



YOUR GLASS IS HALF FULL WORKSHOP WEBINAR





COVID-19 and IMRF

IMRF is secure, agile, and proactive.

- Fully adapted to operational challenges posed by COVID-19
- Providing all key services to members and employers
- Pivoting staff between in-person and remote work



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2019 Award Recipient



Supplementary Glass Half Full Information Page

Text Size: A A A | Home | Contact Us | Español Search: Search IMRF



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Member Access Employer Access
 User Name: Username Password: Password SIGN IN
 Forgot Username Forgot Password Register

MY ACCOUNT MEMBERS RETIREES EMPLOYERS INVESTMENTS ABOUT IMRF FORMS AND PUBLICATIONS ARCHIVE

TIERS AND PLANS

- Tier 1 Regular Plan
- Tier 2 Regular Plan
- Tier 1 SLEP Plan
- Tier 2 SLEP Plan
- Original ECO Plan
- Tier 1 Revised ECO Plan

MEMBERS MUST KNOW

- Your Member Access Account
- Member Support Videos
- Update Your Personal Information
- Naming Beneficiaries
- Member Status Explained
- Pension Estimates
- Member Workshops and Materials**
- IMRF and Military Service
- IMRF Internal Audit
- Leaving Your IMRF
- Disability Appeal Process
- Non-Disability Appeals
- Division of Benefits
- Endorsed Insurance
- IMRF and IRAs
- Reporting a Death
- After You Apply For Retirement
- Next Steps

Understanding Plans and Tiers
 Not sure which plan you participate in? [Learn More](#)

www.imrf.org

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Member Workshops and Materials
 for Active IMRF Members

Member Workshops Online for 2021!
 For the health and safety of all involved, we will continue offering our Pre-Retirement Workshops and Glass Half Full Workshops online. They will be interactive webinars for IMRF members only, and you will have the opportunity to ask questions. These workshops are free to all IMRF members.

Pre-Retirement Workshop Webinar

Plan Your Retirement
 Pre-Retirement Workshops are intended for members within five years of retirement. We will address the steps you must take before and during the IMRF retirement application process.

Details and Dates

Your Glass is Half Full

Understanding Your IMRF Benefits
 This workshop is for IMRF members under 40. If you want to better understand the nature of IMRF and why you are making contributions, this workshop is for you! An IMRF Field Representative will explain how your pension is funded, your benefits as an IMRF member, and the importance of having more than one savings vehicle as you prepare for your eventual retirement.

Plan your Retirement
 Click here for the Pre-Retirement Workshop Webinar presentation and links to supplemental information.

YOUR GLASS IS HALF FULL
 ADDITIONAL INFORMATION PAGE

Understand your IMRF Benefits
 Click here for the Glass Half Full Workshop Webinar presentation and



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Topics of the Day

- Introduction to IMRF
- Understanding Your Benefits
- How Your Pension is Calculated
- Voluntary Additional Contributions
- Additional Resources for Members
- Questions & Answers



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Illinois
Municipal
Retirement
Fund

A defined benefit pension fund for employees of local government

- Pension benefits
- Disability benefits
- Death benefits



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Created by the Illinois General Assembly

Governed by the Illinois Pension Code

- Began operating in 1941
- In response to economic conditions (Great Depression)
- Social Security was not available to public employees
- Started with 5 employers and \$5,000 in assets



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- **About 3,000+ units of government**
- **Membership breakdown***
 - 170,735 Active
 - 129,779 Inactive
 - 142,329 Benefit Recipients
- **Each employer funds retirement costs of its own employees**
- **Full funding goal**
- **Legally enforceable benefits**

**As of December 31, 2020*



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How is Your Pension Funded?

The IMRF Pension Dollar
Pensions are a shared responsibility.

Every dollar paid to IMRF retirees comes from three sources:

66¢

IMRF Investment
Earnings

23¢

IMRF
Employers

11¢

IMRF
Members



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National Quality Award
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Member Contributions

Regular
4.5%

SLEP
7.5%



- Member contributions are tax-deferred
- Established by the Illinois Pension Code



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National Quality Award

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Average 2021 Employer Contributions

Regular
10.62%

SLEP
23.70%



- Check out the 2021 Employer Rate Meeting Webinar to understand more about how these rates are set.



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IMRF Benefits

- Disability
- Retirement
- Death
- Refunds



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OR



*Member participation began
prior to January 1, 2011*

*Member participation began
on or after January 1, 2011*



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Regular Plan Benefits

Eligibility

- 8 years service
- Age 60 (unreduced)

Reduction if under age 60 or less than 35 years of service

- 0.25% per month
- Reduction is permanent
- Smallest reduction is applied
- Age 55 (earliest age)



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Regular Plan Benefits

Eligibility

- 10 years service
- Age 67 (unreduced)

Reduction if under age 67 or less than 35 years of service

- 0.5% per month
- Reduction is permanent
- Smallest reduction is applied
- Age 62 (earliest age)



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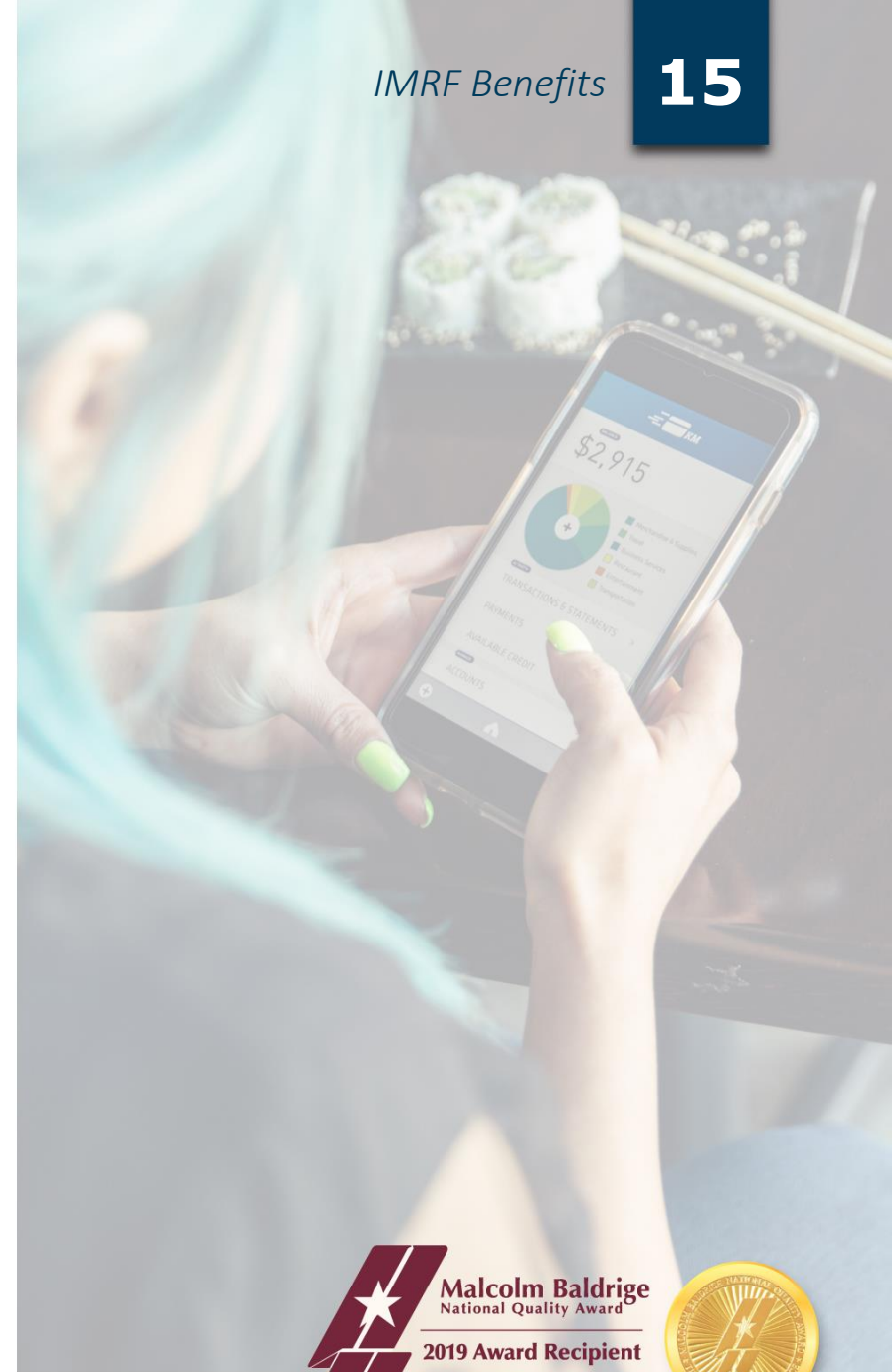
IMRF Pension Benefits are Based On



Earnings



Years of Service Credit



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Earnings

■ Reported monthly, and they include:

- Regular wages
- Overtime and vacation pay
- Back pay and sick pay
- Bonuses and awards
- 403(b), 457 Plan do not reduce contributions to IMRF
- Reportable up to 1 month after your participation terminates

■ Wage cap

- Tier 2 – \$116,740.42 max in 2021
 - As of Jan 1, 2022 it will be \$119,892.41



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How Do You Earn Service Credit?

- Working for an IMRF employer
 - full-time
 - part-time
- Being on IMRF disability
- Seasonal position
- Unused/unpaid sick time converted to service credit
 - can not be used to vest
- Purchasing service credit

- Military Service
- Reinstatement
- Retroactive
- Omitted
- SLEP Conversion
- Benefit Protection Leave
- Out of State



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Unused/Unpaid Sick Time

■ Did You Know?

- Full days are applied
- Pension effective date needs to be within 60 days of the IMRF termination date
- Final employer only, unless retiring from certain educational employers

1-20	1 month	121-140	7 months
21-40	2 months	141-160	8 months
41-60	3 months	161-180	9 months
61-80	4 months	181-200	10 months
81-100	5 months	201-220	11 months
101-120	6 months	221-240	12 months



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Earn Service Credit through Reciprocity

Have you worked for an employer with another Illinois pension system?

- Cook County Employees
- Cook County Forest Preserve
- General Assembly
- Judges
- Laborers' Annuity & Benefit Fund of Chicago
- Chicago Teachers'
- Chicago Park Employees'
- Municipal Employees of Chicago
- Metropolitan Water Reclamation
- State Employees'
- State Teachers'
- State Universities



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How Reciprocity Works

- **Minimum of one year service per system**
 - Exception for teaching assistants exists
- **Combined service meets vesting of all systems**
- **Each system pays its prorated share**
- **Request pension estimates from last system**
- **Submit application with each system**



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IMRF Disability Protection

You're covered for IMRF disability 24/7 once you have 12 consecutive months of service

- Income and service protection
- Protects your retirement and death benefits
- Includes pregnancy
- 30-day waiting period, earnings from employer must stop, workers' comp and Social Security disability offsets



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Active Member Death Benefit Payments

Less than 1 year of service

- Return member contributions
- Job-related death—also includes 1 year of earnings

More than 1 year of service and Active

- 1 year's earnings + member contributions and interest

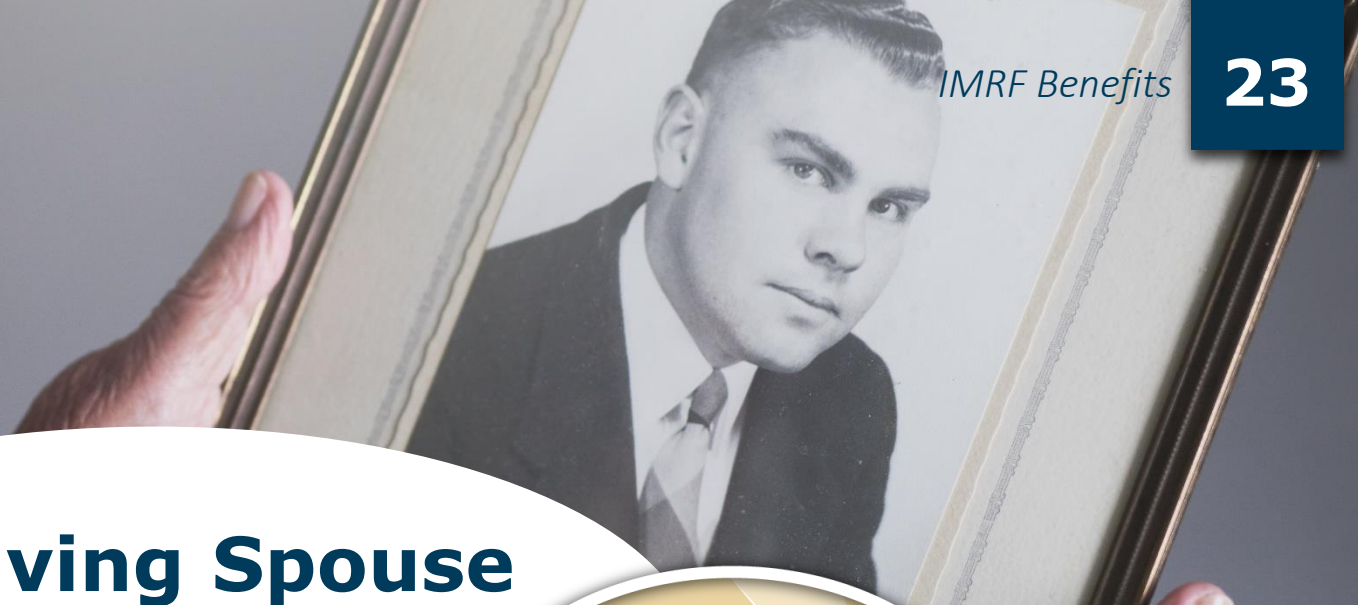
Vested and Active

- Eligible spouse can choose survivor pension or lump sum



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Surviving Spouse Pension



50%

of your benefit payment

OR



66%

of your benefit payment



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Taking an IMRF Refund



If you stop working for your IMRF employer, you can have 100% of your IMRF contributions returned to you.

- Rollover to other plans
- Paid directly to you
- Taxes and additional tax if under 59-1/2
- Or leave your contributions in IMRF
- Many other IMRF employers



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How Your Pension is Calculated



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What is Your IMRF Pension Amount Based On?



**Final Rate
of Earnings (FRE)**



**Years & Months
of Service**



**Age at
Retirement**



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Final Rate of Earnings



Average of your highest consecutive
***48 months**



Average of your highest consecutive
***96 months**

*** Over the last 10 years of earnings*



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Service Determines How Much of Your FRE is Replaced



Each year and month of service is used in the calculation of your pension.



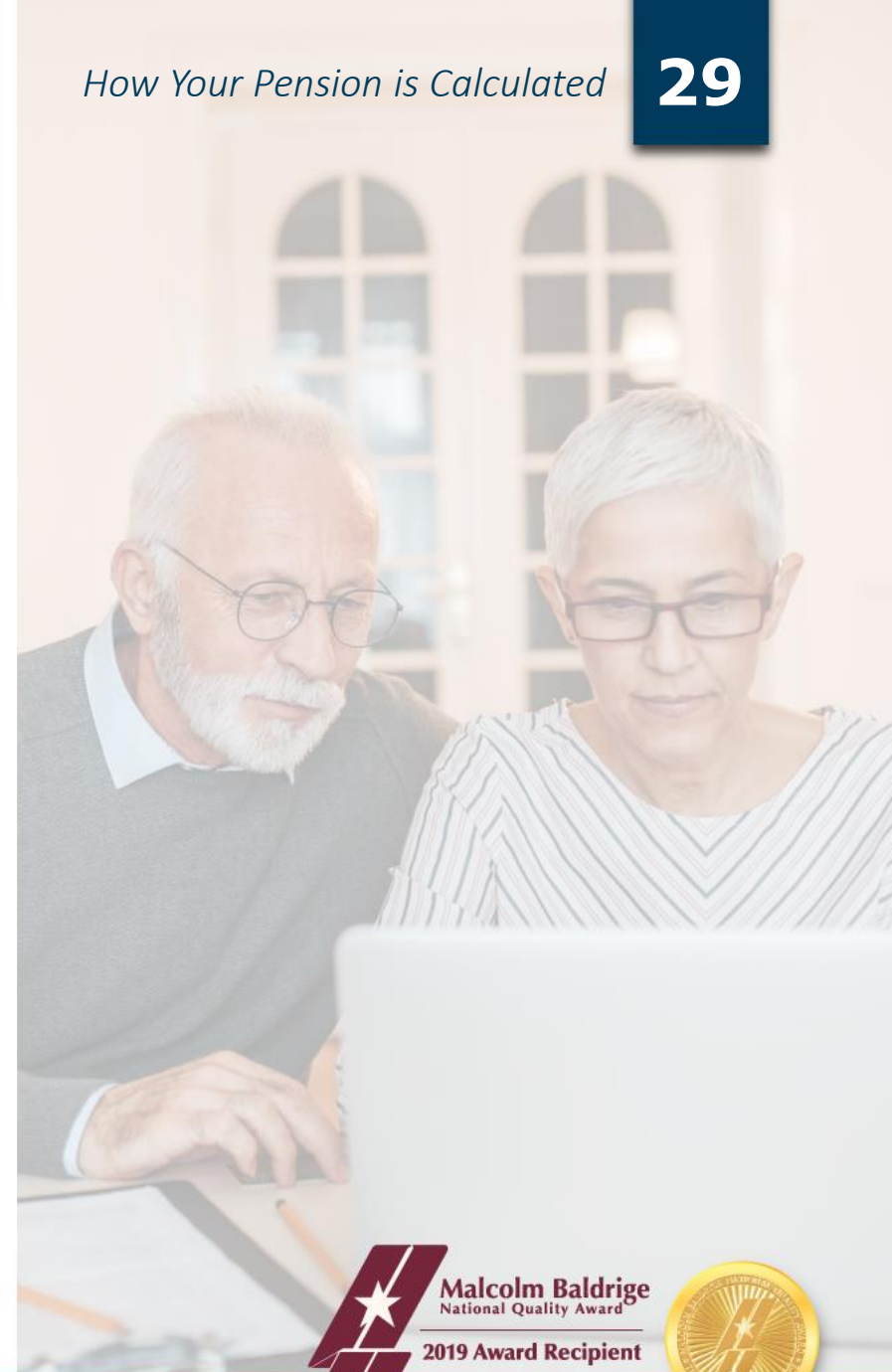
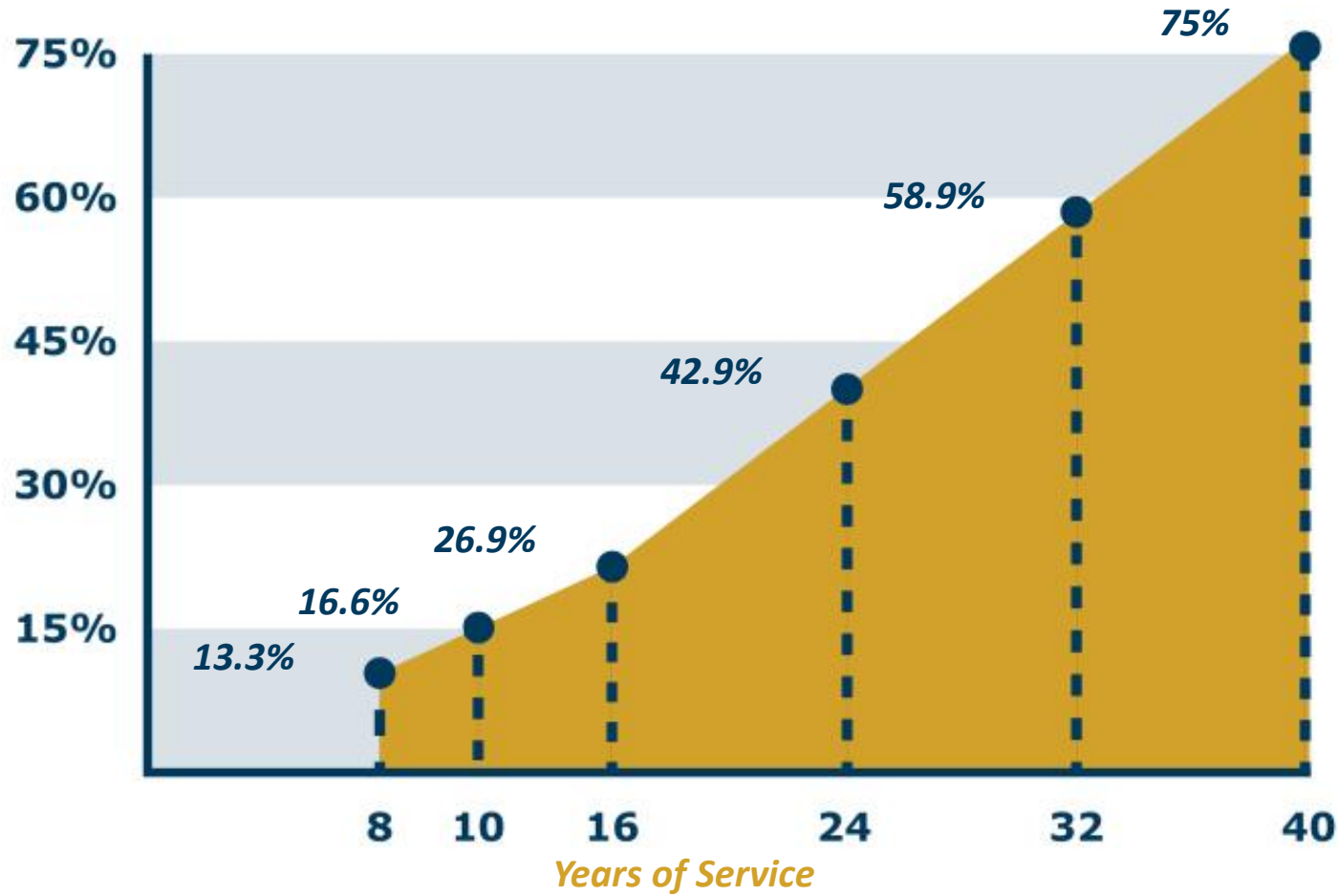
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Service and FRE % Comparison



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Pension Increases



3% increase each January

- Based on original pension
- First year pro-rated

Lesser of 3% or ½% of CPI URBAN

- 2021 increase is .70%
- After age 67



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Voluntary Additional Contributions



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Is the Voluntary Additional Contribution (VAC) Plan Right for You?

Optional Contributions

- Up to 10% of IMRF earnings
- These contributions are after-tax
- Currently earn interest at the rate of 7.25%
- Credited annually based on previous January 1 balance
- IMRF Form 6.30

Voluntary Additional Contribution Interest Example	
Year 1 January 1 Opening Balance	\$0.00
VA Contributions made during Year 1	\$400.00
Interest credited on Year 1 December 31 based upon January 1 opening balance of \$0 x 7.25%	\$0.00
Year 2 January 1 Opening Balance	\$400.00
VA Contributions made during Year 2	\$500.00
Interest credited on Year 2 December 31, based upon January 1 opening balance of \$400 x 7.25%	\$29.00
Year 3 January 1 Opening Balance	\$929.00
VA contributions made during Year 3	\$600.00
Interest credited on Year 3 December 31, based upon January 1 opening balance of \$929 x 7.25%	\$67.35
Year 4 January 1 Opening Balance	\$1,596.35



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Voluntary Additional Contribution Example

VAC SALARY CONTRIBUTION COMPARISON

Both members started contributing to VAC at age 25 and earned \$30,500 with 2% raises each year before retiring at age 67.

Total Benefit
\$104,209

or
\$765 monthly*

Interest
\$83,725

His Contributions
\$20,484



Total Benefit
\$521,044

or
\$3,868 monthly*

Interest
\$418,625

Her Contributions
\$102,418



*Gross for life with increases according to your Tier

*Gross for life with increases according to your Tier



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Your VAC Contributions

- **You can withdraw your contributions anytime.**
 - If taken before retirement you can only withdraw your contributions, none of the interest accrued.
- **No partial refunds while working**



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VAC Options

If you contribute to VAC program, here are your options when you retire...

■ Lifetime monthly annuity payments

- requires minimum of \$4,500 balance at retirement

■ Lump sum payment (if selected)

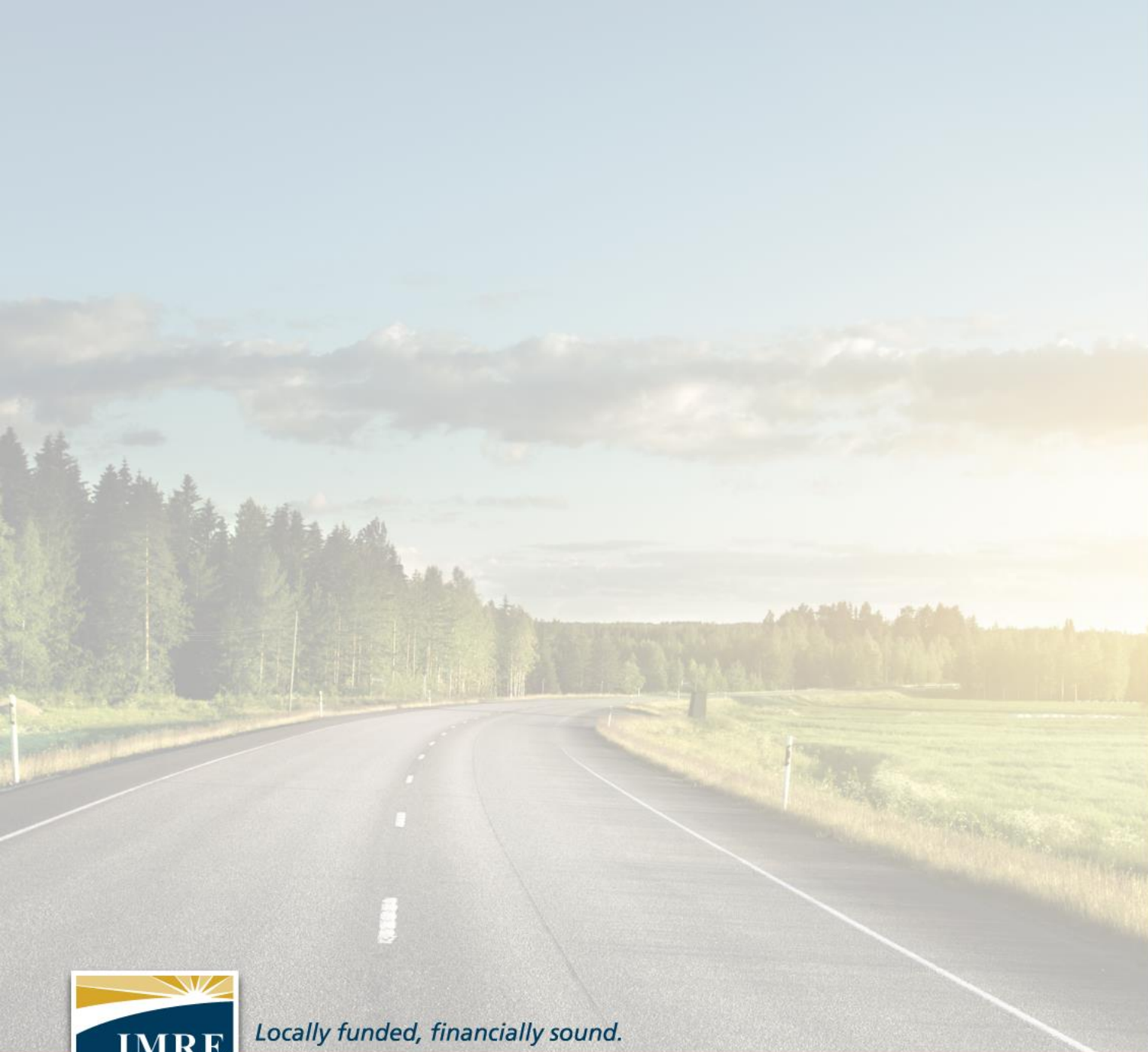
- there will be a tax liability on the “taxable” portion unless that portion is rolled over.

■ Rollover to qualified retirement account



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Resources



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Many Resources are Available Online



Member Access

NEW MEMBER PAGE
Click here.



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Remember to Sign Up For....



IMRF
**TO
LOGIN**
Click here.

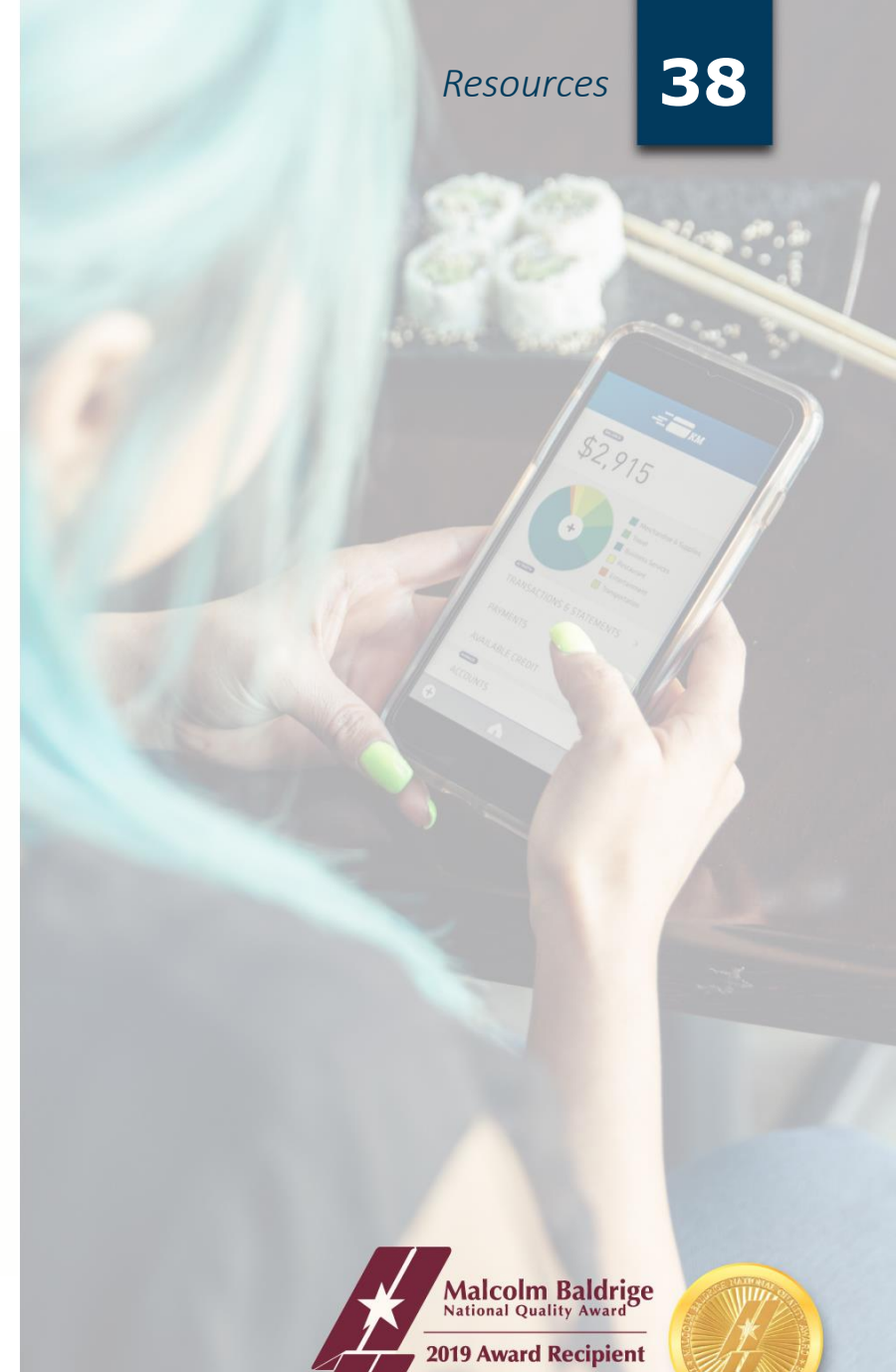
IMRF
**VIDEO
DIRECTIONS**
Click here.

A great tool for employees!

- **Pension calculations**
- **Secure Messages**
- Wage & service information
- Personal Benefit Review registration
- Beneficiary changes
- **Retirement & disability applications**
- Address updates



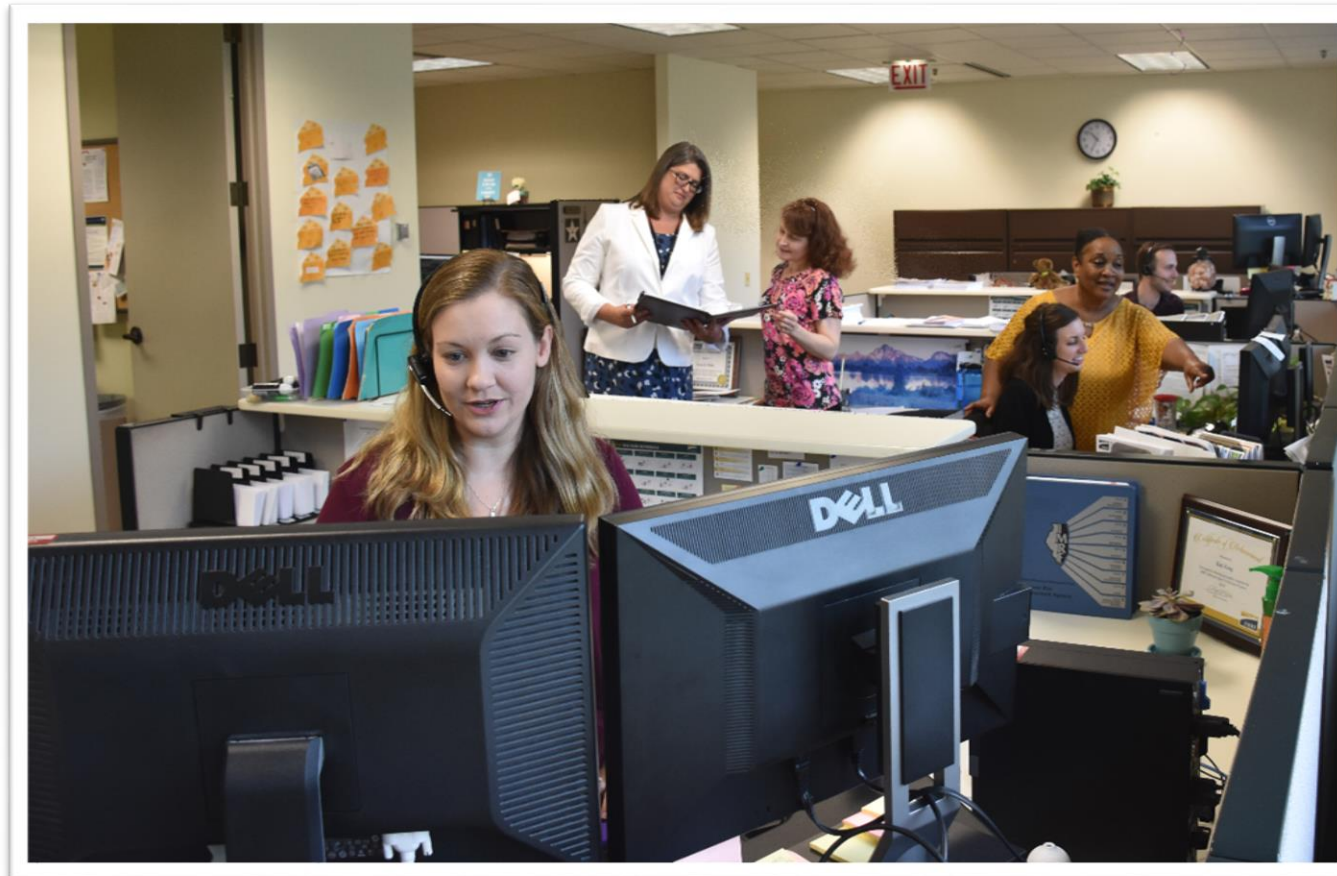
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Need an Answer?



IMRF's Member Service Call Center
1-800-ASK-IMRF (275-4673)



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Endorsed Insurance Plans



Doyle Rowe, Ltd.

- 1-800-564-7227



National Conference on Public Employee Retirement Systems (NCPERS) Life Insurance

- 1-800-525-8056



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What We've Covered Today

- Introduction to IMRF
- Understanding Your Benefits
- How is Your Pension Calculated?
- Voluntary Additional Contributions
- Additional Resources for Members



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Questions & Answers



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Thank you for joining us!

Any other questions?
Member Services Call Center
8:30am – 4:30pm, Monday – Friday
1-800-ASK-IMRF (275-4673)
www.imrf.org

Remember to sign up for



*Please complete the survey coming
to your email later today.*



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