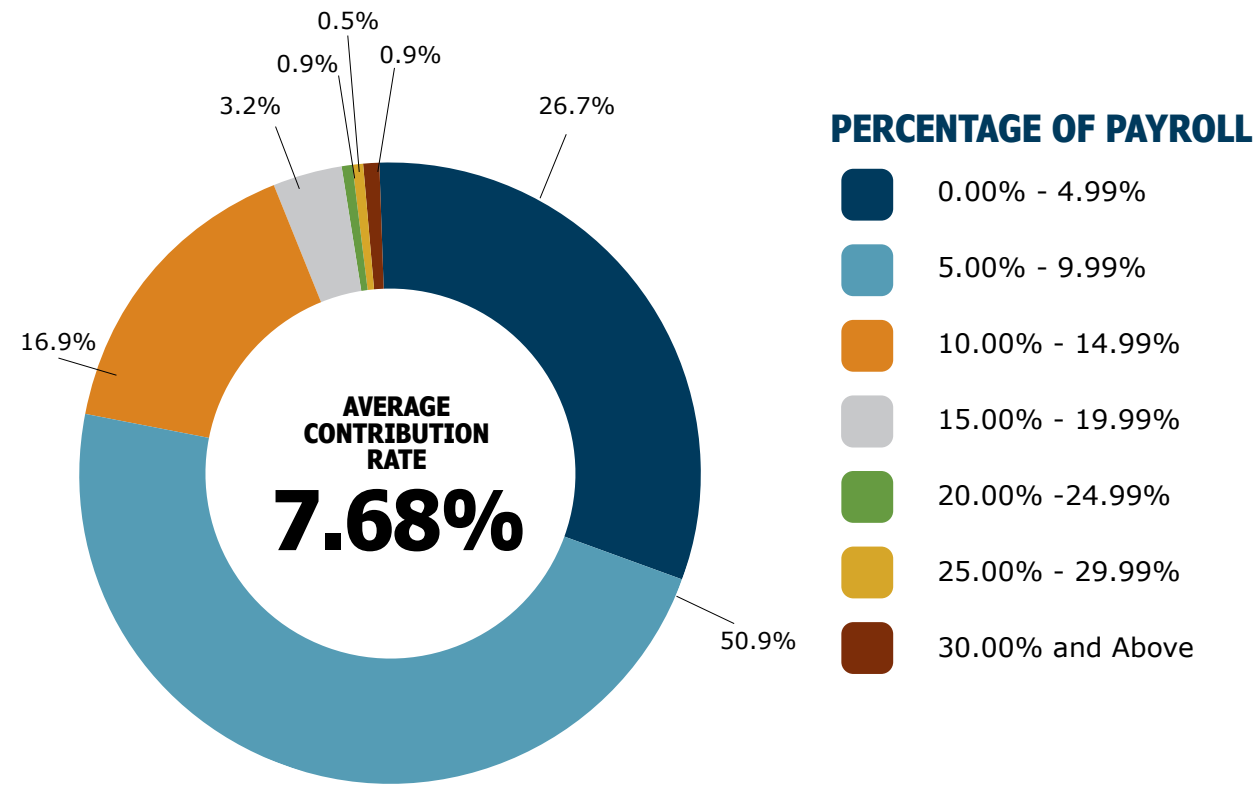
Expressed as a percentage of payroll

Percentage of Payroll	Percent of Employers	Regular Plan	SLEP Plan	ECO Plan	Total*
0.00% - 4.99%	26.7%	884	18	11	913
5.00% - 9.99%	50.9%	1,707	30	2	1,739
10.00% - 14.99%	16.9%	401	135	41	577
15.00% - 19.99%	3.2%	86	24	-	110
20.00% -24.99%	0.9%	20	10	-	30
25.00% - 29.99%	0.5%	10	5	1	16
30.00% and Above	0.9%	16	3	12	31
	100.0%	3,124	225	67	3,416

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

2026 Annual Contribution Rates

2026 PROPOSED BUDGET



2026 BUDGET TIMELINE

2026 administrative expenses, direct investment expenses, and capital budget schedule.

8/01/2025	Finance department presents Budget workshops for IMRF staff.
8/15/2025	Initial staffing requests and 2026 Budget assumptions finalized by Executive Director.
9/9/2025	Identification of 2025 projects to budget again in 2026. Updated justification and support due to the Finance department.
9/16/2025	2026 Budget submittals due to the Finance department..
9/17/2025 to 10/4/2025	Finance department reviews budget submittals with respective department leaders.
10/7/2025 to 10/11/2025	Executive Director reviews department proposed 2026 Projects and budgets overall budget with comparisons to prior year actual amounts, current year estimates and prior year budget.
10/7/2025 to 10/17/2025	The Finance and Communication departments prepare the 2026 Budget document.
10/20/2025 to 10/24/2025	Final review of proposed 2026 projects and Budget by Directors.
11/13/2025	Distribution of proposed 2026 Projects and Budget to Board of Trustees.
11/21/2025	Presentation of Compensation Report and Health Insurance Report to the Board of Trustees.
11/21/2025	Presentation of 2026 Projects and Budget to the Board of Trustees.

2026 PROPOSED BUDGET

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 3,062 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 67% 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 2026 will be \$129,192.26, and in 2025 it was \$127,283.01. 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 (66-2/3% for Tier 2) of the member’s pension.

For ECO members, a surviving spouse’s monthly pension is 66-2/3% 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 66-2/3% 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

	2019 to 2026 Active Headcount									
Department	2019	2020	2021	2022	2023	2024	2025*	Vacancies 2025	2026 Adopted	
Administration	2	2	2	2	2	2	2	-	2	
Benefits	17	20	20	14	19	24	18	9	27	
Communications	9	9	9	9	8	8	9	-	9	
Customer Service	1	1	1	1	1	1	1	-	1	
Disability	14	13	13	11	11	11	11	-	11	
Employer Services	12	11	8	23	21	23	23	-	23	
Finance	26	27	25	19	20	21	22	1	23	
Human Resources	4	5	5	5	4	5	5	-	5	
Information Services	42	44	44	44	43	43	47	2	49	
Internal Audit	8	8	4	3	3	4	4	-	4	
Investments	14	14	12	13	14	14	13	1	16**	
Investments IEM	3	3	3	3	3	3	3	1	4	
Legal	9	8	13	12	13	13	15	0	15	
Member Services	30	31	30	28	30	37	40	7	47	
Office Services	18	18	18	17	18	17	17	-	17	
Organizational Excellence	2	3	3	2	2	2	4	-	4	
Total Head Count	211	217	210	206	212	228	234	21	257	
Vacant Positions	12	6	13	17	11	8	21			
Approved Headcount	223	223	223	223	223	236	255			

*In August 2025, 14 additional positions were approved. 8 in Member Services, 4 in Information Services and 2 in Finance
**Includes 2 additional positions adopted in 2026.

FUNDED STATUS AND FUNDING PROGRESS

As of December 31, 2024, the most recent actuarial valuation date, the plan on an aggregate basis was 95.8% funded on an actuarial basis. The actuarial accrued liability for benefits was \$57.6 billion, and the actuarial value of assets was \$55.2 billion, resulting in an unfunded actuarial accrued liability (UAAL) of \$2.4 billion. The covered payroll (annual payroll of active employees covered by the plan) was \$9.7 billion, and the ratio of the UAAL to the covered payroll was 24.6%.

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, 2024
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, 17 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 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021 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-2021. 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-2021.

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
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
2024	57,595,914,539	55,198,764,752	95.8	2,397,149,787	9,749,063,986	24.6

*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
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
2024	5,092,383,602	710,714,255	7.29	584,525,889	642,874	6,388,266,620
Deductions						
Calendar Year	Benefits	Refunds	Administrative Expenses	Total Deductions	Change in Fiduciary Net Position	
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	
2024	3,121,576,031	55,547,076	56,885,394	3,234,008,501	3,154,258,119	

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, expenditures, and budget variances used to assess IMRF’s funding.

BUDGET COMPONENTS

- 44 Budget Process - General Guidelines from the Chief Financial Officer
- 48 Long-Term Financial Plan
- 49 Revenue Projections
- 51 2026 Adopted Expenditures
- 52 Additions to Fund Balances
- 54 2026 Adopted Capital Additions
- 54 2026 Capital Purchases
- 57 Long-term Capital Plan (Five years)
- 58 Analysis of 2026 Budget to 2025 Estimated Actual Variances
- 59 Analysis of 2026 Budget to 2025 Budget Variances

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 21, 2025

Re: 2026 Budget Guidelines and Additional Information

General Guidelines for 2026 budget process

As we prepare for the 2026 IMRF Budget, the two priorities are the move to 800 Commerce and the upgrade to 1.1.b for Horizon. The move to 800 Commerce has a separate construction and furniture budget. The other priority includes software and the ability to upgrade and prepare for version 1.1b during 2026. These both necessitate 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 1.1b of the Horizon Modernization Project as well as IMRF’s 2026-2028 Strategic Plan including 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 2026. 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 16, 2025. Please remember to budget for office furniture, supplies, and computer equipment needs for all new additions to the total head count. The headcount for IMRF 2026 budget is currently set at 249 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 \$1.13).

Projects

Pending Projects from 2025 Budget
Projects intended for the 2025 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 2026 budget request.

Carry-Forward Projects from 2025
If a 2025 project is necessary to carry forward, you should include updated amounts needed to complete the project in your 2026 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 2026. The justification includes filling out the appropriate forms and going through the approval process.

New Projects for 2026
Identify, prioritize, and develop incremental cost estimates for new projects for 2026 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 wait until after the implementation of Horizon. The Organizational Excellence Officer will assist you with the necessary Project forms to be included in the project evaluation process.

Additional Information from Finance

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

2026 Budget Timeline

Lists the budget deadlines for 2026.

2026 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, Sharon Brown and Jim Splitt in Finance. New general ledger accounts will be added as needed and budgeted by Finance.

Proposed 2026 Project Budget Worksheets

Use the provided worksheets to identify incremental costs anticipated in 2025, in connection with proposed 2026 projects.

Department Budget Worksheets

These worksheets include your actual expenses for the 12 months ending June 30, 2025, broken out between the last six months of 2024 and the first six months of 2024, and the 2025 budgeted amount for each general ledger account as comparison.

List of 2025 Capital Expenditures

This also includes internally developed software budgeted and purchased through June 30, 2025. For the items not yet purchased, please indicate the estimated date of purchase and an updated estimated cost if applicable within the form. Please also indicate if the item will not be purchased in 2025. For internally developed software, please update the estimated remaining costs to be incurred in 2025 and the estimated in-service date. Capital expenditures for 2026 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, 2024, and for the six months ended June 30, 2025.

You can also use the Doc-link Smart Client to look up 2024 and 2025 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.

2026 Budget Tips

Use these tips when completing your department budget:

- For capital (including subscription software), expendable equipment, or 2026 project requests, fill out a 2026 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 2025 and your proposed 2026 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 2026 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 2026 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 16, 2025 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 2026 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 2026, 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 (\$60.00 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 \$30.00 per person for the 2026 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).**

2026 Horizon Version 1.1b Project Budget

Budgeting for Horizon version 1.1b needs to be included in the 2026 submittals. While other 2026 projects will be budgeted based on incremental costs, the Horizon 1.1b 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 2026 Horizon 1.1b 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, Mark Fink, Geenu Kunnengode, Mark Nannini, or Jim Splitt.

LONG-TERM FINANCIAL PLAN

IMRF’s long-term financial planning begins with its mission statement, vision, values, and strategic plan. These combine into a cohesive overarching commitment throughout the organization to align resources with the services provided. This alignment is a crucial component of the annual budgeting process. The planning process involves evaluating current practices, service levels, and projected growth in the future. This involves annually reviewing and updating our asset allocation, funding policy, and actuarial assumptions. Through this comprehensive approach, the annual budget process, including long-range financial planning, reaffirms IMRF’s commitment to fiscal responsibility and long-term financial health, offering confidence to IMRF’s members, employers and retirees.

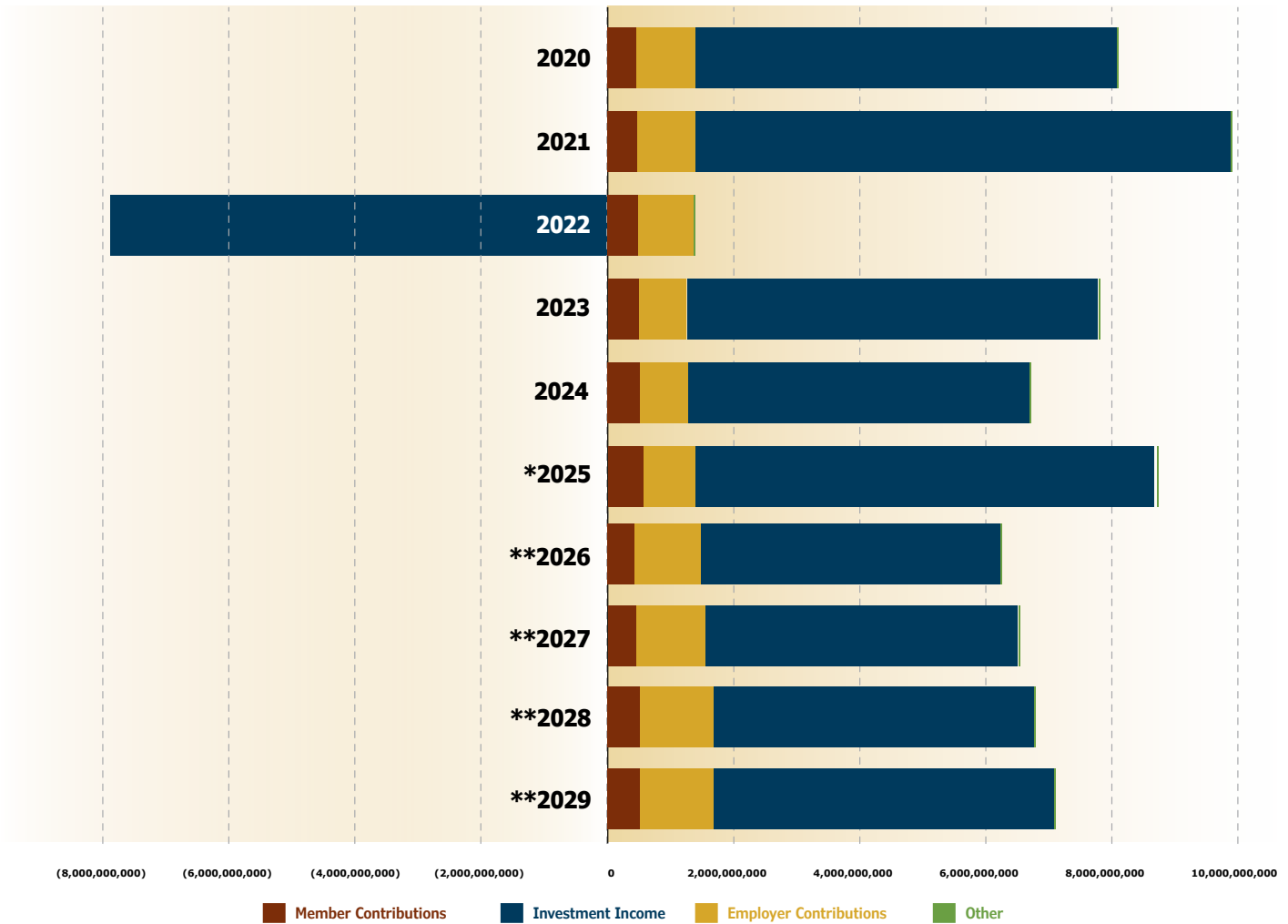
To support this process, a multi-year financial revenue and expenditure projection report is completed and presented to the Board of Trustees annually. This report is designed to ensure that revenues are sufficient to support ongoing operations, fulfill all current and future retirement obligations in the most cost-effective way for our members and employers, and achieve IMRF’s strategic objectives.

The charts and information on pages 49, 50, and 52–53 summarizes our long-term financial projections.

REVENUE PROJECTIONS

Year	Member Contributions	Employer Contributions	Investment Income	Other	Total
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	6,584,720,608	148,792	7,778,612,281
2024	584,525,889	710,714,255	5,340,035,013	642,874	6,635,918,031
2025 *	614,986,585	772,963,783	7,290,619,985	100,000	8,678,670,353
2026 **	651,644,431	831,620,985	4,714,385,202	100,000	6,197,750,618
2027 **	693,269,248	880,475,693	4,894,264,235	100,000	6,468,109,176
2028 **	736,192,916	924,701,304	5,086,878,932	100,000	6,747,873,152
2029 **	778,464,893	965,299,079	5,293,181,269	100,000	7,037,045,241

* 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. Year 2024 investment returns resulted in a gain of \$5.1 billion or 9.2%. Looking at it from a long-term perspective of 3, 5, and 10 years, the rates of return are 2.5%, 7.6%, and 7.5%, respectively. The 2024 investment gain represented a positive 79.7% of the plan additions for the year. Plan additions include investment returns, as well as member and employer contributions for the year. In the past five years 2020 through 2024, investment income/losses represented the following percentage of additions/subtractions to fiduciary net position:

Year	Percentage of Additions
2024	79.7%
2023	84.2
2022	(120.0)
2021	85.4
2020	83.0

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 27 professional investment management firms handling 39 mandates. 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. The private markets portfolio is invested with 96 investment firms across 279 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.

Our Internal Equity Management team of three staff managed approximately \$7.1 billion in assets as of December 31, 2024.

The Board employs an Investment Consultant to assist staff in the development and evaluation of IMRF’s strategic asset allocation, asset liability modeling study, and investment policy statements. The Investment Consultant also assists with the selection of investment management firms and in the monitoring and evaluation of investment manager performance. The Board of Trustees selected Wilshire Associates as the investment consultant in January 2025; that contract continues through 2029.

Other Income

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

2026 ADOPTED EXPENDITURES

Summary by Department

	Actual		Budget	Estimated	Adopted	2026 Adopted as a % Change Over 2025	
	2023	2024	2025*	2025	2026	Budget	Estimate
Capital Additions	\$ 10,573,766	\$ 73,133,139	\$ 8,622,675	\$ 20,215,363.00	\$ 7,108,241	(17.6)%	(64.8)%
Administrative Expenses							
Administration	454,665	477,925	485,875	473,025	507,164	4.4	7.2
Benefits	1,139,270	1,702,108	1,776,029	1,984,785	1,964,948	10.6	(1.0)
Board of Trustees	134,161	121,893	449,465	445,775	217,217	(51.7)	(51.3)
Communications	1,074,086	894,811	1,162,069	1,092,613	1,224,284	5.4	12.1
Customer Service	64,286	185,253	249,505	211,683	261,808	4.9	23.7
Disability	897,873	851,171	991,098	971,268	1,030,468	4.0	6.1
Employer Services	1,667,143	1,986,254	1,890,323	2,193,609	2,130,386	12.7	(2.9)
Finance	5,707,139	18,457,697	13,478,807	13,735,534	15,097,910	12.0	9.9
Human Resources	3,435,643	3,862,450	4,567,109	4,372,560	5,483,864	20.1	25.4
Information Services	8,481,358	16,102,853	16,774,525	15,285,007	18,485,206	10.2	20.9
Internal Audit	412,892	518,169	650,534	546,379	614,214	(5.6)	12.4
Investments	2,103,483	2,258,157	2,372,972	2,505,207	2,853,243	20.2	13.9
Investments - IMP	891,922	1,026,834	1,139,088	991,820	1,122,144	(1.5)	13.1
Legal	3,268,282	3,701,126	4,382,438	4,067,785	4,012,729	(8.4)	(1.4)
Member Services	2,106,453	2,703,855	2,925,543	3,288,781	3,809,934	30.2	15.8
Office Services	2,861,130	2,730,489	3,128,564	2,766,924	2,854,201	(8.8)	3.2
Organizational Excellence	303,455	331,183	784,677	619,520	765,725	(2.4)	23.6
Total Administrative Expenses	35,003,241	57,912,228	57,208,621	55,552,275	62,435,445	9.1	12.4
Direct Investment Expenses							
Investments	212,795,622	229,847,986	212,360,896	214,730,565	228,511,505	7.6	6.4
Investments IEM Internal Management	1,724,415	2,035,238	2,462,850	2,455,458	2,520,176	2.3	2.6
Total Direct Investment Expenses	214,520,037	231,883,224	214,823,746	217,186,023	231,031,681	7.5	6.4
Total	\$260,097,044	\$362,928,591	\$280,655,042	\$292,953,661	\$300,575,367	7.1%	2.6%

*Amended on August 29, 2025

ADDITIONS TO FUND BALANCES

	2023 Actual	2024 Actual	2025 Budget
Revenues			
Contributions			
Member Contributions	\$ 540,661,005	\$ 584,525,889	\$ 601,269,606
Employer Contributions	653,081,876	710,714,255	749,579,966
Total Contributions	1,193,742,881	1,295,240,144	1,350,849,572
Investment Income			
Investment Income	6,571,435,846	5,325,293,660	4,414,381,497
Less: Direct Investment Expense	(215,411,959)	(232,910,058)	(214,823,746)
Net Investment Income	6,356,023,887	5,092,383,602	4,199,557,751
Miscellaneous Income	148,792	642,874	50,000
Total Additions	7,549,915,560	6,388,266,620	5,550,457,323
Expenses			
Benefits (Paid)	3,074,349,009	3,177,123,107	3,490,256,732
Administrative Expenses	34,111,319	56,885,394	56,961,575
Total Expenses	3,108,460,328	3,234,008,501	3,547,218,307
Net Increase	4,441,455,232	3,154,258,119	2,003,239,016
Net Position Restricted for Pensions Beginning of the Year	48,190,804,495	52,632,259,727	55,786,517,846
Net Position Restricted for Pensions End of the Year	\$52,632,259,727	\$55,786,517,846	\$57,789,756,862

2026 PROPOSED BUDGET

2025 Estimate	2026 Budget	2027 Projected	2028 Projected	2029 Projected
Revenues				
Contributions				
\$ 614,986,585	\$ 651,644,431	\$ 693,269,248	\$ 736,192,916	\$ 778,464,893
772,963,783	831,620,985	880,475,693	924,701,304	965,299,079
1,387,950,368	1,483,265,416	1,573,744,941	1,660,894,220	1,743,763,972
7,290,619,985	4,714,385,202	4,894,264,235	5,086,878,932	5,293,181,269
(217,186,023)	(231,031,681)	(243,000,000)	(255,000,000)	(267,000,000)
7,073,433,962	4,483,353,521	4,651,264,235	4,831,878,932	5,026,181,269
100,000	100,000	100,000	100,000	100,000
8,461,484,330	5,966,718,937	6,225,109,176	6,492,873,152	6,770,045,241
Expenses				
3,357,909,959	3,583,278,711	3,798,000,000	4,026,000,000	4,268,000,000
55,552,275	62,420,445	66,000,000	70,000,000	75,000,000
3,413,462,234	3,645,699,156	3,864,000,000	4,096,000,000	4,343,000,000
5,048,022,096	2,321,019,781	2,361,109,176	2,396,873,152	2,427,045,241
55,786,517,846	60,834,539,942	63,155,559,723	65,516,668,899	67,913,542,051
\$60,834,539,942	\$63,155,559,723	\$65,516,668,899	\$67,913,542,051	\$70,340,587,292

2026 PROPOSED BUDGET

2026 ADOPTED CAPITAL ADDITIONS

	Actual		Budget	Estimated	Adopted	2026 Adopted as a % Change Over 2025	
	2023	2024	2025	2025	2026	Budget	Estimate
Capital Purchases	\$ 7,038,358	\$ 5,951,996	\$ 6,752,127	\$ 20,215,363	\$ 7,108,241	5.3%	(64.8%)
Internally Generated Computer Software	3,535,408	451,961	1,870,548	-	-	(100.0%)	0.0%
Total Capital Budget	\$10,573,766	\$6,403,957	\$8,622,675	\$20,215,363	\$7,108,241	(17.6%)	(64.8%)

Capital Purchases	
Horizon 1.1b	\$ 3,090,156
SQL Server Host Licences	950,000
Sitecore Upgrade	800,000
RingCX Telephone Service	710,000
800 Commerce Generator and UPS	450,000
Dell RecoverPoint	400,000
Telephony Migration and Upgrade	245,653
Dell MX7000 Chassis (2)	200,000
Disaster Recovery Load Balancers (2)	76,000
800 Commerce Exterior Sign	75,000
Disaster Recovery Core Switch Replacements (3)	70,000
Digital Color Copiers (4)	28,000
Springfield UPS Bypass Switch	6,800
Mailcenter Folding Machine	6,632
Total Capital Budget	\$ 7,108,241

2026 CAPITAL PURCHASES

Horizon 1.1b

Horizon 1.0 was implemented in March 2024 and Horizon 1.1a will be implemented in November 2025. Horizon is the key strategic opportunity at IMRF. During 2026, the last phase of the project, Horizon 1.1b will be worked on with an expected completion in early 2027. This phase will include planned enhancements and new functionality.

Estimated 2026 costs	\$ 3,090,156
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SQL Server Host Licenses

As our organization continues to grow, we are doubling the number of server blades that can run Microsoft Windows Server Query Language (SQL) Server. To support this expansion and ensure our technology infrastructure keeps pace with increased demand, we need to deploy additional server capacity. This request is for the purchase of the necessary licenses so IMRF can continue scaling effectively and supporting business growth.

Estimated purchase price	\$ 950,000
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SiteCore Upgrade

Sitecore is the content management system (CMS) used to create, manage, and deliver content for both IMRF’s intranet and public website. It serves as the backbone of the Communications team’s digital operations. IMRF’s current version of Sitecore is outdated and requires significant upgrades to address cybersecurity risks and ongoing support concerns. In addition, IMRF websites must be modernized to improve compliance with the Americans with Disabilities Act (ADA) and to provide a more user-friendly experience across mobile devices.

Estimated purchase price	\$ 800,000
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RingCX Telephone Service

IMRF is currently conducting a proof of concept (POC) to determine if the cloud telephony service, RingCX, is a viable replacement for the on-premises telephony system currently in place. The major part of this POC is the cloud service’s possible integration with the Horizon Pension Administration system. If testing proves successful in late 2025 utilizing the Horizon development environment, then IMRF will pursue the promotion of this service to three other Horizon environments (UAT, MNT, and PRD). A request for proposal (RFP) will be released to seek professional services from a third party telecommunications vendor to complete this effort in other environments.

Estimated purchase price	\$ 710,000
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800 Commerce Generator and UPS

The Workspace Improvement Project build-out budget includes a backup generator. Due to manufacturer delays, the delivery of the permanent backup generator is not expected until spring 2026. The vendor has provided a temporary generator of equivalent capacity that will allow IMRF to move into 800 Commerce on schedule. Final billing for the generator will not occur until the permanent equipment is delivered and installed. Therefore, the 2025 project budget funds for the generator must be carried over into the 2026 budget.

Estimated purchase price	\$ 450,000
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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. This was originally budgeted in 2025; however, due to other higher priority business needs, the Information Services (IS) team was unable to conduct a POC to validate if this product would fit our needs better before releasing a RFP to purchase.

Estimated purchase price	\$ 400,000
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Telephony Migration and Upgrade

Several production telephony components are currently running on outdated Avaya Linux and Windows Server 2016 servers. Windows Server 2016 reaches end of life on January 12, 2027. Both of these system types require upgrades and migrations for risk mitigation purposes while IMRF works on testing and implementing new solutions that meet future business needs. Without the upgrades, the systems are at risk to not receive security updates or manufacturer support.

A migration of an Avaya LSP (Local Survivable Processor) or AVP (Appliance Virtualization Platform) license to a new Red Hat Enterprise Linux (RHEL)-based system is not a direct transfer, but a “rehost” process. You cannot simply copy the license from one server to another. You must first release the license from the old system and then activate it on the new one via the Avaya Product Licensing and Delivery System (PLDS). This is a complex procedure that should be performed carefully to avoid service outages and was approved by the August 2025 IMRF Board of Trustees.

Estimated purchase price	\$ 245,653
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Dell MX7000 Chassis (2)

In order to sustain our operations and continue meeting IMRF’s growing demands, it is essential that we expand our computing capacity. The Dell MX7000 Chassis line is approaching the end of its manufacturing and sales cycles, which creates risk in terms of the possible incompatibility of purchasing another line fitting within the existing racks. By acting proactively, we avoid the challenges and inefficiencies that often arise when equipment reaches end of life. Expanding capacity now not only ensures business continuity but also positions us to scale effectively for the next several years.

This purchase will provide the flexibility to support new applications, evolving workloads, and future business initiatives, while maintaining reliability, security, and performance. Ultimately, this strategy will protect our technology investments, minimize operational risks, and ensure we remain well-prepared for both current and future computing demands.

Estimated purchase price	\$ 200,000
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Disaster Recovery Load Balancers (2)

Two F5 load balancers for our Disaster Recovery (DR) site will be reaching the hardware product end of software support (EOSS) on January 27, 2027. They are used to distribute incoming traffic across multiple servers to enhance application availability, performance, and reliability and must be replaced in order for IMRF to continue receiving support and updates for the DR environment.

Estimated purchase price	\$ 76,000
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800 Commerce Exterior Sign

The Workspace Improvement Project build-out budget does not include a building mounted exterior sign. The Workspace Improvement Project calls for IMRF to reside at 800 Commerce and capture member feedback in 2026 to determine what signage is necessary for member wayfinding and brand recognition. Deferring this cost beyond the closeout of the underlying project will allow IMRF to make a better informed decision.

Estimated purchase price	\$ 75,000
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Disaster Recovery Core Switch Replacements (3)

The existing Cisco Catalyst 3850 switches at our DR site will reach end of life on October 31, 2025 and April 30, 2027. These switches must be replaced in order for IMRF to reduce the risk of not receiving security updates and Cisco support should the equipment fail at any point. IMRF is planning on replacing them with three Cisco Catalyst 9300 or equivalent switches with three year’s of Smartnet support for each in 2026.

Estimated purchase price	\$ 70,000
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Digital Color Copiers (4)

We are looking to replace 2 of our older model, black and white copiers with new models that have a color print option. The normal life expectancy on these models are 5-8 years and we are already at year 7 for these machines.

We are also looking to add 2 additional printers throughout the office due to the new layout. One will be placed near HR and the other in reception. When members come in with documents, this will help the employees make copies on demand instead of leaving the reception.

Estimated purchase price	\$ 28,000
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Springfield UPS Bypass Switch

This capital budget request is for an APCauthorized Electrical Contractor (APC) to install a bypass switch on the Springfield Uninterruptible Power Supply (UPS). Currently, if the UPS is powered down, then all network and telecommunication services at our Springfield office would become unavailable. With the bypass switch, the UPS can be taken out of the power picture should it fail during business hours. This way equipment can continue to remain powered on and it would also facilitate scheduled maintenance during business hours.

Estimated purchase price	\$ 6,800
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Mail Center Color Copier

This request is to replace a tabletop folding machine in the Mail Center. The current machine was purchased in 2017 and has exceeded its estimated useful life. We no longer have maintenance on this machine and has stopped working. The life of these machines is typically 5-7 years.

Estimated purchase price	\$ 6,632
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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
2027	Hypervisor Replacement	Information Services	\$ 900,000
	DR MX7000 Chassis Replacements	Information Services	750,000
	General Ledger Upgrade	Finance	250,000
	Vehicle (1)	Administration	30,000
2028	Dell MX7000 Chassis 05 and 06 Replacement	Information Services	600,000
	Palo Alto M-600 Replacement	Information Services	200,000
2029	Palo Alto Firewall Replacements	Information Services	2,000,000
2030	Dell MX7000 Chassis 07 and 08 Replacement	Information Services	650,000
	LogRhythm Replacement	Information Services	400,000
2031	Dell MX7000 Chassis 09 & 10 Replacement	Information Services	675,000
Total 5 Year Capital Plan			\$ 6,455,000

ANALYSIS OF 2026 BUDGET TO 2025 ESTIMATED ACTUAL VARIANCES

	Percentage Change	
2026 Budget	\$ 62,435,445	
2025 Estimated Actual	55,552,275	
Increase	\$ 6,883,170	12.4%

Expense Variations by Major Expense Category

Percent of Total Budget		Increase (Decrease)	% Change
44.6%	Salaries The increase in the 2026 budget versus the estimated 2025 reflects the impact of the 2026 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 \$2,651 thousand. Two new positions will add \$221 thousand, accrued absences will add an additional \$146 thousand. These increases are offset by a \$582 thousand decrease in overtime and a \$213 thousand decrease in temporary services.	\$ 2,222,371	8.7%
15.4%	Fringe Benefits The majority of the increase in the 2026 budget versus the 2025 estimated actual is due to an increases of \$833 thousand, \$310 thousand, and \$212 thousand in health and dental insurance, IMRF employer contributions, and employer payroll taxes, respectively.	1,405,662	17.1%
1.9%	Personnel Costs - Indirect The majority of this increase, \$325 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 \$121 thousand increase in conferences when comparing to the 2025 estimated. Additionally there is a \$32 increase in recruitment costs.	536,164	82.6%
8.4%	Consulting Services The increase in the 2025 budget versus the 2024 estimated is being driven by a \$667 thousand increase in Horizon consulting services, \$90 thousand in actuarial costs, \$30 thousand in IS risk assessment audit fees, \$11 thousand increase in legal expenses, and \$18 thousand in medical consulting and investigations.	765,935	17.1%
2.7%	Facility Expenses The majority of the decrease in this area, \$107 thousand and 99 thousand respectively, is related to decreases in building maintenance and electricity costs with the move to the new building. These are offset by increases of \$44 thousand in telephone costs and \$22 in disaster recovery expenses.	(140,854)	(7.8)%
3.9%	Commodities & Services The major increase in this area is due to postage, legal fees, and office supplies \$158 thousand, \$133 thousand, and \$128 thousand respectively.	462,013	23.7%
22.3%	Equipment The majority of the increase here is due to increases of \$903 thousand in software subscriptions,\$764 thousand in software maintenance, \$484 thousand in depreciation, \$199 in equipment maintenance, and \$62 thousand expendable equipment. This is offset by \$529 thousand decrease in building lease.	1,878,554	15.6%
0.8%	Miscellaneous The majority of the decrease in this area relates to trustee election costs of \$240 thousand.	(246,675)	(32.2)%
100%		\$6,883,170	12.4%

2026 PROPOSED BUDGET

ANALYSIS OF 2026 BUDGET TO 2025 BUDGET VARIANCES

	Percentage Change	
2026 Budget	\$ 62,435,445	
2025 Budget	57,208,621	
Increase	\$ 5,226,824	9.1%

Expense Variations by Major Expense Category

Percent of Total Budget		Increase (Decrease)	% Change
44.6%	Salaries The increase in the 2026 budget versus the 2025 budget is due to the impact of the 2026 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 \$2,115 thousand. New positions add an additional \$221 thousand, accrued compensation adds \$80 thousand, and temporary staff services adds \$33 tousand. Also adding to the increase is a decrease/(increase) in GASB Statement no. 51 capitalized salaries for of the Horizon Project of \$(1,434) thousand.	\$3,884,942	16.2%
15.4%	Fringe Benefits The increase in the 2026 budget versus the 2025 budget is being driven by a \$695 thousand increase in health and dental insurance, \$391 thousand increase in IMRF employer contributions, and a \$194 thousand increase for payroll taxes based on the increase in compensation as explained above. This is also being increased by an decrease/(increase) in capitalized fringe benefits \$(436) thousand per GASB Statement No. 51.	1,714,469	21.7%
1.9%	Personnel Costs - Indirect The 2026 budget contains a \$118 thousand decrease in travel and training. This is offset by an increase in conferences of \$17 thousand and recruitment costs of \$10 thousand.	(96,850)	(7.6)%
8.4%	Consulting Services This increase in the 2026 budget versus the 2025 budget is being driven by a \$393 thousand increase for IS consulting expenses. This is offset by decreases in actuary services of \$92 thousand, audit services of \$59 thousand, and compensation surveys of \$81 thousand.	165,097	3.2%
2.7%	Facility Expenses The decrease in this category is related to the following: a \$115 thousand in telephone expenses, \$100 thousand in electrical, and \$72 in building maintenance costs. This is offset by a increase to disaster recovery site fees of \$18 thousand.	(324,558)	(16.4)%
3.9%	Commodities & Services The major decreases in this area is related to professional services of \$148 thousand and postage of \$100 thousand. This is offset by increases in forms and informationsal materials of \$31 thousand and supplies of \$6 thousand.	(205,902)	(7.9)%
22.3%	Equipment The majority of the increases here is due to a \$753 thousand increase in software maintenance, \$562 thousand in depreciation, and \$201 thousand due to the ongoing transtion of business software to cloud based subscriptions. These are offset by decreases of \$529 thousand, \$373 thousand, and \$272 thousand in building lease costs, equipment maintenance, and expendable equipment, respectfully.	336,071	2.5%
0.8%	Miscellaneous This decrease is due to a \$240 thousand decrease in trustee election costs and \$12 thousand in insurance expenses	(246,445)	(32.2)%
100.0%		\$5,226,824	9.1%

2026 PROPOSED BUDGET

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

61

Condensed 2026 Budget Comparison

62

Board of Trustees

63

Administration Department

64

Benefits Department

66

Communications Department

68

Customer Service Department

70

Disability Department

72

Employer Services Department

74

Finance Department

76

Human Resources Department

78

Information Services Department

81

Internal Audit Department

83

Investments Department

86

Legal Department

88

Member Services Department

90

Office Services Department

92

Organizational Excellence Department

94

2026 IMRF Budget – Summary by Account

CONDENSED 2026 BUDGET COMPARISON

The table below provides a synopsis of the 2026 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 2025 budget and 2025 estimated amounts are also provided.

2026 Budget Summary by Department

	2025 Budget	2025* Budget	2025 Estimated	2026 Budget	2026 Budget Increase/ (Decrease) over 2025 Amended Budget	Percent	2026 Budget Increase/ (Decrease) over 2025 Estimate	Percent
Administrative Expense								
Administration	\$485,875	\$485,875	\$473,025	\$507,164	\$21,289	4.4%	\$34,139	7.2%
Benefits	1,776,029	1,776,029	1,984,785	1,964,948	188,919	10.6	(19,837)	(1.0)
Board of Trustees	449,465	449,465	445,775	217,217	(232,248)	(51.7)	(228,558)	(51.3)
Communications	1,162,069	1,162,069	1,092,613	1,224,284	62,215	5.4	131,671	12.1
Customer Service	249,505	249,505	211,683	261,808	12,303	4.9	50,125	23.7
Disability	991,098	991,098	971,268	1,030,468	39,370	4.0	59,200	6.1
Employer Services	1,890,323	1,890,323	2,193,609	2,130,386	240,063	12.7	(63,223)	(2.9)
Finance	13,441,057	13,478,807	13,735,534	15,097,910	1,619,103	12.0	1,362,376	9.9
Human Resources	4,567,109	4,567,109	4,372,560	5,483,864	916,755	20.1	1,111,304	25.4
Information Services	16,689,275	16,774,525	15,285,007	18,485,206	1,710,681	10.2	3,200,199	20.9
Internal Audit	650,534	650,534	546,379	614,214	(36,320)	(5.6)	67,835	12.4
Investments	2,372,972	2,372,972	2,505,207	2,853,243	480,271	20.2	348,036	13.9
Investments - Internally Managed Portfolio (IMP)	1,139,088	1,139,088	991,820	1,122,144	(16,944)	(1.5)	130,324	13.1
Legal	4,382,438	4,382,438	4,067,785	4,012,729	(369,709)	(8.4)	(55,056)	(1.4)
Member Services	2,801,497	2,925,543	3,288,781	3,809,934	884,391	30.2	521,153	15.8
Office Services	3,128,564	3,128,564	2,766,924	2,854,201	(274,363)	(8.8)	87,277	3.2
Organizational Excellence	784,677	784,677	619,520	765,725	(18,952)	(2.4)	146,205	23.6
Sub-total	56,961,575	57,208,621	55,552,275	62,435,445	5,226,824	9.1	6,883,170	12.4
Direct Investment Expense								
Investments	212,360,896	212,360,896	214,730,565	228,511,505	16,150,609	7.6%	13,780,940	6.4%
Investments - Internally Managed Portfolio (IMP)	2,462,850	2,462,850	2,455,458	2,520,176	57,326	2.3%	64,718	2.6%
Sub-total	214,823,746	214,823,746	217,186,023	231,031,681	16,207,935	7.5%	13,845,658	6.4%
Total	\$271,785,321	\$272,032,367	\$272,738,298	\$293,467,126	\$21,434,759	7.9%	\$20,728,828	7.6%

*Amended on August 29, 2025

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 2025 Board of Trustees include:

Gwen Henry, President	Jason Isaac
Douglas Cycholl, Vice President	David Miller
William Stafford, Secretary	Peter Stefan
Natalie Copper	Brian Townsend

Board of Trustees – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Commodities & Services						
Publications & Dues	5535	\$ 2,978	\$ 2,666	\$ 5,000	\$ 4,850	\$ 5,250
Total Personnel Costs - Direct		2,978	2,666	5,000	4,850	5,250
Miscellaneous						
Trustee Employer Reimbursement	5580	47,074	60,296	65,000	65,000	68,250
Trustee Reimbursement & Education	5581	81,787	58,931	60,000	56,460	63,850
Trustee Elections	5582	2,322	-	319,465	319,465	79,867
Total Miscellaneous		131,183	119,227	444,465	440,925	211,967
Total Expenses		\$ 134,161	\$ 121,893	\$ 449,465	\$ 445,775	\$ 217,217
2026 Percent Change						(51.7)%

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 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$ 425,200	\$ 440,671	\$ 452,425	\$ 441,110	\$ 473,714
Total Personnel Costs - Direct		425,200	440,671	452,425	441,110	473,714
Personnel Costs - Indirect						
Travel & Training	5507	3,818	4,536	6,200	5,700	6,200
Conferences & Meetings	5517	530	5,574	4,750	4,725	4,750
Total Personnel Costs - Indirect		4,348	10,110	10,950	10,425	10,950
Commodities & Services						
Publications & Dues	5535	22,568	24,444	18,000	17,990	18,500
Other Services	5540	1,000	1,000	-	-	-
Total Commodities & Services		23,568	25,444	18,000	17,990	18,500
Equipment						
Auto Maintenance & Expenses	5576	1,550	1,700	4,500	3,500	4,000
Total Equipment		1,550	1,700	4,500	3,500	4,000
Total Expenses		\$454,666	\$477,925	\$485,875	\$473,025	\$507,164
2026 Percent Change						4.4%

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.

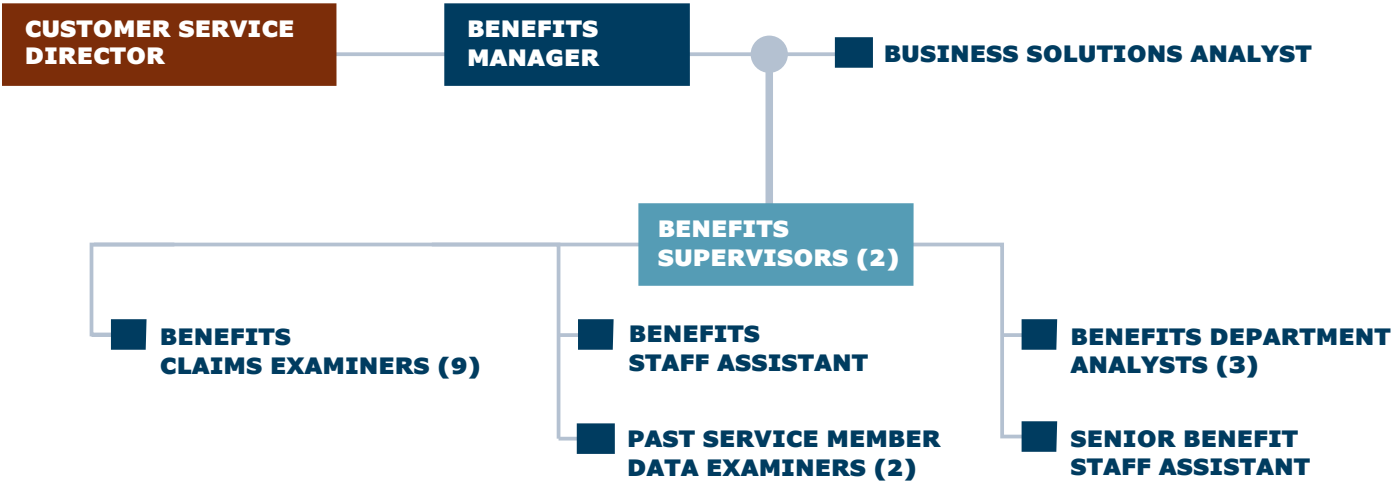
Key Result Area: Financial Health

- 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	2020	2021	2022	2023	2024	2025 YTD
Average processing time for all claim types (days)	31.1	19.8	20.9	22.6	NA	NA
Financial accuracy (M)	98.3%	99.2%	99.4%	87.3%	NA	NA
Financial accuracy (A)	99.0%	99.5%	99.4%	99.9%	NA	NA
Procedural accuracy (M)	96.5%	99.8%	98.0%	99.3%	NA	NA
Procedural accuracy (A)	97.4%	97.9%	97.9%	99.3%	NA	NA

M = Manual
A = Automated
**Statistics for the QA program in Horizon are under development.*

Benefits Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$ 1,137,977	\$ 1,595,109	\$ 1,765,454	\$ 1,868,235	\$ 1,855,328
Professional Services - Temps	5503	-	105,816	-	115,250	100,000
Total Personnel Costs - Direct		1,137,977	1,700,925	1,765,454	1,983,485	1,955,328
Personnel Costs - Indirect						
Travel & Training	1,293	1,183	4,300	1,300	4,620	4,300
Conferences & Meetings	-	-	6,275	-	5,000	6,275
Total Personnel Costs - Indirect		1,293	1,183	10,575	1,300	9,620
Total Expenses		\$ 1,139,270	\$ 1,702,108	\$ 1,776,029	\$ 1,984,785	\$ 1,964,948
2026 Percent Change						10.6%

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	2020	2021	2022	2023	2024	2025 YTD
Open rate for the Employer Digest e-newsletter	46.0%	44.3%	48.5%	54.0%	55.7%	54.7%

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

Key Result Area: Customer Engagement

Measures	2020	2021	2022	2023	2024	2025 YTD
Total page views at www.imrf.org	9,418,749	11,430,191	12,280,530	17,849,272	12,320,122	6,117,644

Key Result Area: Workforce Engagement

Measures	2020	2021	2022	2023	2024	2025 YTD
Staff intranet total page views	338,823	326,052	341,095	476,120	861,666	692,272
Open rate for the IMRF Update e-newsletter	80.0%	61.0%	45.0%	54.0%	72.7%	60.0%

Communications Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$ 716,511	\$ 749,857	\$ 810,799	\$ 875,419	\$ 933,767
Professional Services – Temps	5503	167,422	12,600	134,076	-	30,000
Total Personnel Costs - Direct		883,933	762,457	944,875	875,419	963,767
Personnel Costs - Indirect						
Travel and Training	5507	6,860	6,114	9,823	9,823	11,510
Conferences & Meetings	5517	2,075	4,372	18,596	18,596	19,400
Total Personnel Costs - Indirect		8,935	10,486	28,419	28,419	30,910
Public Relations Services						
Public Relations	5519	1,234	1,021	1,260	1,260	1,260
Total Public Relations Services		1,234	1,021	1,260	1,260	1,260
Commodities & Services						
Forms & Informational Materials	5532	149,101	81,686	145,800	145,800	182,147
Publications & Dues	5535	882	1,961	1,715	1,715	1,300
Professional Services – Other	5540	30,000	37,200	40,000	40,000	44,900
Total Commodities & Services		179,983	120,847	187,515	187,515	228,347
Total Expenses		\$1,074,085	\$894,811	\$1,162,069	\$1,092,613	\$1,224,284
2026 Percent Change						5.4%

2026 PROPOSED BUDGET

2026 PROPOSED BUDGET

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	2020	2021	2022	2023	2024	2025 YTD
Member Transaction Engagement (NPS)	Benchmark	82.27	82.89	87.14	76.99	-26.98	-22.79
Member Workshop Engagement (NPS)	Benchmark	89.00	83.87	92.85	90.38	78.00	N/A
Member Transaction Satisfaction	90%	96.99%	96.19%	97.31%	95.09%	48.54%	45.12%
Member Workshop Satisfaction	90%	97.09%	96.51%	99.61%	92.45%	94.10%	N/A
Member Transaction Customer Effort	90%	94.19%	92.73%	94.90%	82.85%	43.00%	41.00%
Member Workshop Customer Effort	90%	95.96%	95.51%	99.90%	91.51%	90.00%	N/A
Member Transaction Dissatisfaction	0%	1.68%	1.95%	1.40%	2.97%	45.50%	41.40%
Member Workshop Dissatisfaction	0%	1.64%	0.83%	0.10%	1.89%	3.00%	N/A
Cobalt Overall Percentile Rank	90th or Better	80	80	86	86	33	33
Employer Transaction Engagement (NPS)	Benchmark	79.80	81.36	80.65	78.77	21.53	14.44
Employer Workshop Engagement (NPS)	Benchmark	88.04	87.14	93.16	92.13	71.23	66.20
Employer Transaction Satisfaction	90%	94.48%	95.31%	96.03%	93.53%	67.56%	67.20%
Employer Workshop Satisfaction	90%	97.42%	97.24%	98.64%	97.87%	94.14%	98.70%
Employer Transaction Customer Effort	90%	89.90%	91.37%	92.20%	89.83%	62.63%	64.08%
Employer Workshop Customer Effort	90%	96.57%	94.50%	99.60%	96.81%	93.06%	93.51%
Employer Transaction Dissatisfaction	0%	1.21%	0.96%	0.83%	1.72%	21.92%	19.69%
Employer Workshop Dissatisfaction	0%	0.00%	0.92%	0.19%	0.00%	1.95%	0.00%

Customer Service Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$64,286	\$183,653	\$162,755	\$204,640	\$210,153
Total Personnel Costs - Direct		64,286	183,653	162,755	204,640	210,153
Personnel Costs - Indirect						
Travel & Training	5507	-	352	77,750	1,150	41,800
Conferences & Meetings	5517	-	387	8,500	5,140	9,100
Total Personnel Costs - Indirect		-	739	86,250	6,290	50,900
Commodities & Services						
Publications & Dues	5535	-	860	500	753	755
Total Commodities & Services		-	860	500	753	755
Total Expenses		\$64,286	\$185,252	\$249,505	\$211,683	\$261,808
2026 Percent Change						4.9%

DISABILITY DEPARTMENT

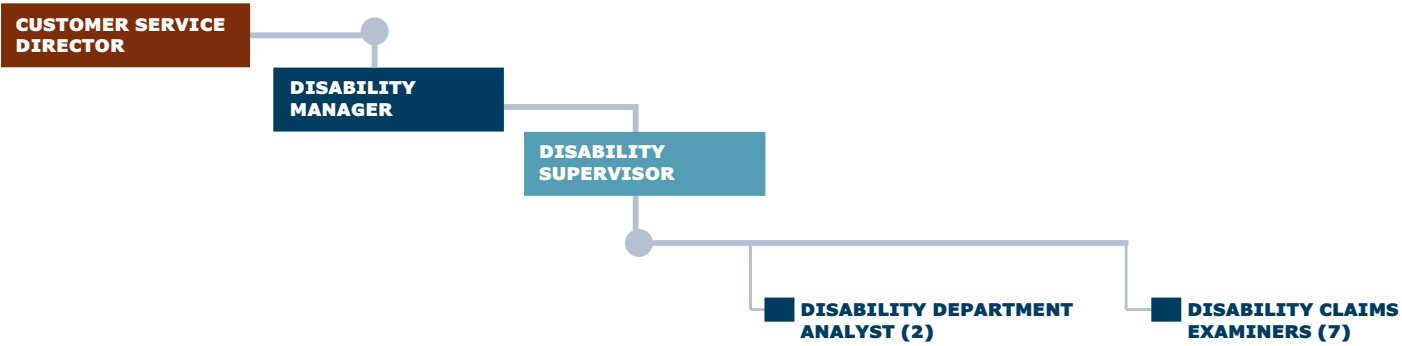
The Disability department is led by one manager and one supervisor. Two analysts assist in the day-to-day activities and 7 examiners to process claims. The department serves IMRF’s members and employers by providing information and services related to all aspects of disability application processing.

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	2020	2021	2022	2023	2024	2025 YTD
Average processing time for all claim types (days)	4.70	4.99	6.31	4.99	6.75	5.90
Financial accuracy (M)	99.0%	100.0%	100.0%	99.1%	99.3%	99.0%
Financial accuracy (A)	100.0%	98.6%	99.0%	100.0%	89.0%	92.1%
Procedural accuracy (M)	97.4%	100.0%	100.0%	97.9%	95.2%	96.3%
Procedural accuracy (A)	100.0%	95.6%	100.0%	100.0%	97.4%	98.1%

M = Manual
A = Automated

Disability Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$ 816,014	\$ 810,872	\$ 864,798	\$ 867,668	\$ 902,168
Total Personnel Costs - Direct		816,014	810,872	864,798	867,668	902,168
Personnel Costs - Indirect						
Travel	5507	395	219	6,100	2,500	6,100
Conferences & Meetings	5517	-	-	2,500	-	2,500
Total Personnel Costs - Indirect		395	219	8,600	2,500	8,600
Consulting Services						
Medical & Field Investigations	5516	81,464	40,080	117,500	101,000	119,500
Total Consulting Services		81,464	40,080	117,500	101,000	119,500
Commodities & Services						
Publications & Dues	5535	-	-	200	100	200
Total Commodities & Services		-	-	200	100	200
Total Expenses		\$897,873	\$851,171	\$991,098	\$971,268	\$1,030,468
2026 Percent Change		4.0%				

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 though 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.

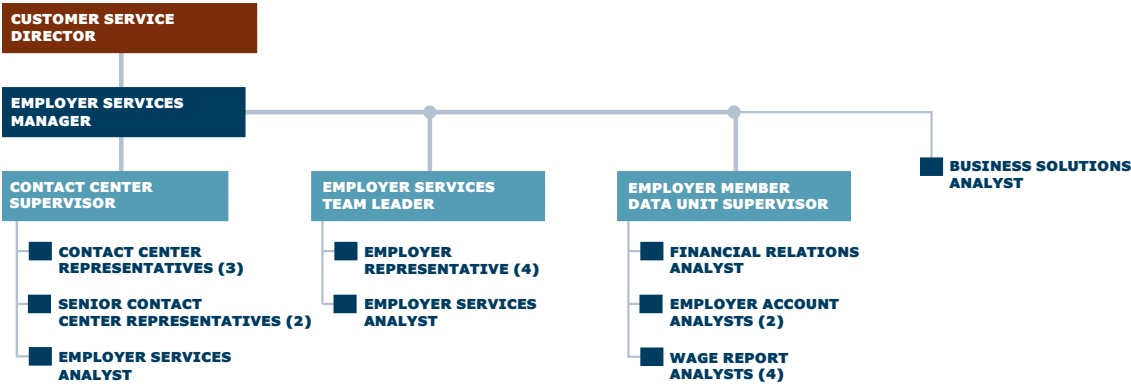
Key Result Area: Workforce Engagement

- 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	2020	2021	2022	2023	2024	2025 YTD
Employer webinar workshop engagement (NPS)	88.0%	87.1%	91.0%	91.6%	94.0%	94.2%
Employer webinar workshop overall satisfaction	97.4%	97.2%	98.5%	98.4%	98.4%	98.7%
Target for engagement (NPS)	>76.8	>76.8	>76.8	>76.8	>76.8	>76.9
Target for overall satisfaction	>90%	>90%	>90%	>90%	>90	>90

Results - Employer Contact Center	2020	2021	2022	2023	2024	2025 YTD
All Call Distribution (ADC) Log on adherence	95.0%	96.0%	97.6%	97.8%	97.8%	99.5%
Call documentation	96.3%	96.0%	98.3%	98.2%	98.2%	97.8%
Call transfer rate	2.3%	4.7%	7.2%	7.0%	7.0%	6.8%
Call Hold Time	2020	2021	2022	2023	2024	2025 YTD
Call hold time (in seconds)	40	65	50	37	40	58
Target (in seconds)	< 90	< 90	<90	<90	<90	<90
Undesired Calls	2020	2021	2022	2023	2024	2025 YTD
Undesired calls	34,897	39,251	37,082	1,060	2,435	5,493
Percent undesired calls	22.4%	18.9%	32.8%	4.8%	11.2%	27.8%
Target	< 20%	< 20%	<20%	<20%	<20%	<20
Wage Reporting	2020	2021	2022	2023	2024	2025 YTD
Outstanding wage reports	-	-	-	-	-	-

* Prior to 2022 statistics are combined for member and employer contacts.

Employer Services Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$ 1,639,517	\$ 1,953,407	\$ 1,807,473	\$ 2,164,239	\$ 2,092,436
Professional Services - Temps	5503	-	12,212	2,500	-	-
Total Personnel Costs - Direct		1,639,517	1,965,619	1,809,973	2,164,239	2,092,436
Personnel Costs - Indirect						
Travel & Training	5507	368	713	15,300	3,420	8,250
Employer Representatives	5508	17,758	14,209	53,000	20,000	25,000
Conferences & Meetings	5517	-	787	4,000	2,500	3,000
Total Personnel Costs - Indirect		18,126	15,709	72,300	25,920	36,250
Commodities & Services						
Office Supplies	5531	229	56	300	150	150
Postage & Delivery	5533	1,420	1,220	1,500	1,200	250
Publications & Dues	5535	835	500	1,250	700	1,000
Total Commodities & Services		2,484	1,776	3,050	2,050	1,400
Equipment						
Auto Maintenance & Expense	5576	4,279	3,150	5,000	1,400	300
Total Equipment		4,279	3,150	5,000	1,400	300
Total Expenses		\$1,664,406	\$1,986,254	\$1,890,323	\$2,193,609	\$2,130,386
2026 Percent Change						12.7%

* 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 four 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

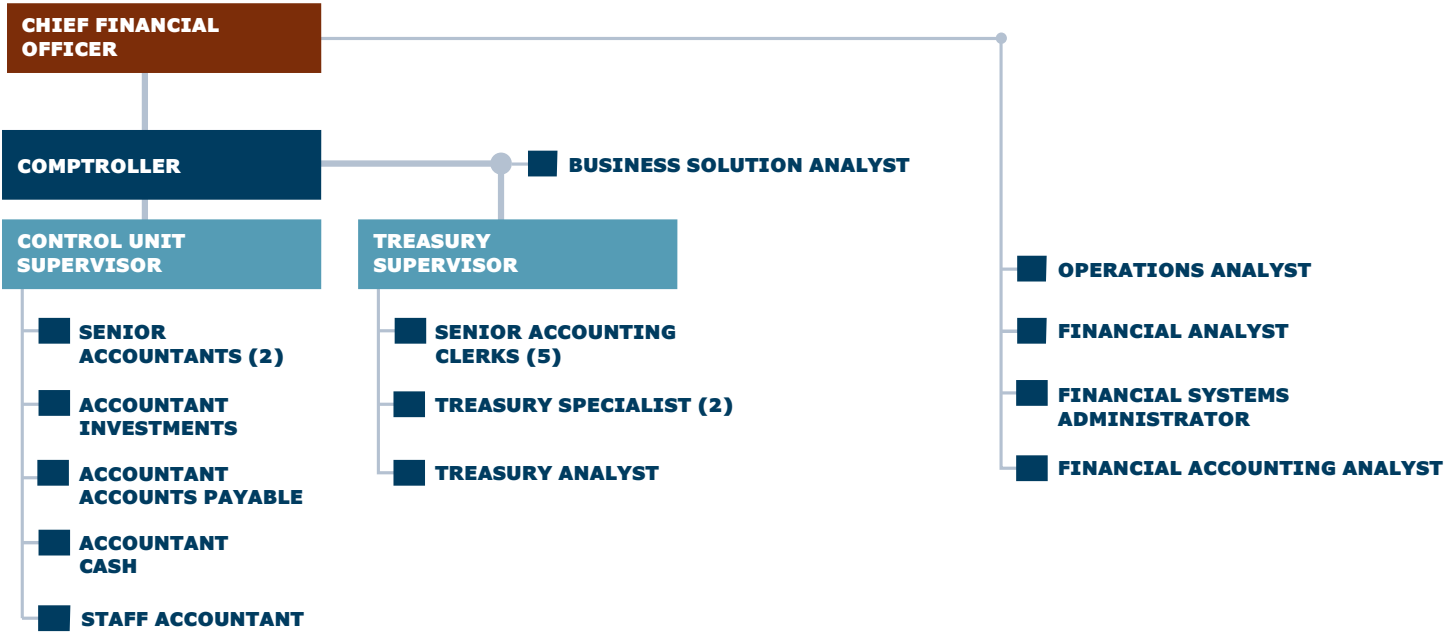
Key Result Area: Financial Health

- 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	2020	2021	2022	2023	2024	2025 YTD
Benefit checks issued in lieu of EFTs	16,941	20,653	17,841	15,137	12,271	17,988
Benefit payment - EFTs	1,169,442	1,838,101	1,908,947	1,967,169	1,492,791	1,474,482
Treasury transactions	31,211	45,015	45,159	44,808	9,506	8,005

Finance Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025*	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$ 1,582,718	\$ 1,852,386	\$ 1,886,398	\$ 2,000,952	\$ 2,252,830
Professional Services - Temps	5503	-	43,595	15,000	28,000	-
Unemployment Costs	5504	8,431	39,881	15,000	15,000	15,000
IMRF/SS ER Contributions	5505	682,408	5,895,267	4,481,632	4,734,651	5,287,627
Total Personnel Costs - Direct		2,273,557	7,831,129	6,398,030	6,778,603	7,555,457
Personnel Costs - Indirect						
Travel & Training	5507	1,082	1,272	7,500	4,150	7,500
Conferences & Meetings	5517	1,013	6,790	10,000	-	10,000
Total Personnel Costs - Indirect		2,095	8,062	17,500	4,150	17,500
Consulting Services						
Auditing	5511	266,200	302,100	343,860	342,600	348,375
Actuarial	5512	582,420	445,000	643,000	460,040	550,500
Total Consulting Services		848,620	747,100	986,860	802,640	898,875
Commodities & Services						
Publications & Dues	5535	9,007	4,634	5,000	6,250	6,500
Professional Services - Other	5540	227,497	224,970	241,750	229,425	220,875
Total Commodities & Services		236,504	229,604	246,750	235,675	227,375
Equipment						
Depreciation - Capital Assets	5571	2,434,772	8,088,750	5,741,844	5,822,538	6,304,378
Software Maintenance PC	5574	31,112	52,370	64,250	64,800	73,625
SBITA Interest	5577	-	-	-	529	1,019
SBITA Amortization	5578	-	-	10,073	7,829	7,516
Total Equipment		2,465,884	8,141,120	5,816,167	5,895,696	6,386,538
Miscellaneous Expenses						
Filing Fees	5586	10,814	10,843	13,500	18,770	12,165
Total Miscellaneous Expenses		10,814	10,843	13,500	18,770	12,165
Total Expenses		\$5,837,474	\$16,967,858	\$13,478,807	\$13,735,534	\$15,097,910
2026 Percent Change						12.0%

* Includes a amended budget increase of \$37,750 to Salaries

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	2020	2021	2022	2023	2024	2025 YTD
Workforce Engagement Survey (Percent Engaged)	73%	67%	68%	68%	56%	65%

Year	2020	2021	2022	2023	2024	2025 YTD
Turnover Rate - IMRF	5.58%	9.00%	15.00%	8.84%	14.16%	*11.59%
Turnover Rate - CompData average	24.60%	29.30%	26.20%	26.90%	22.30%	NA

*Through September 2025

Human Resources Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$ 569,220	\$ 609,757	\$ 590,506	\$ 634,756	\$ 703,516
Fringe Benefits	5504	2,364,265	2,936,169	3,215,692	3,304,942	4,121,258
Total Personnel Costs - Direct		2,933,485	3,545,926	3,806,198	3,939,698	4,824,774
Personnel Costs - Indirect						
Travel & Training	5507	285,404	95,549	347,825	86,703	296,500
Recruitment & Testing	5509	47,762	48,948	83,820	61,700	93,865
Other Personnel Costs	5510	69,753	75,209	112,662	82,165	135,245
Conferences & Meetings	5517	-	-	12,395	1,000	12,395
Total Personnel Costs - Indirect		402,919	219,706	556,702	231,568	538,005
Consulting Services						
Compensation & Benefit Surveys	5514	73,319	78,607	162,690	162,690	88,360
Total Consulting Services		73,319	78,607	162,690	162,690	88,360
Commodities & Services						
Publications & Dues	5535	1,240	1,459	2,496	2,496	2,640
Total Commodities & Services		1,240	1,459	2,496	2,496	2,640
Equipment						
Software Maintenance PC	5574	17,833	16,752	26,750	26,750	17,350
Expendable Equipment	5575	6,848	-	2,200	1,000	4,200
SBITA Interest	5577	-	-	-	529	1,019
SBITA Amortization	5578	-	-	10,073	7,829	7,516
Total Equipment		24,681	16,752	39,023	36,108	30,085
Total Expenses		\$3,435,644	\$3,862,450	\$4,567,109	\$4,372,560	\$5,483,864
2026 Percent Change						20.1%

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 three 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.

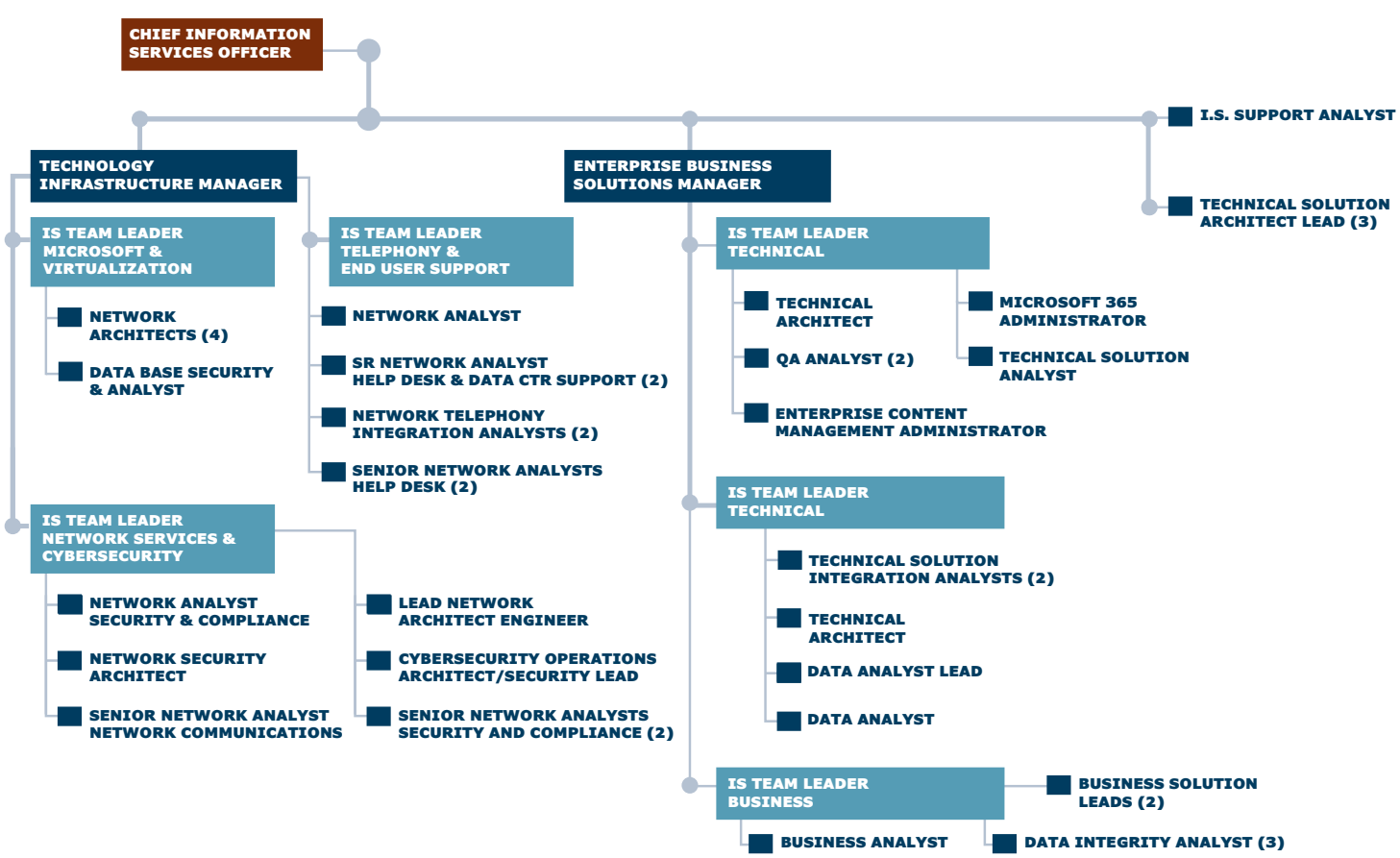
Key Result Area: Financial Health and Operational Excellence

- 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	2020	2021	2022	2023	2024	2025 YTD
Unplanned Outage minutes	510	23	0	0	0	0
Percent uptime	99.8%	100.0%	100.0%	100.0%	100.0%	100%
Transactions meeting benchmark response time	93.0%	90.0%	93.0%	93.0%	92.4%	92.9%
Technology audit: High-risk findings	1	-	1	4	6	0
Technology audit: Moderate & low-risk findings	26	12	15	34	31	4

Business Continuity and Disaster Recovery Drills	2020	2021	2022	2023	2024	2025 YTD
Desktop drills	-	1	-	-	1	-
Live drills at warm site	1	1	1	1	1	1
Restore toll-free number	Yes	Yes	Yes	Yes	Yes	Yes
Restore benefits system	Yes	Yes	Yes	Yes	Yes	Yes
Print benefits checks/Check file sent to vendor	No	Yes	Yes	Yes	Yes	Yes
Critical systems capability	89%	100%	97%	94%	91%	100%

Information Services Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$ 3,938,223	\$ 6,101,721	\$ 6,016,041	\$ 6,550,370	\$ 7,196,372
Professional Services - Temps	5503	295,688	29,000	-	-	-
Total Personnel Costs - Direct		4,233,911	6,130,721	6,016,041	6,550,370	7,196,372
Personnel Costs - Indirect						
Travel & Training	5507	74,452	76,092	187,222	135,978	155,379
Conferences & Meetings	5517	12,360	13,173	37,385	22,896	54,087
Total Personnel Costs - Indirect		86,812	89,265	224,607	158,874	209,466
Consulting Services						
Implementation Phase Consulting	5514	78,114	787,875	847,702	563,873	1,129,468
Systems Design - Modernization	5515	65,319	3,475,737	2,402,602	2,501,969	2,563,304
Total Consulting Services		143,433	4,263,612	3,250,304	3,065,842	3,692,772
Facility Expenses						
Telephone	5523	239,829	409,814	605,555	446,541	490,925
Other Facility Expense	5525	345,921	357,622	392,400	358,083	371,472
Total Facility Expenses		585,750	767,436	997,955	804,624	862,397
Commodities & Services						
Office Supplies	5531	164,494	127,712	208,375	105,843	206,450
Publications & Dues	5535	1,646	1,602	2,771	949	2,302
Professional Services - Other	5540	-	-	-	-	40,000
		166,140	129,314	211,146	106,792	248,752
Equipment						
Maintenance & Rentals	5572	818,520	1,063,618	1,606,225	1,040,732	1,238,952
Software Maintenance	5573	1,296,236	1,956,341	2,080,813	2,091,476	2,609,430
Expendable Equipment	5575	219,195	273,259	508,500	192,033	249,999
SBITA Interest	5577	5,949	13,444	17,791	-	-
SBITA Amortization	5578	924,060	1,414,350	1,858,791	1,272,912	2,175,826
		3,263,960	4,721,012	6,072,120	4,597,153	6,274,207
Miscellaneous Expenses						
Filing fees	5586	1,352	1,493	2,352	1,352	1,240
Total Miscellaneous		1,352	1,493	2,352	1,352	1,240
Total Expenses		\$8,481,358	\$16,102,853	\$16,774,525	\$15,285,007	\$18,485,206
2026 Percent Change						10.2%

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 - Performance Measures

Standards	2020	2021	2022	2023	2024	2025 YTD
Audit project plan completion %	n/a	n/a	n/a	n/a	93%	70%
% final audit reports issued within 30 days of testing completion	n/a	n/a	n/a	n/a	43%	45%
% reported audit issues resolved by implementation date	n/a	n/a	n/a	n/a	n/a	n/a

Internal Audit Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$ 263,522	\$ 336,147	\$ 402,378	\$ 413,079	\$ 427,314
Total Personnel Costs - Direct		263,522	336,147	402,378	413,079	427,314
Personnel Costs - Indirect						
Travel & Training	5507	1,705	1,349	1,500	200	600
Conferences & Meetings	5517	2,300	4,888	14,000	11,500	11,500
Total Personnel Costs - Indirect		4,005	6,237	15,500	11,700	12,100
Consulting Services						
Auditing	5511	137,849	173,565	231,056	120,000	168,000
Total Consulting Services		137,849	173,565	231,056	120,000	168,000
Commodities & Services						
Publications & Dues	5535	2,015	2,220	1,600	1,600	1,800
Total Commodities & Services		2,015	2,220	1,600	1,600	1,800
Equipment						
Software Maintenance PC	5574	5,500	-	-	-	5000
Total Equipment		5,500	-	-	-	5000
Total Expenses		\$412,891	\$518,169	\$650,534	\$546,379	\$614,214
2026 Percent Change						(5.6)%

INVESTMENTS DEPARTMENT

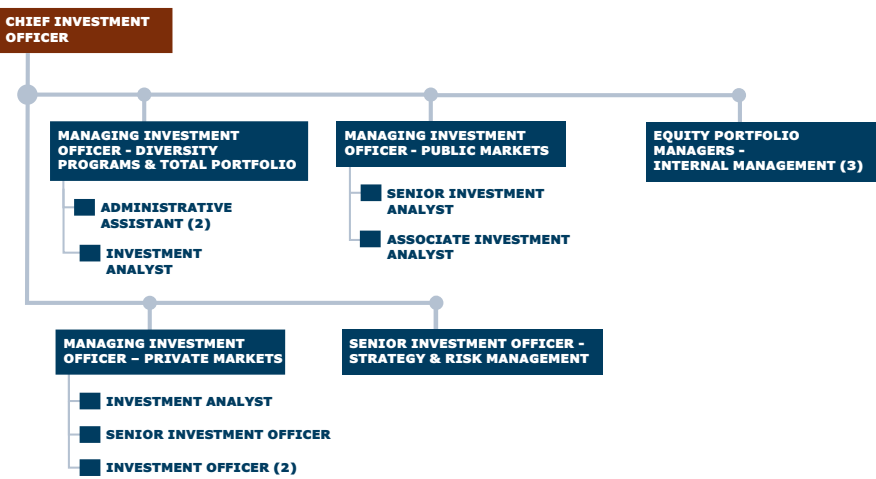
IMRF’s Investment department works to optimize the total return of the IMRF investment portfolio through a policy of long-term diversified investment, using parameters of prudent risk management. The Investment department’s strategic objective is to meet or exceed IMRF’s actuarial assumed rate of return and outperform the total portfolio benchmark. The Chief Investment Officer heads the Investment department and leads a team of 16. 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 2025 include: working with Callan, LLC to produce a Strategic Asset Allocation recommendation; completing an extensive Request for Proposal (RFP) search for private markets U.S. Residential Real Estate; continuing to build the Private Credit portfolio and Co-Investment Program; evaluation and analysis of current and prospective investments for the total portfolio; implementing a Professional Services mandate to Hamilton Lane to provide Private Markets Portfolio Management software through their iLevel and Cobalt platforms; implementing additional software and data tools; completing a rebalancing exercise to bring asset classes within their approved target ranges; partnering with industry organizations to support and encourage utilization of emerging and diverse managers; 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 the 5, 10, and 15 year basis).
- Outperform the total portfolio benchmark (over the 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	2025 YTD	2024	Last 3 Years	Last 5 Years	Last 10 Years
IMRF Total Fund - Gross of Fees	10.40%	9.32%	2.66%	7.76%	7.70%
Total Fund Benchmark	9.82%	12.76%	3.78%	7.50%	7.52%
Difference	0.58%	(3.44)%	(1.12)%	0.26%	0.18%
Rank: IMRF Total Fund	n/a	44	59	37	31

Goal is for IMRF returns greater than portfolio benchmarks over 3-, 5-, and 10-year periods. 2025 Performance YTD through August 31, 2025. All other performance as of December 31, 2024.

Investments Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$2,096,511	\$2,255,008	\$2,364,392	\$2,498,676	\$2,843,728
Total Personnel Costs - Direct		2,096,511	2,255,008	2,364,392	2,498,676	2,843,728
Personnel Costs - Indirect						
Travel & Training	5507	6,972	3,149	8,580	6,531	9,515
Total Personnel Costs - Indirect		6,972	3,149	8,580	6,531	9,515
Sub-total Administrative Expenses		\$2,103,483	\$2,258,157	\$2,372,972	\$2,505,207	\$2,853,243
2025 Percent Change				12.8%	20.2%	
Investment Expenses						
Investment Managers Fees	5788	\$210,585,677	\$227,612,898	\$209,095,979	\$211,415,662	\$225,292,600
Master Trust Services	5789	323,000	323,000	373,000	373,000	377,500
Investment Travel	5790	110,607	129,993	115,000	115,000	120,000
Investment Legal Fees	5791	341,570	428,025	400,000	450,000	400,000
Investment RFP Support	5792	21	52	55	41	-
Investment Consultants	5793	795,000	795,000	750,000	750,000	750,055
Securities Lending Fees	5794	688,989	556,391	560,000	560,000	574,000
Tax Preparation & Custodial Expense	5795	115,440	11,610	52,490	52,490	36,500
Investment Publications & Dues	5796	12,976	11,178	16,256	16,256	16,765
Investment Licenses	5797	107	83	4,255	4,255	215
Investment Information Service Providers - Investments	5798	511,223	536,147	993,861	993,861	943,870
SUB-TOTAL INVESTMENT EXPENSES		\$213,484,610	\$230,404,377	\$212,360,896	\$214,730,565	\$228,511,505
2026 Percent Change						7.6%
Total Expenses		\$215,588,093	\$232,662,534	\$214,733,868	\$217,235,772	\$231,364,748
2026 Percent Change						7.7%

2026 PROPOSED BUDGET

Investments Department (IMP) – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$752,995	\$869,877	\$948,315	\$835,109	\$928,463
Fringe Benefits	5504	69,538	74,362	90,827	80,393	97,580
IMRF/SS ER Contributions	5505	69,390	80,429	98,546	75,518	94,701
Total Personnel Costs - Direct		891,923	1,024,668	1,137,688	991,020	1,120,744
Personnel Costs - Indirect						
Travel & Training	5507	-	2,166	1,400	800	1,400
Total Personnel Costs - Indirect		-	2,166	1,400	800	1,400
Sub-total Administrative Expenses		\$891,923	\$1,026,834	\$1,139,088	\$991,820	\$1,122,144
2025 Percent Change				27.7%	(1.5)%	
Investment Expenses						
Investment Travel	5790	\$4,922	\$4,683	\$15,000	\$7,385	\$10,000
Investment Publications & Dues	5796	3,323	3,673	6,300	6,523	6,350
Investment Information Service Providers - Investments IEM	5798	1,716,170	2,026,882	2,441,550	2,441,550	2,503,826
Sub-Total Investment Expenses		\$1,724,415	\$2,035,238	\$2,462,850	\$2,455,458	\$2,520,176
2024 Percent Change						2.3%
Total Expenses		\$2,616,338	\$3,062,072	\$3,601,938	\$3,447,278	\$3,642,320
2026 Percent Change						1.1%

2026 PROPOSED BUDGET

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.

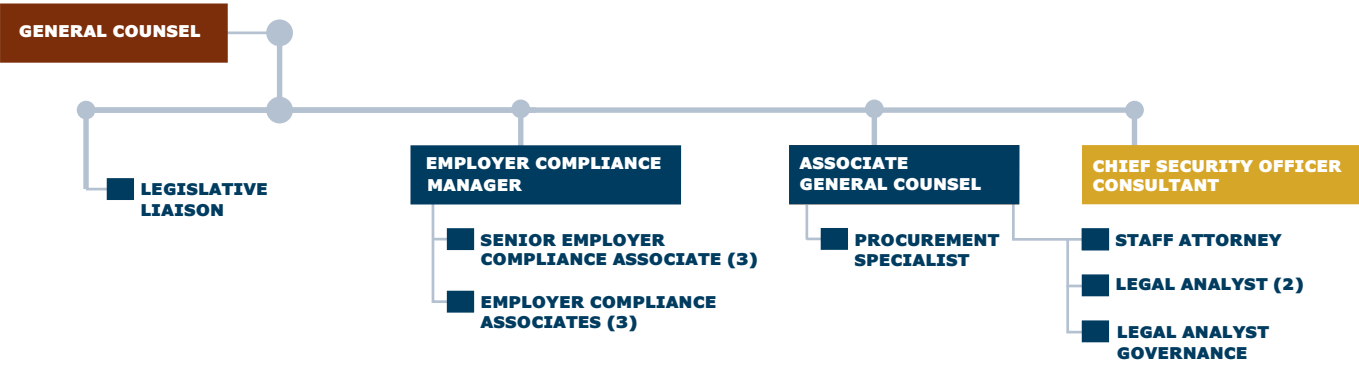
Key Result Area: Financial Health

- 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	2020	2021	2022	2023	2024	2025 YTD
FOIA requests	134	112	97	44	110	105
Percent satisfied FOIA turnaround time	100.0%	100.0%	100.0%	100.0%	98.2%	100.0%
QILDRO Court Orders	165	159	180	181	178	228
Percent satisfied QILDRO court order turnaround time	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Contract review	148	109	109	87	82	65
Percent satisfied contract review turnaround time	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Compliance reviews	198	191	295	231	223	230
Percent of active membership reviewed	10.5%	10.5%	1.6%	1.9%	<3%	9.2%

2026 PROPOSED BUDGET

Legal Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$1,219,839	\$1,324,106	\$1,473,323	\$1,512,767	\$1,607,299
Total Personnel Costs - Direct		1,219,839	1,324,106	1,473,323	1,512,767	1,607,299
Personnel Costs - Indirect						
Travel & Training	5507	10,685	19,546	25,160	51,360	23,075
Conferences & Meetings	5517	19,247	14,152	51,315	20,000	40,570
Total Personnel Costs - Indirect		29,932	33,698	76,475	71,360	63,645
Consulting Services						
Legal Counsel	5513	24,003	180,470	211,000	195,500	206,000
Legal Counsel	5514	-	20,930	-	-	-
Total Costs - Consulting Services		24,003	201,400	211,000	195,500	206,000
Commodities & Services						
Office Supplies	5531	36,664	31,906	37,500	30,000	40,000
Forms & Informational Materials	5532	4,788	576	6,830	1,898	1,300
Publications & Dues	5535	19,007	20,302	20,350	20,350	19,535
Professional Services - Other	5540	352,524	449,833	699,300	500,000	663,000
Total Commodities & Services		412,983	502,617	763,980	552,248	723,835
Equipment						
Amortization & Interest on Right to Use Assets	5570	1,208,551	1,247,752	1,286,860	1,286,860	757,700
Maintenance & Rentals	5572	24,944	18,944	29,550	25,550	-
Software Maintenance PC	5574	67,894	81,942	141,250	119,000	360,750
Auto Maintenance & Expense	5576	-	-	-	-	-
SBITA Amortization	5578	-	-	95,000	-	-
Total Equipment Costs		1,301,389	1,348,638	1,552,660	1,431,410	1,118,450
Miscellaneous Expenses						
Insurance	5583	280,136	290,668	305,000	304,500	293,500
Total Miscellaneous		280,136	290,668	305,000	304,500	293,500
Total Expenses		\$3,268,282	\$3,701,127	\$4,382,438	\$4,067,785	\$4,012,729
2026 Percent Change						(8.4)%

2026 PROPOSED BUDGET

MEMBER SERVICES DEPARTMENT

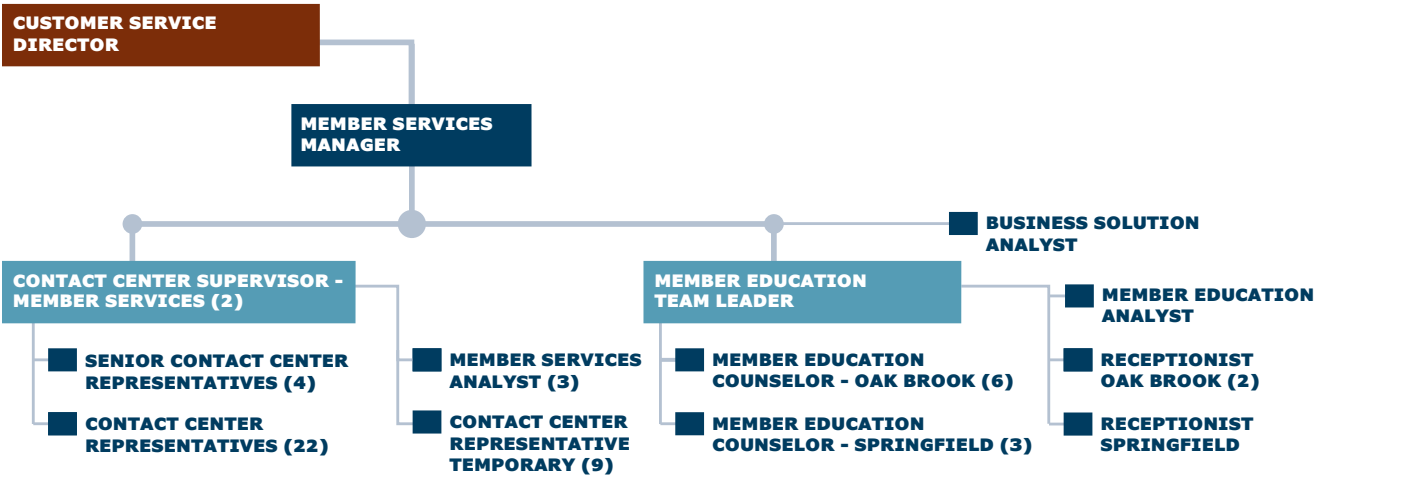
The Member Services Department is led by one Manager, one Team Leader and two Supervisors. The Unit is comprised of a Contact Center and Member Education Counselors. Within the department there is one Business Solution Analyst that focuses on support of the Horizon Project, six Member Education Counselors in Oak Brook and three Member Education Counselors in Springfield, three Member Services Analysts that support department operations, four Senior Contact Center Representatives, 22 Contact Center Representatives, nine temporary Contact Center Representative and three Receptionists (two 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	2020	2021	2022	2023	2024	2025 YTD
Member webinar workshop engagement (NPS)	89.0	93.9	90.0	90.4	NA	NA
Member webinar workshop overall satisfaction	97.1%	98.9%	97.9%	92.5%	NA	NA
Target for engagement (NPS)	>76.8	>76.8	>77.6	>80%	>80%	>80%
Target for overall satisfaction	>90%	>90%	>90%	>90%	>90%	>90%

2026 PROPOSED BUDGET

Performance Standards	2020	2021	2022	2023	2024	2025 YTD
All Call Distribution (ADC) Log on adherence	95.0%	96.6%	98.3%	98.0%	98.6%	98.6%
Call documentation	96.3%	97.0%	98.2%	99.2%	100%	100%
Call transfer rate	2.3%	5.3%	5.3%	8.8%	6.5%	6.4%
Call Hold time	2020	2021	2022	2023	2024	2025 YTD
Call hold time (in seconds)	108	338	251	417	4,803	1,687
Target (in seconds)	< 90	< 90	< 90	<90	<90	<90
Undesired Calls	2020	2021	2022	2023	2024	2025 YTD
Undesired calls	34,897	48,003	96,573	129,232	42,377	15,817
Percent undesired calls	22.4%	27.7%	50.7%	71.5%	54.4%	21.2%
Target	< 20%	< 20%	< 20%	<20%	<20%	<20%

Member Services Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$2,075,931	\$2,571,412	\$2,766,493	\$2,928,427	\$3,595,842
Professional Services Temps	5503	3,570	86,112	45,000	300,000	100,000
Total Personnel Costs - Direct		2,079,501	2,657,524	2,811,493	3,228,427	3,695,842
Personnel Costs - Indirect						
Travel & Training	5507	20,014	26,279	79,130	36,104	80,572
Field Staff	5508	2,300	2,200	5,000	5,000	5,000
Conferences & Meetings	5517	2,847	6,324	15,020	4,750	15,120
Total Personnel Costs - Indirect		25,161	34,803	99,150	45,854	100,692
Commodities & Services						
Office Supplies	5531	20	620	400	400	400
Publications & Dues	5535	850	1,200	1,200	1,200	1,200
Professional Services - Other	5540	150	150	800	400	800
Total Commodities & Services		1,020	1,970	2,400	2,000	2,400
Equipment						
Software Maintenance PC	5574	-	8,609	11,000	11,000	11,000
Auto Maintenance & Expense	5576	770	948	1,500	1,500	-
Total Equipment		770	9,557	12,500	12,500	11,000
Total Expenses		\$2,106,452	\$2,703,854	\$2,925,543	\$3,288,781	\$3,809,934
2026 Percent Change						30.2%

2026 PROPOSED BUDGET

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 15 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:

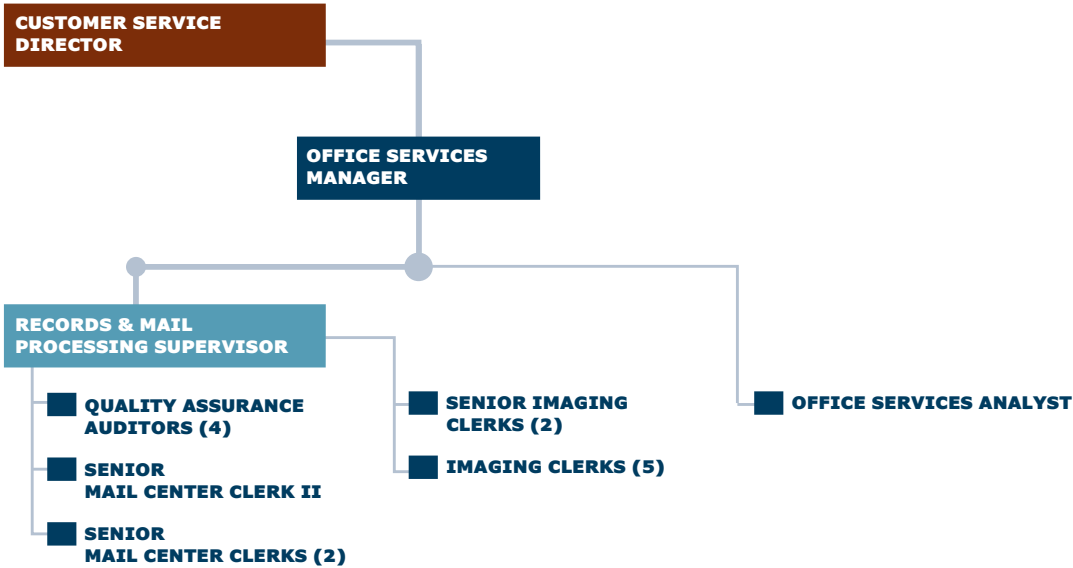
“Our high level of support services will allow our internal customers the opportunity to focus on serving the needs of the IMRF members, employers, and annuitants.” The department’s vision statement is: “To provide timely and accurate support services to all of our internal and external customers.” Teamwork 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	2020	2021	2022	2023	2024	2025 YTD
Indexing accuracy: Error rate	0.1%	0.2%	0.2%	0.4%	0.5%	0.9%
Mail timeliness: Percent same day	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Year	2020	2021	2022	2023	2024	2025 YTD
Volume	326,863	358,190	356,341	333,192	300,631	437,230
Errors	451	691	765	1,180	1,576	3,708
Error rate	0.1%	0.2%	0.2%	0.4%	0.5%	0.9%
Accuracy rate	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Office Services Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$1,059,615	\$1,039,732	\$1,101,020	\$1,063,573	\$1,136,091
Total Personnel Costs - Direct		1,059,615	1,039,732	1,101,020	1,063,573	1,136,091
Personnel Costs - Indirect						
Travel & Training	5507	1,333	1,183	7,155	4,318	5,260
Conferences & Meetings	5517	-	120	7,400	3,500	7,400
Total Personnel Costs - Indirect		1,333	1,303	14,555	7,818	12,660
Facility Expenses						
Electricity	5522	77,428	115,243	124,000	122,733	24,000
Building Operating Expense	5524	746,661	841,753	801,200	836,894	729,500
Other Facility Expense	5525	30,876	34,123	34,800	35,000	37,500
Total Facility Expenses		854,965	991,119	960,000	994,627	791,000
Commodities & Services						
Office Supplies	5531	79,626	42,738	55,720	43,609	61,220
Postage & Delivery	5533	641,996	313,861	575,900	318,906	477,500
Publications & Dues	5535	225	381	450	206	250
Professional Services - Other	5540	109,673	253,007	296,900	257,446	263,000
Total Commodities & Services		831,520	609,987	928,970	620,167	801,970
Equipment						
Maintenance & Rentals	5572	87,883	65,247	80,319	78,448	104,280
Expendable Equipment	5575	14,088	23,100	18,700	2,291	3,200
Total Equipment		101,971	88,347	99,019	80,739	107,480
Miscellaneous Expenses						
Building Renovation/Relocation Exp.	5585	11,725	-	25,000	-	5,000
Total Miscellaneous		11,725	-	25,000	-	5,000
Total Expenses		\$2,861,129	\$2,730,488	\$3,128,564	\$2,766,924	\$2,854,201
2026 Percent Change						(8.8)%

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.

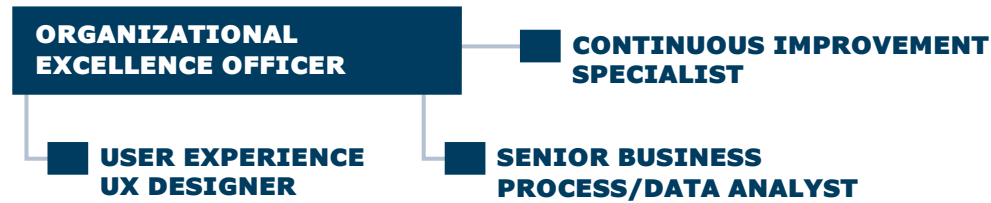
Key Result Area: Operational Excellence and Customer Engagement

- 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	2020	2021	2022	2023	2024	2025 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	N/A	100.0%	100.0%	100.0%	100.0%	75.0%

Organizational Excellence Department – Budget

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Salaries	5501	\$214,383	\$226,926	\$363,863	\$333,310	\$468,930
Total Personnel Costs - Direct		214,383	226,926	363,863	333,310	468,930
Personnel Costs - Indirect						
Travel	5507	2,654	6,021	25,480	16,970	33,780
Conferences & Meetings	5517	16,650	8,563	25,000	18,550	39,200
Total Personnel Costs - Indirect		19,304	14,584	50,480	35,520	72,980
Consulting Services						
Process Improvement/ Scorecarding	5514	7,400	26,250	124,000	34,900	75,000
Total Consulting Services		7,400	26,250	124,000	34,900	75,000
Commodities & Services						
Publications & Dues	5535	4,349	1,577	3,334	2,440	7,415
Professional Services - Other	5540	58,019	61,846	243,000	213,350	141,400
Total Commodities & Services		62,368	63,423	246,334	215,790	148,815
Total Expenses		\$303,455	\$331,183	\$784,677	\$619,520	\$765,725
2026 Percent Change						(2.4)%

2026 IMRF BUDGET – SUMMARY BY ACCOUNT

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Personnel Costs - Direct						
Office Salaries - Regular	5501	\$18,572,462	\$22,920,641	\$23,776,433	\$25,192,330	\$27,627,951
Office Salaries - Temps & Interns	5503	466,680	289,335	196,576	443,250	230,000
Fringe Benefits	5504	2,442,234	3,050,412	3,321,519	3,400,335	4,233,838
IMRF & Payroll Employer Contributions	5505	751,798	5,975,696	4,580,178	4,810,169	5,382,328
Total Personnel Costs - Direct		22,233,174	32,236,084	31,874,706	33,846,084	37,474,117
Personnel Costs - Indirect						
Travel & Training	5507	417,035	245,723	810,425	367,007	692,061
Field Staff	5508	20,058	16,409	58,000	25,000	30,000
Recruitment & Testing	5509	47,762	48,948	83,820	61,700	93,865
Other Personnel Costs	5510	69,753	75,209	112,662	82,165	135,245
Conferences & Meetings	5517	57,022	65,130	217,136	113,157	234,022
Total Personnel Costs - Indirect		611,630	451,419	1,282,043	649,029	1,185,193
Consulting Services						
Auditing	5511	404,049	475,665	574,916	462,600	516,375
Actuarial	5512	582,420	445,000	643,000	460,040	550,500
Legal Counsel	5513	24,003	180,470	211,000	195,500	206,000
Website Consulting	5514	158,833	913,662	1,134,392	761,463	1,292,828
Systems Design	5515	65,319	3,475,737	2,402,602	2,501,969	2,563,304
Medical & Field Investigations	5516	81,464	40,080	117,500	101,000	119,500
Total Consulting Services		1,316,088	5,530,614	5,083,410	4,482,572	5,248,507
Public Relations Services						
Public Relations	5519	1,234	1,021	1,260	1,260	1,260
Facility Expenses						
Electricity	5522	77,428	115,243	124,000	122,733	24,000
Telephone	5523	239,829	409,814	605,555	446,541	490,925
Building Operating Expenses	5524	746,661	841,753	801,200	836,894	729,500
Other Facility Expenses	5525	376,797	391,745	427,200	393,083	408,972
Total Facility Expenses		1,440,715	1,758,555	1,957,955	1,799,251	1,653,397
Commodities and Services						
Office Supplies	5531	281,033	203,032	302,295	180,002	308,220
Forms & Informational Materials	5532	153,889	82,262	152,630	147,698	183,447
Postage & Delivery	5533	643,416	315,081	577,400	320,106	477,750
Publications & Dues	5535	65,602	63,806	63,866	61,599	68,647
Other Services	5540	778,863	1,028,006	1,521,750	1,240,621	1,373,975
Total Commodities and Services		1,922,803	1,692,187	2,617,941	1,950,026	2,412,039

Expense Classification	Account No.	Actual 2023	Actual 2024	Budget 2025	Estimated 2025	Budget 2026
Equipment						
Amortization & Interest on Right to Use Assets	5570	1,208,551	1,247,752	1,286,860	1,286,860	757,700
Depreciation - Capital Assets	5571	2,434,772	8,088,750	5,741,844	5,822,538	6,304,378
Equip. Maint. & Rentals	5572	931,347	1,147,809	1,716,094	1,144,730	1,343,232
Software Maintenance	5573/5574	1,418,575	2,116,014	2,324,063	2,313,026	3,077,155
Expendable Equipment	5575	240,131	296,359	529,400	195,324	257,399
Auto Maint & Expense	5576	6,599	5,798	11,000	6,400	4,300
Interest on SBITA	5577	5,949	13,444	17,791	1,058	2,038
Amortization on SBITA	5578	924,060	1,414,350	1,973,937	1,288,570	2,190,858
		7,169,984	14,330,276	13,600,989	12,058,506	13,937,060
Miscellaneous						
Trustee Employer Reimburse-ment	5580	47,074	60,296	65,000	65,000	68,250
Trustee Travel & Education	5581	81,787	58,931	60,000	56,460	63,850
Trustee Elections	5582	2,322	-	319,465	319,465	79,867
Insurance	5583	280,136	290,668	305,000	304,500	293,500
Building Renovation/Relocation Expense	5585	11,725	-	25,000	-	5,000
Other Items	5586	12,166	12,336	15,852	20,122	13,405
Total Miscellaneous		435,210	422,231	790,317	765,547	523,872
Sub-total Administrative Expenses		\$35,130,838	\$56,422,387	\$57,208,621	\$55,552,275	\$62,435,445
2026 Percent Change						9.1%
Investment Expenses						
Investment Managers Fees	5788	\$210,585,677	\$227,612,898	\$209,095,979	\$211,415,662	\$225,292,600
Master Trust Services	5789	323,000	323,000	373,000	373,000	377,500
Investment Travel	5790	115,529	134,676	130,000	122,385	130,000
Investment Legal Fees	5791	341,570	428,025	400,000	450,000	400,000
Securities Litigation Monitoring/ RFP Support	5792	21	52	55	41	-
Investment Consultants	5793	795,000	795,000	750,000	750,000	750,055
Securities Lending Fees	5794	688,989	556,391	560,000	560,000	574,000
Tax Preparation & Custodial Expense	5795	115,440	11,610	52,490	52,490	36,500
Investment Publications & Dues	5796	16,299	14,851	22,556	22,779	23,115
Investment Licenses	5797	107	83	4,255	4,255	215
Investment Information Service Providers	5798	2,227,393	2,563,029	3,435,411	3,435,411	3,447,696
Sub-total Investment Expenses		\$215,209,025	\$232,439,615	\$214,823,746	\$217,186,023	\$231,031,681
2026 Percent Change						7.5%
Total Expenses		\$250,339,863	\$288,862,002	\$272,032,367	\$272,738,298	\$293,467,126
2026 Percent change						7.9%

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.

SUPPLEMENTARY INFORMATION

- 97 Appendix A:
New Accounting Pronouncements
- 98 Appendix B:
Strategic Planning Methodology
- 101 Appendix C:
Statistical Data
- 103 Appendix D:
2026 Salary Detail by Department
- 104 Glossary of Terms and Acronyms

APPENDIX A: NEW ACCOUNTING PRONOUNCEMENTS

New Accounting Pronouncements

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. 103, “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.

In September 2024, GASB issues Statement No. 104, “Disclosure of Certain Capital Assets.” The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. 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 an Intelligent Risk Prioritization 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 Intelligent Risk Prioritization 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. Action plans identify needed actions, resources, timelines and the staff responsible to ensure completion of the key strategy. 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. Goals and targets are evaluated on an annual basis and adjusted when necessary.

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 3,062 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

- \$56.2 billion in assets as of December 31, 2024
- Best funded statewide system
- 96.9% funded on a market basis
- 95.8% funded on an actuarial basis

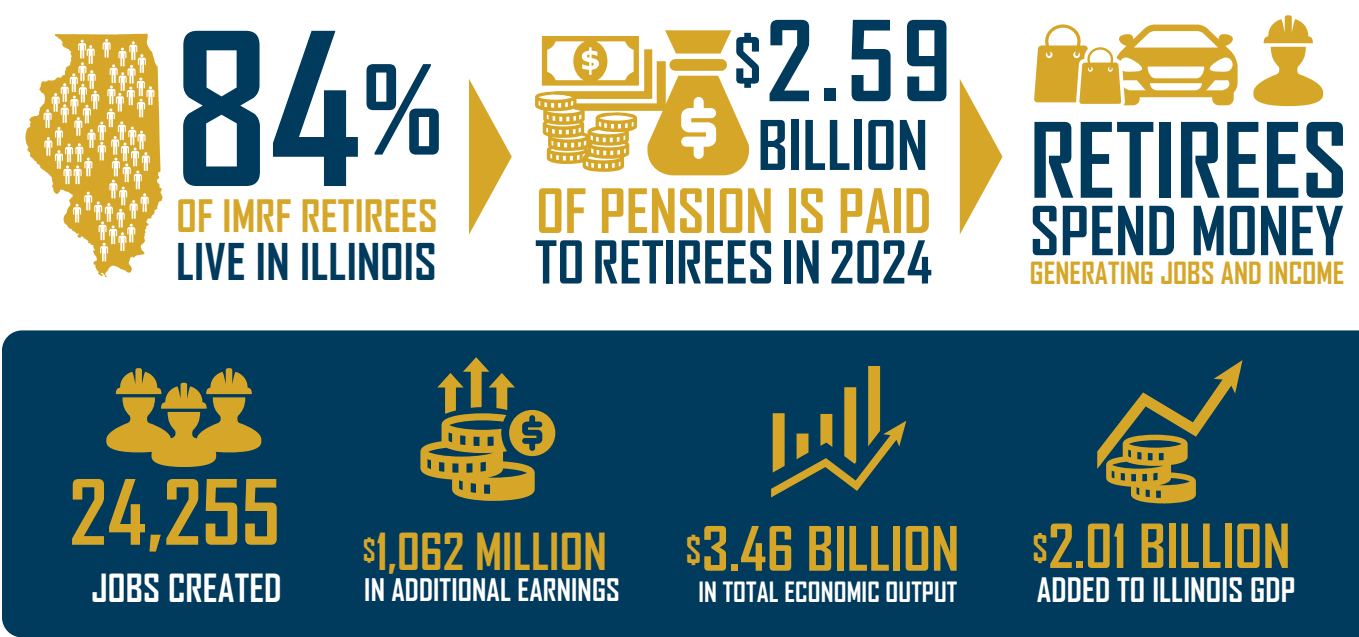
Demographics

- 196,859 actively participating members
- 158,379 benefit recipients
- 169,066 inactive members
- Profile of average active member in 2024
 - Age: 46.4
 - Service: 8.9 years
 - Annual salary: \$50,093
- Profile of average member who retired in 2024
 - Age at retirement: 63.2
 - Service at retirement 20 years
 - Average monthly pension: \$2,066
- Employee contribution rates: Regular = 4.5% of pay, SLEP and ECO = 7.5% of pay

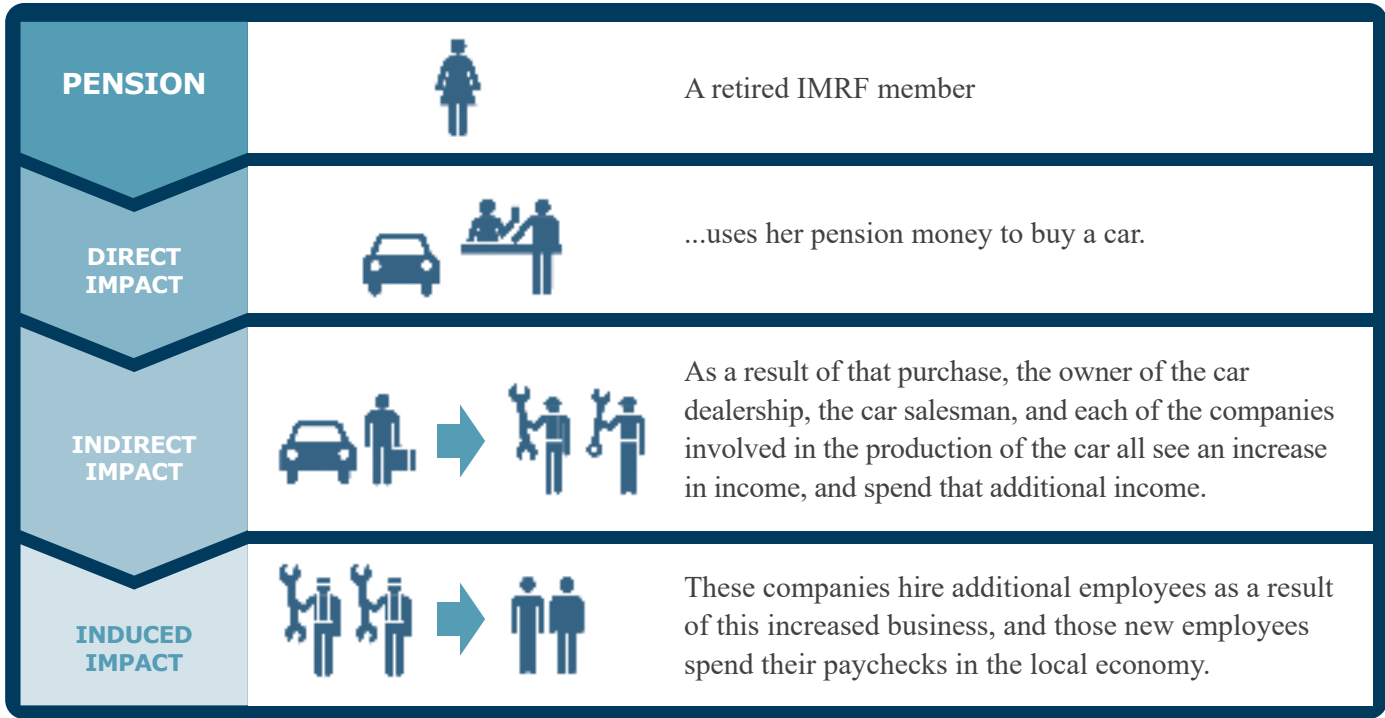
Community Impact

IMRF’s latest economic impact study shows that the system paid \$2.59 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 \$3.65 billion in statewide economic activity.

In addition, the study shows that annuitants are spending money. In 2024, IMRF’s pension recipients helped support 24,255 Illinois jobs. The report also attributes about \$1,062 million in total earnings for Illinois workers, to more than 158,000 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: 2026 SALARY DETAIL BY DEPARTMENT

2026 Salary Detail by Department

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

- Gross salaries are budgeted at 257 staff positions.
- Per GASB Statement No. 101, accrued absences are budgeted based on the estimated increase of the liability for compensated absences.
- Overtime is budgeted to compensate staff during heavy work load periods.

	Gross Salaries	Accrued Absences	Overtime	Net Salaries
Administration	\$ 450,952	\$ 22,762	\$ -	\$ 473,714
Benefits	1,779,449	15,879	60,000	1,855,328
Communications	900,421	28,346	5,000	933,767
Customer Service	205,879	4,274	-	210,153
Disability	849,666	22,502	30,000	902,168
Employer Services	1,971,050	66,386	55,000	2,092,436
Finance	2,176,925	75,905	-	2,252,830
HR	684,505	19,011	-	703,516
Information Services	6,635,380	260,992	300,000	7,196,372
Internal Audit	419,551	7,763	-	427,314
Investments	2,713,894	129,534	300	2,843,728
Investments Internal Managed Portfolio	896,552	31,911	-	928,463
Legal	1,541,144	53,155	13,000	1,607,299
Member Services	3,461,907	58,935	75,000	3,595,842
Office Services	1,067,926	27,165	41,000	1,136,091
Organizational Excellence	451,524	17,406	-	468,930
	\$ 26,206,725	\$ 841,926	\$ 579,300	\$ 27,627,951

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 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.

CMS (Content Management System)

In the context of technology and web development, a CMS is a software application that allows users to create, manage, and modify digital content on a website without needing extensive technical skills or coding knowledge.

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, wed 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.

FTE (Full-Time Equivalent)

This is a unit of measurement for the total hours worked by employees, representing the equivalent of one full-time employee.

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.

GFOA (Government Finance Officers Association)

The Government Finance Officers Association, founded represents public finance officials throughout the United States and Canada. The association’s partners with federal, state/provincial, and local finance officials deeply involved in planning, financing, and implementing thousands of governmental operations in each of their jurisdictions. GFOA’s mission is to advance excellence in public finance.

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.

PPM (Project Portfolio Management)

A strategic management process for overseeing a company’s collection of projects that aligns projects with the company’s strategic plan. It involves making decisions about which projects to fund, prioritize, and manage.

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 2026-2028 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.

TPE (The Partnership for Excellence)

This organization helps firms in Ohio, Indiana, West Virginia, Illinois and Western Pennsylvania unlock their full potential through Baldrige-based assessments, leadership development, and a proven framework for continuous improvement.

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: “Driven by our commitment to excellence, we deliver financial security and peace of mind.”

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
800 COMMERCE DR
OAK BROOK IL 60523-2196

**Springfield Regional
Counseling Center**
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SPRINGFIELD IL 62703-5934

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