



2020 IMRF Member Benefit Overview

Providing A Lifetime of Income Protection

LEGACY PROJECT LUNCHEON

***Brian Glover IMRF
Field Rep Metro North Territory***

March 2020

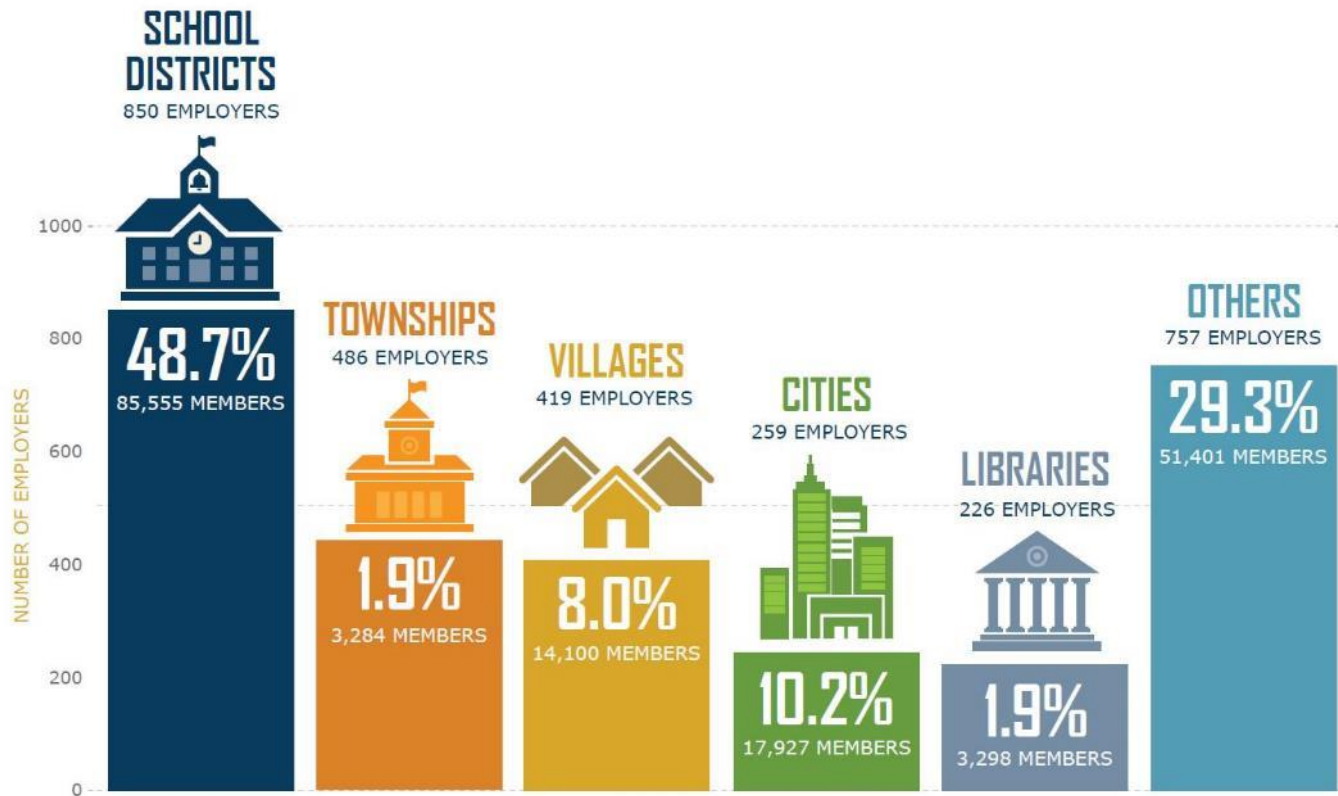
IMRF is...



- ***Public pension***
 - ***Created by the legislature for local government employees***
- Serves about 3,000+ local units of Government
- Funded by members, employers, investments and not the State of Illinois
- 401a Defined Benefit Plan - *Guaranteed Benefits*
- Investment Income:
91% funded on a Market basis as of 12/31/2019



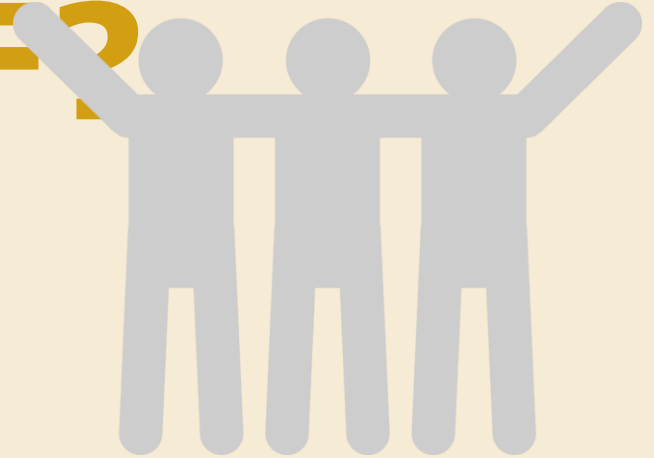
IMRF's Employers



IMRF SERVES 40+ types of Government



Who is IMRF?



Oldest active member is a 98-year-old man

Youngest active member is a 16.2-year-old teen girl

351 members have more than 40 years of service

- A woman has the most service of any active member with 62 years of service

2,669 active members live outside Illinois



How We Are Funded

The IMRF Pension Dollar Pensions are a shared responsibility.

Every dollar paid to IMRF retirees comes from three sources:

62¢

IMRF Investment
Earnings

26¢

IMRF
Employers

12¢

IMRF
Members



***Member participation began
prior to January 1, 2011***



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

Member Contributions

***Regular
4.5%***

Set by Statute

- ***Contributions are tax deferred***

- ***Includes 0.75% for funding a surviving spouse pension; refunded after retirement if no eligible spouse***

Employer Contributions

***Regular
12.03%***

***Regular Avg.
10.91%****

**2020 Average Employer Rates*

Employers fund their own employees' retirement costs

- Disability, death, 13th Payment contributions and a portion of the pension cost.



Voluntary Additional Contributions plan (VAC)



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
- Lifetime annuity option if \$4,500 or more when retired
 - No partial refunds while working

VAC Participation Example

Voluntary Additional Contributions **RETIREMENT AGE COMPARISON**

Both members began participation in VAC at age 40
and contributed \$200 per month.

Total Benefit

\$97,218

or

\$582 monthly*

Interest

\$50,618

His Contributions

\$46,600

RETIRED AT AGE
60



**gross for life with 3% increases*

Total Benefit

\$153,335

or

\$1,008 monthly*

Interest

\$94,735

Her Contributions

\$58,600

RETIRED AT AGE
65



**gross for life with 3% increases*

IMRF 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
 - Payments reportable to IMRF up to 1 month after you terminate employment.
-
- Tier 1 – \$280,000 in 2019 if enrolled after 1995
 - Tier 2 – \$114,951.83 max in 2019



Locally funded, financially sound.

Personal Statement of Benefits as of December 31, 2017 for **Marge Simpson**

IMRF Member ID: 444-4444

Your IMRF Benefits At a Glance

Retirement Benefit

You are vested (eligible) for an IMRF pension.

Earliest date you can receive a pension is January 1, 2025.

Your estimated monthly pension.....\$1,846

Your estimated annual pension.....\$22,152

Read more inside about how we calculated your estimate.

Understanding the value of your pension

As a member of IMRF (a defined benefit pension plan), you can receive a monthly pension (annuity) of \$1,846 at age 55. Assuming you were age 55 today, to purchase an annuity with a comparable lifetime benefit from a defined contribution plan (such as a 457 or 401(k) plan), you would need to accumulate

.....\$648,000

(This amount is based upon current interest rates.)

Total IMRF Service Credit

Total service credit as of December 31, 2016..... 22 Year 7 Month

Service credit you earned in 2017..... 12 Month

Total IMRF service credit as of December 31, 2017..... 23 Year 7 Month

Read more about your IMRF service credit inside.

Can you spare 15 minutes?

That's all it will take to review your 2017 IMRF Personal Statement of Benefits. Avoid problems in the future by taking time now to check your service, contributions, and benefit estimates.



Mailed annually

Service & wages

Unique Member ID

Benefit projections

**Retirement estimate
projects 3.5% pay
increase**



Your IMRF Pension is Based On



Your retirement age



Years of service



Final Rate of Earnings (FRE)



Service Credit

Current Service Credit

- Cash basis

IMRF Disability

Seasonal Service

- Must work minimum 8 consecutive months get 4 months of seasonal, check for gaps in service

Review Service Credit

- Personal Statement of Benefits
- Member Access
- Call 800-275-4673 number to review



Unused/Unpaid Sick Days

Employer reports sick days upon termination from IMRF

- Based on your employer's sick leave policy
- One month for every 20 days
- One year maximum
- Last employer *exception for school districts*
- Pension effective within 60 days
- Cannot be used to meet eligibility requirements

Unused/Unpaid Sick Days

Receive service credit for your unused and unpaid sick days

1-20	1 month
21-40	2 months
41-60	3 months
61-80	4 months
81-100	5 months
101-120	6 months

121-140	7 month
141-160	8 months
161-180	9 months
181-200	10 months
201-220	11 months
221-240	12 months

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



How Reciprocity Works

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



IMRF Benefits

Refunds

Disability

Death

Retirement

Benefit payments are subject to Federal Income tax

Illinois doesn't tax pensions at this time





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, you can leave your contributions in IMRF
- Many other IMRF employers



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

Death Benefits

Active Member

- Less than 1 year of service
- 1+ year of service
- Vested lump sum or surviving spouse pension*

Retired Member - \$3000 lump sum



50%

**of Member's Benefit
Payment**



66%

**of Member's Benefit
Payment**

*- Married/ Civil Union 1 year (365 days) prior to last day of IMRF participation
- If no spouse any balance will be refunded



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)**
- **48 month Final Rate of Earnings**



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)
- **96 month Final Rate of Earnings**

Pension Estimates



Use your Member Access account

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

- Provide details of projected service, sick days, pay increases, and payouts

Ready to Retire Soon?

File retirement application 30 days prior to last day worked

Ask your HR Dept. about Health Insurance Continuation

IMRF has endorsed plans through Doyle Rowe, Ltd.

- ***1-800-564-7227***
- ***Health Insurance under and over 65***
- ***Vision care, dental plan, prescription card, Long Term Care***



Social Security retirement has no effect on your IMRF pension

Endorsed Programs

Doyle Rowe, Ltd.

- 1-800-564-7227
- www.doyle Rowe.com/members/imrf/



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

- 1-800-525-8056
- www.mybensite.com/imrf/



Returning to Work?



You must call IMRF at 1-800-275-4673 before you can return to work!

10% additional tax may apply if under Age 59½



What we've discussed

- *Retirement benefits through IMRF*
- *Why you should review your records*
- *How your benefits are calculated*
- *What you need to do before you retire*
- *What to expect after you retire*





Thank you for attending!

Remember to sign up for



Brian Glover Metro North Territory
Email: Bglover@imrf.org

Any other questions?
Member Services 730a-530p Mon – Fri
1-800-275-4673

