



# Illinois Municipal Retirement Fund

## *Your IMRF benefits*

Under the  
Regular IMRF Plan

2002

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**What is the Illinois Municipal Retirement Fund?**

Since 1941, the Illinois Municipal Retirement Fund has provided employees of local governments and school districts in Illinois with a sound and efficient system for the payment of retirement, disability, and death benefits.

**The retirement plan IMRF offers is a defined benefit plan,** which is an example of the traditional pension plans that grew out of the 1930s and 1940s. In a defined benefit plan, the amount of the retirement benefit is based on a member’s final salary and his/her years of service credit.

**A different type of plan that helps you save for retirement is a defined contribution plan.** If you work for a school district or a public hospital, you may be familiar with an Internal Revenue Code Section 403(b) tax-deferred annuity. If you work for some other IMRF employer, you may be familiar with a 457 deferred compensation plan. These plans function like defined contribution plans.

This booklet provides you with a brief summary of your benefits as a member of IMRF. IMRF benefits are in addition to those provided by Social Security. You can also obtain information about IMRF by visiting our World Wide Web site at [www.imrf.org](http://www.imrf.org).

We want you to be aware of your responsibilities as an IMRF member and to take full advantage of the IMRF benefits available to you. Your rights and obligations as an IMRF member are governed by Article 7 of the Illinois Pension Code. The salary considered for pension purposes and the benefits paid cannot exceed the limits set by the IRC (see Article 1, Sections 1-116, 1-117, 7-224 of the Illinois Pension Code).

If you participate in the Sheriff’s Law Enforcement Personnel (SLEP) plan or Elected County Official (ECO) plan, please contact IMRF for information describing those plans.

**This booklet applies to IMRF members in participating status on or after August 17, 2001.** If you terminated IMRF participation before August 17, 2001, your benefits may be different than those described here.

## What IMRF benefits are available to you?

The following is a brief summary of benefits available to you as an active member. An active member works for an IMRF employer and makes contributions to IMRF. This summary also includes the requirements to be eligible for those benefits.

The complete IMRF plan is found in the Illinois Pension Code. In case of any conflict with the information found in this booklet, the Pension Code governs.

### Refund of member contributions

You may receive a refund of your member contributions if you terminate employment—that is, you stop working for your IMRF employer. If you take a refund, you give up all of your IMRF benefits.

See page 7 for more information on refunds.

### Retirement benefits

Upon retiring from an IMRF position and being vested with IMRF, you are eligible for a monthly pension for the rest of your life.

Vesting refers to the number of years of service credit you need to qualify for an IMRF pension. In IMRF you qualify for a pension at age 60 (normal retirement age) if you have at least eight years of service credit.

Exceptions to the normal retirement age exist but may affect the amount of your pension. See page 16 for more information on vesting requirements.

### Disability benefits

You are eligible for monthly payments up to 50% of your monthly earnings if you—

- have at least 12 consecutive months of service credit,
  - are disabled for more than 30 days,
  - are unable to perform duties assigned by your employer because of illness or injury,
  - are not receiving any earnings from any IMRF employer.
- See page 25 for more information on disability benefits or refer to IMRF disability booklet for complete explanation.

### Death benefits

The amount IMRF pays as a death benefit will vary depending on the amount of your service credit. If you have:

- **Less than one year** of service credit,  
—and the death is not job related: your beneficiary(ies) will receive the return of your member contributions.  
—and the death is job related: your beneficiary(ies) will receive one year's salary plus your member contributions.
- **More than one year** of service credit:  
—your beneficiary(ies) will receive one year's salary plus return of your member contributions with interest.
- **More than eight years** of service credit:  
—your spouse (if you were married for at least one year) will receive a surviving spouse pension plus a \$3,000 lump sum payment.  
or  
—your beneficiary(ies) will receive one year's salary plus the return of your member contributions with interest.

See page 29 for more information on death benefits.

## Why you must participate in IMRF

Illinois State law *requires* you to participate in IMRF if you work in an IMRF qualified position. An IMRF qualified position is one that is expected to equal or exceed your employer's annual hourly standard; the standard is either 600 or 1,000 hours a year and refers to the number of hours a position is expected to work in a year.

**All school and special education districts are under an annual hourly standard of 600 hours.**

**All other IMRF employers have the option of choosing an annual hourly standard of either 600 or 1,000 hours a year.** If your employer submits a resolution to IMRF changing its annual hourly standard from 600 to 1,000 hours a year, only employees hired after that time would be under the 1,000-hour standard.

The *expected* annual hourly requirement of your position determines whether or not you are eligible to participate in IMRF. The actual hours you work may be more or less than the hours your position is expected to work.

If you have any questions regarding your right to participate in IMRF, we recommend that you contact IMRF at 1-800-ASK-IMRF (1-800-275-4673) or you can visit IMRF on the World Wide Web at [www.imrf.org](http://www.imrf.org).

### Exceptions to IMRF's membership requirements

**Previous employment** — If you earned service credit with any IMRF employer prior to January 1, 1982, you are “grandfathered” under the 600-hour standard. This means that you must be enrolled in IMRF if your position is expected to require 600 hours or more in a 12-month period. This is true even if your employer is under the 1,000-hour standard.

**City hospital employees** — If you are a city hospital employee, you have the option of participating in IMRF if your position meets the eligibility requirement. To participate, you must file a written election with IMRF (IMRF Form 6.21, “Election to Participate for Qualifying Position”). The election to participate cannot be revoked.

**Elected officials** — If you are an elected official, you have the option of participating in IMRF if your position meets the eligibility requirement. To participate, you must file a written election with IMRF (IMRF Form 6.21, “Election to Participate for Qualifying Position”). The election to participate cannot be revoked. In addition, your governing body must file a resolution with IMRF certifying that your position meets the annual hourly standard.

If you are an elected *county* official, you may be eligible to participate in the IMRF Elected County Official Plan if your county has adopted the plan. To participate, you must file a written election with IMRF (IMRF Form 6.21B, “Election by Elected County Official to Participate in the IMRF Revised Elected County Official Plan”). Contact IMRF for more information.

## What do you contribute to IMRF?

### Your member contributions

As a member of IMRF making contributions toward a Regular IMRF pension you contribute 4.50% of your salary: 3.75% for your pension and 0.75% for a surviving spouse pension.

Your contributions are tax deferred; you do not pay either federal or Illinois income tax on the money used to make your contributions. Your contributions will be subject to federal income tax, but not to Illinois income tax, when you receive them as a refund or as a pension or when your beneficiary(ies) receives them as a death benefit.

This tax treatment is provided under the 414(h) tax deferral plan effective July 1, 1984, for all IMRF employers and adopted earlier by some employers.

If you made contributions before your employer adopted a 414(h) plan, those contributions were taxed at the time you made them. They are not taxable when you receive them as a refund or pension or when your beneficiary(ies) receives them as a death benefit.

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**Please note:** You cannot borrow from your member contributions nor can you use them as collateral for a loan. Your contributions cannot be garnished or seized by any creditor. As long as your contributions remain on deposit with IMRF, they are protected from your creditors.

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### Your employer's contributions

Your employer's contributions are not credited to individual member accounts. An employer's contribution consists of:

- Most of the pension costs for its members who reach retirement
- All of the costs for the Supplemental Benefit Payment ("13th check")
- Most of the costs for survivors' pensions
- All of the costs for disability benefits
- All of the costs for death benefits

### Can you stop contributing to IMRF?

#### Reaching maximum benefit—40 years or more

IMRF members will receive the maximum IMRF retirement benefit after earning 40 years of service credit.

If you have 40 or more years of IMRF service credit, you can elect to stop making IMRF contributions. If you stop contributing you will still have the same death and disability benefit protection as contributing members.

For more information, ask IMRF or your employer for IMRF Form 6.24, "Election to Cease Making IMRF Contributions."

### When can you take a refund?

If you stop working for your IMRF employer and have:

**Less than eight years** of service credit: Your 4.50% IMRF contributions will be returned to you upon request.

**Eight or more years** of service credit:

*Less than age 55* — Your 4.50% IMRF contributions will be returned to you upon request. However, you will be giving up the right to a future pension.

*Age 55 or older* — If your IMRF service qualifies you for a monthly pension of \$30 or more, you cannot withdraw your contributions; you will receive them as a part of your monthly pension. **Exception:** you can receive a refund only if you will roll it over into another defined benefit retirement plan to purchase qualifying service credit.

To apply for a refund, complete and submit IMRF Form 5.10, "Application for Separation Refund," to IMRF. You are not eligible for a refund if you stop participating in IMRF but continue working for the same employer.

IMRF is required by federal law to withhold 20% of the taxable portion of your separation refund unless you elect to have the taxable portion directly rolled over to a traditional IRA (not a Roth IRA) or other qualified retirement plan. Depending on your years of service and age, you may also be liable for a penalty of 10% of the taxable amount. You may defer the 10% penalty by directly rolling your refund into a traditional IRA or other qualified pension plan.

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**Please note:** when you take a refund of your IMRF contributions, you forfeit—give up—all of your IMRF benefits. You will not be eligible for any retirement or disability benefit, and your beneficiary(ies) will not be entitled to any death benefit.

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**Repaying a refund (redeposit of withdrawn contributions)**

If you stop working for your IMRF employer and take a refund of your contributions, you may redeposit those withdrawn contributions (repay the refund) and reinstate your years of service credit.

To do so, you must again participate for two years in IMRF or in another Illinois public pension system under the Reciprocal Act. You would then complete and submit IMRF Form 6.03, “Application for Reinstatement of Service Credit.” You may redeposit the withdrawn contributions, plus interest, either in a lump sum or installments.

**Other refunds****Surviving spouse contributions**

If you do not have an eligible spouse when you retire (married to you for at least one year before you stopped participating in IMRF), IMRF will refund your surviving spouse contributions, with interest.

You can receive the contributions in a lump sum or as an additional monthly annuity.

**Converting a lump sum refund into monthly annuity:**

- A lump sum refund cannot be converted unless the monthly annuity payment is at least \$10 a month.
- If you have both a surviving spouse and SLEP contribution refund, both must be converted to an annuity. You cannot annuitize one refund but not the other. You must also convert the entire amount.
- The additional annuity will be paid for your lifetime. However, there is no annual 3% increase nor is this annuity eligible for the supplemental benefit (“13th check”).
- The original lump sum amount is the guaranteed minimum payout. There is no maximum payout.
- If you die before receiving annuity payments that equal your contributions, the balance will be paid to your beneficiary(ies).

**Contributions not received as a benefit**

Upon your death, if IMRF has not returned all of your member contributions to you as either a refund or as a pension, your beneficiary will receive the balance of your IMRF contributions with interest.

**How is your retirement benefit calculated?****Your IMRF defined benefit pension**

Your retirement benefit (pension) is based on your final rate of earnings (FRE) and your years of IMRF service credit. Your IMRF pension is paid as long as you live and is increased by 3% of the original amount on January 1 of each year after you retire. For more on pension payments and increases, refer to page 20.

**Final rate of earnings (FRE)** is your highest total earnings during any 48 consecutive months within your last 10 years of IMRF service divided by 48. Usually, this is the average of the last 48 months of service. However, the earnings considered for each of the last three months cannot be more than 25% greater than the highest earnings in any of the first 45 months of the 48 consecutive months. See page 15 for details of how your FRE is calculated.

**Regular pension formula**

- 1-2/3% of your final rate of earnings for each of the first 15 years of service credit,  
*plus*
- 2% of your final rate of earnings for each year of service credit more than 15 years.

The total pension at retirement cannot exceed 75% of your final rate of earnings.

**An example of a pension calculation**

When you retire, you have:

- 19 years of service credit
- a final rate of earnings (FRE) of \$2,000 per month.

Using the Regular pension formula:

First 15 years of service credit—

$$1\text{-}2/3\% \times 15 \text{ years} = 24.9\% \quad \times \quad \$2,000 \quad = \quad \$498.00 \quad \textit{plus}$$

Service credit over 15 years—

$$2\% \times 4 \text{ years} = 8\% \quad \times \quad \$2,000 \quad = \quad \$160.00$$

$$\textbf{Total monthly pension} \quad = \quad \$658.00$$

### What is service credit?

Service credit is your total time under IMRF, stated in years and months. Service is credited monthly while you are working, receiving IMRF disability benefits or while you make member contributions during an IMRF Benefit Protection Leave.

You earn one month of service credit for each month you:

- work in a qualified position and make a member contribution
- worked in a qualified position prior to your employer joining IMRF
- receive an IMRF disability benefit
- are on an IMRF Benefit Protection Leave (limited to 12 months)
- purchase past service credit

### What is a seasonal position?

You work in a seasonal position (and are considered an IMRF “seasonal” member) if your position requires you to work at least six months in a row but less than 12 months in a 12-month period. This does not refer to a calendar 12 months of January through December, but to any 12-month period.

#### **An example of a seasonal position:**

- 1) A member works at a school district and works the months of September, October, November, December, January, February, March, April, and May.
- 2) The member’s “off season” months (months she doesn’t work but is still considered an employee) are June, July and August. The member is not paid during those months.
- 3) The next month, September, the member goes back to work as usual.

This example assumes that the member is considered an employee during her “off season” months. If so, the member will receive IMRF service credit for the entire 12-month period and not just for the months she worked. If her employer does not consider her an employee during her off season months, she will receive service credit for the number of months actually worked in which she made an IMRF member contribution.

In other words, if you are employed by your employer for 12 months (even if you are on “seasonal leave” during part of that time), you will receive 12 months of IMRF service credit.

### What determines your seasonal pattern?

If you are a seasonal employee, you will automatically receive seasonal service credit if your employer identifies your position as seasonal on your IMRF enrollment form. Your months of seasonal service credit are based upon your “seasonal pattern.”

The seasonal pattern is determined by the type of employer you work for:

#### **School Districts, Educational Districts, and Educational Regions:**

Seasonal employees will receive seasonal service credit for June, July, August, and September.

#### **Park Districts and Forest Preserve Districts:**

Seasonal employees will receive seasonal service credit for October, November, December, January, February, and March.

#### **All other employers who have seasonal employees:**

IMRF will contact the employer to determine the appropriate seasonal patterns. For you to receive seasonal service credit automatically, you must be identified as seasonal on your Notice of Enrollment in IMRF.

*continued...*



*Seasonal service, continued...*

Once your seasonal pattern is determined, you will automatically receive seasonal service credit for the seasonal months unless:

- Your employer does not report wages for the months you normally work (your “on season” months), OR
- Your employer submits a Notice of Termination (IMRF Form 6.41) for you.

**Concurrent service**

**Working for two IMRF employers at the same time**

Members who work for two or more IMRF employers at the same time have “concurrent” service. Concurrent service occurs when a member is reported by more than one employer for the same month. However, by law, the member is eligible for only one month of service credit.

***You cannot earn more than one month of service credit for any given calendar month.***

Although you receive only one month of service credit, the salary you earn from both employers is combined for that month. Therefore, if the concurrent service occurs during your “final rate of earnings” period (see page 15), it can increase the amount of your pension.

Other service credit is discussed on the following pages. To estimate your IMRF pension, please turn to page 22.

**What happens to your unused, unpaid sick days?**

You may qualify for a maximum of one year (240 days) of additional service credit for unused, unpaid sick days earned with your last employer. The service credit is earned at the rate of one month for every 20 days of unused, unpaid sick leave or fraction thereof. For example:

<b>Unused, unpaid sick days</b>	<b>Additional months of service credit</b>
22	2
68	4
136	7

This additional service credit applies:

- If you are leaving employment for retirement. The sick leave must have been earned under an established sick leave plan available to all employees or a class of employees, and the effective date of your pension must be within 60 days of your termination.
- If a member dies while participating in IMRF and a surviving spouse pension is payable. Because a surviving spouse pension is based on the pension the deceased member had earned, IMRF includes unused, unpaid sick days when calculating a surviving spouse pension (see page 33).

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**Please note:** converted sick leave service credit **cannot** be used to meet the

- eight-year requirement for an IMRF pension,
  - 35-year requirement for a full pension under age 60, or
  - 20-year requirement for the IMRF Early Retirement Incentive
-



## What is reciprocal service credit?

### Service in other Illinois systems

IMRF is under the Reciprocal Act, as are all other Illinois public pension systems except local police and fire pension funds. Under the Reciprocal Act, service credit may be combined at the date of retirement or death. The total of your combined service is then used to determine your eligibility for benefits and the amount of those benefits.

To be eligible to retire under the Reciprocal Act, the total amount of your service credit with all retirement systems must meet or exceed the vesting requirements of each system.

### Applying for a reciprocal pension

The best way to apply for a “reciprocal” pension is to apply with all of your reciprocal systems at the same time.

You need to submit separate pension applications with each system you participated in. Most importantly, be sure to tell each system that you are applying for a reciprocal pension. For more information on the Reciprocal Act and reciprocal pensions, please request from IMRF a copy of the Reciprocal Act brochure.

## Other service credits

You may be eligible to receive service credit for time served in the U.S. armed forces or for past service.

Members may purchase IMRF service credit for time served in the military before participating in IMRF. For details, contact IMRF and request the “Military Service Credit” booklet.

If you have questions regarding your service credit or about types of past service, contact your employer’s Authorized Agent, IMRF, or your assigned IMRF field representative.

## Your final rate of earnings (FRE)

Your final rate of earnings (FRE) is your highest total earnings during any 48 consecutive months within your last 10 years of IMRF service divided by 48. Usually, this is the average of the last 48 months of service.

### Simple FRE calculation

To calculate this IMRF member’s FRE at retirement, the last four years (48 months) are used because his earnings were highest in the last 48 consecutive months:

2001	.....	\$17,000	} Highest 48 months
2000	.....	\$16,000	
1999	.....	\$15,000	
1998	.....	\$14,000	
1997	.....	\$13,000	
1996	.....	\$12,000	
1995	.....	\$11,000	
1994	.....	\$10,000	
1993	.....	\$9,000	
1992	.....	\$8,000	

### Total of last 48 consecutive months:

4 year total	=	\$62,000
Divided by 48	=	\$1,291.67
<b>This member’s FRE</b>	=	<b>\$1,291.67</b>

### Increase in salary during last three months

If your earnings for the last three months are more than 25% greater than your highest earnings in any of the previous 45 months, IMRF “reduces” those earnings when we calculate your FRE. You are paid the higher amount by your employer, but IMRF uses a lesser amount in your FRE calculation.

### How do you qualify for a Regular IMRF pension?

- You must have at least eight years of service credit (can include reciprocal service, see page 14).
- You must not be working in any position which qualifies for IMRF coverage. An elected official holding an office that qualifies for IMRF participation can remain in the office and receive an IMRF pension if:
  - he/she did **not** choose to participate in IMRF when first elected *and*
  - his/her pension is **not** based on any service earned in that elected position during any term of office.
- You must be at least age 55.
  - If you retire between age 55 and 60 and have less than 30 years of service credit, your pension will be reduced by 1/4% for each month you are under age 60.
  - If you retire between age 55 and 60 and have at least 30 but less than 35 years of service credit, your pension will be reduced by the *lesser* of
    - 1/4% for each month you are under age 60
    - or*
    - 1/4% for each month of service credit less than 35 years.
  - If you retire at age 60 or older or if you have 35 years of service credit, the full amount of the pension will be paid.

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**Please note:** unused, unpaid sick days converted to service credit *cannot* be used to meet the eight-year requirement for an IMRF pension or to meet the 35-year requirement for a full pension under age 60.

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### How to apply for your pension

Obtain an “Application for Retirement Annuity” (IMRF Form 5.20) from your Authorized Agent or IMRF. Fill it out and return it to IMRF. IMRF will contact you if you need to submit copies of the documents listed on the application.

If you have service credit with any of the 12 reciprocal retirement systems in Illinois, please refer to page 14.

IMRF pensions are effective on the first day of the month after you terminate employment. IMRF pays pensions in advance on the first day of every month. For example, your August pension will be paid to you on August 1. If you retire at any time during a month, you receive full service credit for that month, and your pension will be effective on the first day of the next month. If you retire on September 15, you will receive service credit for the month of September, and your pension will be effective (paid) on October 1.

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**Please note:** IMRF can “back date” a pension only 12 months. If you no longer participate in IMRF but are at least age 55, we recommend you apply for your pension.

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## Optional retirement plans

When you retire, your initial pension payments are always based on IMRF's straight life (standard) plan. However, you may be eligible for other payment options.

### Optional pension benefit

If you retire before age 62, IMRF's Optional pension benefit permits you to choose an increased IMRF benefit until age 62 and a reduced IMRF benefit thereafter.

After we receive a member's retirement application and final wage report from his/her employer, IMRF will advise members under age 62 of the amounts payable under the straight life (standard) plan and under the Optional pension benefit plan.

The calculations of the Optional pension vary and can be computed on an individual basis only.

### Reversionary Annuity option

Under the reversionary option, you choose to have your pension payments "revert" (become payable) to someone else upon your death. However, the total pension payout to you and to the individual you name (the "reversionary annuitant") cannot be greater than the total pension payout if you did not choose this option.

Therefore, the younger the age of the individual you name, the greater will be the reduction in your monthly pension.

Retiring members choosing the Reversionary Annuity option must make this choice at the time of retirement by completing and submitting IMRF Form 5.20R. Your decision to revert to the Reversionary Annuity is irrevocable—it cannot be canceled or changed.

### Your choices under the Reversionary Annuity option

The percentage of the pension payable to the individual you name (the "reversionary annuitant") depends upon whether you have a spouse eligible for an IMRF surviving spouse pension when you retire (see page 33):

#### 1. Your spouse is eligible for a surviving spouse pension:

Upon your death, your spouse would receive a surviving spouse pension equal to 50% of your unreduced pension, that is, the pension you would have been receiving had you not chosen a reversionary annuity. (If your spouse is more than five years younger than you, the pension is actuarially reduced.) Because the reversionary amount is set aside from the member's pension, the surviving spouse pension is not affected by the reversionary annuity. The surviving spouse pension will always be 50% of the member's unreduced pension.

You can elect a reversionary annuity that will provide your spouse—or some other person—an additional pension equal to 25%, 35%, or 40% of the reduced pension you had been receiving. You are not required to name your spouse, you can name some other individual to receive the reversionary annuity.

#### 2. You have no spouse or your spouse is not eligible for a surviving spouse pension:

You can elect a reversionary annuity that will provide any one individual a pension equal to 50%, 75% or 100% of your reduced pension, that is, the reduced pension you will receive if you choose a reversionary annuity. This option allows you to provide an annuity for your spouse if he or she is not eligible for the IMRF surviving spouse pension (see page 33).

## Annual increases

An IMRF pension is paid as long as you live and is increased by 3% of the original amount on January 1 of each year after you retire. Unless the effective date of your pension is January 1, your first year increase will be less than 3%. In these cases, the increase is based on the number of months you are retired that first year.

### Example of a 3% increase:

When this IMRF member retired, her monthly pension was \$500 and her pension was effective January 1. Because this member was retired a full year her first year of retirement, she will receive the full 3% increase beginning with year two. The increase is calculated as follows:

Year	Monthly Amount
1	\$500
2	\$515
3	\$530
4	\$545
5	\$560
10	\$635
15	\$710

## Supplemental benefit payment ("13th check")

Each July IMRF provides a supplemental benefit payment ("13th Check") to IMRF retired members and surviving spouses.

In order to receive the supplemental benefit payment in the year 2002, you must have stopped participating in IMRF on or before June 30, 2001, and you and/or your surviving spouse must have received at least 12 months of IMRF pension payments through June 2002.

The supplemental benefit payment amount will vary, depending on the number of retired members eligible for this payment, as well as the total amount contributed by employers to pay this benefit. Regardless, the payment will be less than your monthly pension payment.

## Early Retirement Incentive

Certain IMRF employers may adopt a resolution providing their IMRF members with an Early Retirement Incentive (ERI). Members who retire under ERI may purchase from one month up to five years of additional service credit. For each month of service purchased, the age used to calculate the retirement benefit will be increased by the same number of months.

### ERI example:

You are 52-1/2 years (52 years, 6 months) and have 21 years of service credit:

- You purchase 2-1/2 years (2 years, 6 months) of additional service credit.
- The age used to calculate your retirement benefit will increase from 52-1/2 years to 55 years.
- The service credit used to calculate your retirement will increase from 21 years to 23 years and 6 months.

To be eligible to retire under the IMRF ERI:

- Your employer must adopt the program.
- You must be participating in IMRF on the effective date of your employer's ERI program.
- You must be at least age 50 and have at least 20 years of service credit by your date of retirement (the 20 years cannot include converted sick leave service credit).
- For each year of service credit you purchase, you will pay 4.50% (6.50% for SLEP, 7.50% for ECO) of your highest 12 consecutive months of salary within your final rate of earnings (FRE) period.

The information provided here is a brief summary of ERI. Other requirements and limitations apply. Please contact IMRF or your employer's IMRF Authorized Agent, or visit [www.imrf.org](http://www.imrf.org) for more information.

PENSION ESTIMATE CHART

Estimating your IMRF pension

How to use this table

1. Find your final rate of earnings (see definition on page 15) in the first column.
2. Find your years of service credit (top line).

Monthly Final Rate of Earnings	YEARS OF SERVICE CREDIT																																		
	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	35	40										
	AMOUNT OF MONTHLY PENSION (IN DOLLARS)																																		
500	66	75	83	91	100	108	116	125	135	145	155	165	175	185	195	205	215	225	235	245	255	265	275	325	375										
600	80	90	100	110	120	130	140	150	162	174	186	198	210	222	234	246	258	270	282	294	306	318	330	390	450										
700	93	105	116	128	140	151	163	175	189	203	217	231	245	259	273	287	301	315	329	343	357	371	385	455	525										
800	106	120	133	146	160	173	186	200	216	232	248	264	280	296	312	328	344	360	376	392	408	424	440	520	600										
900	120	135	150	165	180	195	210	225	243	261	279	297	315	333	351	369	387	405	423	441	459	477	495	585	675										
1,000	133	150	166	183	200	216	233	250	270	290	310	330	350	370	390	410	430	450	470	490	510	530	550	650	750										
1,100	146	165	183	201	220	238	256	275	297	319	341	363	385	407	429	451	473	495	517	539	561	583	605	715	825										
1,200	160	180	200	220	240	260	280	300	324	348	372	396	420	444	468	492	516	540	564	588	612	636	660	780	900										
1,300	173	195	216	238	260	281	303	325	351	377	403	429	455	481	507	533	559	585	611	637	663	689	715	845	975										
1,400	186	210	233	256	280	303	326	350	378	406	434	462	490	518	546	574	602	630	658	686	714	742	770	910	1,050										
1,500	200	225	250	275	300	325	350	375	405	435	465	495	525	555	585	615	645	675	705	735	765	795	825	975	1,125										
1,600	213	240	266	293	320	346	373	400	432	464	496	528	560	592	624	656	688	720	752	784	816	848	880	1,040	1,200										
1,700	226	255	283	311	340	368	396	425	459	493	527	561	595	629	663	697	731	765	799	833	867	901	935	1,105	1,275										
1,800	240	270	300	330	360	390	420	450	486	522	558	594	630	666	702	738	774	810	846	882	918	954	990	1,170	1,350										
1,900	253	285	316	348	380	411	444	475	513	551	589	627	665	703	741	779	817	855	893	931	969	1,007	1,045	1,235	1,425										
2,000	266	300	333	367	400	432	467	500	540	580	620	660	700	740	780	820	860	900	940	980	1,020	1,060	1,100	1,300	1,500										
2,100	280	315	350	385	420	455	490	525	567	609	651	693	735	777	819	861	903	945	987	1,029	1,071	1,113	1,155	1,365	1,575										
2,200	293	330	366	403	440	476	513	550	594	638	682	726	770	814	858	902	946	990	1,034	1,078	1,122	1,166	1,210	1,430	1,650										
2,300	306	345	383	421	460	498	536	575	621	667	713	759	805	851	897	943	989	1,035	1,081	1,127	1,173	1,219	1,265	1,495	1,725										
2,400	320	360	400	440	480	520	560	600	648	696	744	792	840	888	936	984	1,032	1,080	1,128	1,176	1,224	1,272	1,320	1,560	1,800										
2,500	333	375	416	458	500	541	583	625	675	725	775	825	875	925	975	1,025	1,075	1,125	1,175	1,225	1,275	1,325	1,375	1,625	1,875										
2,750	366	412	458	504	550	595	641	687	742	797	852	907	962	1,017	1,072	1,127	1,182	1,237	1,292	1,347	1,402	1,457	1,512	1,787	2,062										
3,000	400	450	500	550	600	650	700	750	810	870	930	990	1,050	1,110	1,170	1,230	1,290	1,350	1,410	1,470	1,530	1,590	1,650	1,950	2,250										
3,250	433	487	541	595	650	704	758	812	877	942	1,007	1,072	1,137	1,202	1,267	1,332	1,397	1,462	1,527	1,592	1,657	1,722	1,787	2,112	2,437										
3,500	466	525	583	641	700	758	816	875	945	1,015	1,085	1,155	1,225	1,295	1,365	1,435	1,505	1,575	1,645	1,715	1,785	1,855	1,925	2,275	2,625										
4,000	533	600	666	733	800	866	933	1,000	1,080	1,160	1,240	1,320	1,400	1,480	1,560	1,640	1,720	1,800	1,880	1,960	2,040	2,120	2,200	2,600	3,000										
4,500	600	675	750	825	900	975	1,050	1,125	1,215	1,305	1,395	1,485	1,575	1,665	1,755	1,845	1,935	2,025	2,115	2,205	2,295	2,385	2,475	2,925	3,375										
5,000	667	750	834	917	1,000	1,084	1,167	1,250	1,350	1,450	1,550	1,650	1,750	1,850	1,950	2,050	2,150	2,250	2,350	2,450	2,550	2,650	2,750	3,250	3,750										
5,500	733	825	917	1,000	1,100	1,192	1,284	1,375	1,485	1,595	1,705	1,815	1,925	2,035	2,145	2,255	2,365	2,475	2,585	2,695	2,805	2,915	3,025	3,575	4,125										
6,000	800	900	1,000	1,100	1,200	1,300	1,400	1,500	1,620	1,740	1,860	1,980	2,100	2,220	2,340	2,460	2,580	2,700	2,820	2,940	3,060	3,180	3,300	3,900	4,500										

PENSION ESTIMATE CHART

3. Your estimated pension at **age 60 or older** will be the amount shown at the point where your earnings line and service column intersect.

**Example:** 25 years of service credit and final rate of earnings of \$1,000 will provide an IMRF pension of \$450 per month at age 60 or older.

**Social Security benefits are in addition to the figures shown below.**

## Returning to work after retirement

### Your pension will be stopped if you:

- Return to work for an IMRF employer in a position that qualifies for IMRF participation. You must participate with full IMRF and Social Security deductions from your salary. When you again retire, your new pension will be recalculated to take into account your additional service credit and your new final rate of earnings.
- Return to work for any Illinois public pension system paying you a pension under the Reciprocal Act. It is your responsibility to advise all systems if you return to work.
- Hold an elected position that qualifies for IMRF participation. Your pension will be stopped if it is based on any service earned in that position during any term of office.
- If you retire under the IMRF **Early Retirement Incentive** and return to work for *any* IMRF employer in *any* position, you will lose the ERI age and service credit increases (enhancements) and will pay IMRF for any pension payments you received that resulted from the ERI.

If your pension is stopped because you return to work for an IMRF employer, your IMRF pension will resume when your employer submits Form 6.41 terminating your employment.

### Your pension will continue if you:

- Return to work for an IMRF employer in a position that does not qualify for IMRF participation. However, you will be required to pay Social Security taxes on your salary.
- Return to work for any private company or governmental agency not covered by IMRF.
- Hold an elected office that qualifies for IMRF participation, but you do not elect to participate in IMRF, and your pension is not based on any service earned in that office.

## DISABILITY BENEFITS

If your application for IMRF disability benefits is approved, while you are receiving disability benefits, you

- continue to earn IMRF service credit as if working (at no cost to you).
- continue to be covered by IMRF death benefit protection.
- receive monthly disability benefit payments equal to 50% of your average monthly salary based on your salary for the 12 months prior to the month you became disabled.
- are assured that your future pension would be based on your full salary, not your reduced disability benefit.

For a complete explanation of your disability benefits, refer to the IMRF disability booklet.

If you receive Social Security disability and/or workers' compensation benefits, IMRF pays the difference between those benefits and 50% of your average monthly salary. When Social Security and/or workers' compensation exceeds 50% of salary, IMRF pays a minimum monthly benefit of \$10.

### Why bother applying for \$10 per month?

**Your service credit is protected** - Without being on IMRF disability or an IMRF benefit protection leave, you will not earn service credit for any month you are not paid by your employer, even if you are receiving workers' compensation.

**Your pension is protected** - If you retire with IMRF, IMRF will use your earnings at the time of your disability rather than the lower disability benefit payment to determine your final rate of earnings (FRE). Because your FRE determines your IMRF retirement benefit, you protect your IMRF retirement benefit while on IMRF disability.

**Your family is protected** - Your IMRF death benefit protection (one year's salary plus your IMRF contributions) also continues while you receive disability benefits.

### **Eligibility for temporary disability benefits**

You are eligible for disability benefits if you:

- Have at least 12 consecutive months of IMRF service credit since being enrolled in IMRF.
- Have service credit in each of the 12 months immediately preceding the date of disability.
- Are unable to perform—because of any illness, injury or other physical or mental condition—the duties of any position which might reasonably be assigned to you by your current IMRF employer.
- Are not receiving any salary from any IMRF employer.

IMRF members can return to work on a “trial work” basis for the employer who employed you when the disability occurred and continue to receive IMRF disability benefits. For more information on trial work periods, please refer to the IMRF Disability Benefits booklet.

### **Why you might not be eligible for disability benefits**

**Pre-existing condition**—if you became disabled

- Before January 1, 2002, disability benefits will not be payable if you received medical treatment for the mental or physical condition anytime during the three years before you began participating in IMRF. This pre-existing exclusion does not apply if you have five years of IMRF service credit prior to the date you became disabled and if, during those five years, you did not receive an IMRF disability benefit.
- On or after January 1, 2002, you will not be subject to the pre-existing exclusion. However, if you have less than five years of service credit prior to the date you became disabled, you will remain subject to the pre-existing exclusion for total and permanent disability benefits.

**Seasonal leave**—You are protected by disability coverage only if you earn service credit for the off-season months. For more on seasonal employment, please turn to page 10.

**IMRF Benefit Protection Leave**—You are protected by disability coverage only if your employer files a formal leave authorization form with IMRF.

For more information on **when disability benefits are or are not payable**, refer to the IMRF Disability Benefits booklet.

- Disability benefits may be payable for any injury or illness whether work-related or not.
- Disability benefits are not payable if the disability results from an addiction to narcotic drugs or from a self-inflicted injury.
- If you become disabled and are eligible to receive IMRF disability benefits, your eligibility for disability benefits will not be affected if your employer terminates your employment.

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**Please note:** disability benefits are not payable if the disability results from a condition that started after your employer terminated your employment.

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## **How to apply for disability benefits**

### **Applying for disability benefits**

It is your responsibility to apply for IMRF disability benefits when it is determined that you will be disabled for more than 30 days in a row. You can obtain Form 5.40, “Member’s Application for Disability Benefits,” from your employer’s IMRF Authorized Agent or from IMRF. However, you should not file an application in anticipation of disability if you are still able to work.

Some members receive salary, sick or vacation pay for more than 30 days following the date he or she becomes disabled. If this is the case, you should apply for disability benefits if you will be disabled beyond the last day you will be paid.



Disability payments cannot be paid retroactively for more than six months from the date you file the application. You may lose one or more monthly payments if you do not apply promptly for IMRF disability benefits.

**You should apply for IMRF disability benefits even if you are collecting workers' compensation benefits.**

IMRF disability benefits are not paid for the first 30 days you are disabled. Temporary disability benefits are effective on the 31st day following the date you became disabled, if you are no longer receiving salary, sick, or vacation pay from your employer.

#### **How long are disability benefits paid?**

Total and permanent disability benefits are paid after you have exhausted your temporary benefits. To qualify for total and permanent disability benefits, you must be totally and permanently disabled and unable to engage in any substantial gainful employment. If you become totally and permanently disabled:

**Before age 60** – you may receive IMRF total and permanent disability benefits until you reach your Social Security full retirement age\*.

**At age 60 or later** – you may receive IMRF disability benefits (combined temporary and total and permanent) for five years or until you reach your Social Security full retirement age\*, whichever is greater. After reaching your Social Security full retirement age, disability benefits are reduced by Social Security retirement benefits.

For complete information on IMRF disability benefits, please refer to the IMRF Disability Benefits booklet.

\*The age for Social Security full retirement benefits is increasing beginning with individuals born in 1938. For details, refer to IMRF's Disability Benefits booklet, the Social Security web site ([www.ssa.gov](http://www.ssa.gov)) or call Social Security at 1-800-772-1213.

## **Death Benefits**

### **Amounts paid as a death benefit**

- The amount paid as a death benefit varies depending on
- your membership status (active, inactive, or retired)
  - your number of years of service

For information on beneficiaries for the IMRF death benefit, see page 31.

### **Active member death benefits**

#### **Members actively participating in IMRF**

You are actively participating in IMRF if you are working in a position qualified for IMRF participation, receiving IMRF disability benefits, on seasonal leave, or on an IMRF Benefit Protection Leave.

#### **Less than one year of service credit**

*Death is job related* – A lump sum death benefit is paid to your beneficiary(ies) regardless of your years of service credit. The lump sum is equal to one year's salary plus a refund of your 4.50% member contributions.

*Death is **not** job related* – Your 4.50% member contributions are refunded to your beneficiary(ies).

**More than one year but less than eight years of service credit**, a lump sum death benefit (one year's salary plus a refund of your 4.50% member contributions with interest) is paid to your beneficiary(ies).

**Eight or more years of service credit**, the lump sum death benefit described above is paid to your beneficiary(ies). If you are married, your spouse could choose a monthly surviving spouse pension (see page 33) plus \$3,000 instead of the lump sum benefit.

## Inactive member death benefits

### Members not actively participating

If you die while not participating in IMRF, but have contributions on deposit and are:

Less than age 55, your 4.50% member contributions, plus interest, are paid to your beneficiary(ies).

Age 55 or older and:

- Not eligible to receive a pension, your 4.50% member contributions, plus interest, are paid to your beneficiary(ies).
- Eligible to receive a pension, your 4.50% member contributions, plus interest, plus a lump sum payment of \$3,000 will be paid to your beneficiary(ies). Or, if you are married at the time of your death and your spouse was married to you for at least one year before you terminated your IMRF participation, your spouse can choose to receive a monthly surviving spouse pension (see page 31) plus the \$3,000.

## Retired member death benefits

### Members receiving an IMRF pension

A \$3,000 death benefit plus any remainder of member contributions and interest not paid out as a pension is payable to your beneficiary(ies).

If you were married for at least one year prior to the date you stopped participating in IMRF, a monthly surviving spouse pension (see page 33) may also be payable (in addition to the \$3,000).

## How to name beneficiaries

Naming beneficiaries for your IMRF death benefit is an important decision. This section provides a brief summary of whom a member can name as beneficiary for the IMRF death benefit. Detailed information and instructions are provided on IMRF Form 6.11, “Designation of Beneficiary,” and IMRF Form 6.11A, “Designation of Beneficiary for Annuitants.”

It is always a good idea to review your designation of beneficiary every few years. This way, you can be certain your designation is accurate and up-to-date.

### Naming children as beneficiaries

If you wish to name a child or children as your primary or contingent (secondary) beneficiary(ies), and the child(ren) named is younger than 18 years of age, you may want to include on your Designation of Beneficiary form certain language from the Illinois Uniform Transfers to Minors Act. The language is provided on the back of the Designation of Beneficiary form.

## Active and Inactive IMRF members

### Married members

If you are married, your spouse is automatically your primary beneficiary (unless you exclude your spouse on your Designation of Beneficiary form). As sole primary beneficiary, your spouse may be eligible for a surviving spouse pension (see page 33).

However, you can choose to exclude your spouse and instead name any person, organization, or your estate as your primary beneficiary. If you choose to exclude your spouse as your primary beneficiary, only the lump sum death benefit is payable (see page 29). Your spouse would not be eligible for a surviving spouse pension.

*continued...*

If you divorce, your ex-spouse is no longer considered a beneficiary. If you want any other arrangement, you must file a new designation of beneficiary.

**Unmarried member**

If you are unmarried (single, divorced or widowed), you can name any person, organization, or your estate as your primary beneficiary.

If you marry, your spouse automatically becomes your primary beneficiary. If you want any other arrangement, you must file a new designation of beneficiary.

**Members receiving an IMRF pension**

On the date the member stopped participating in IMRF, the member was:

**Married for at least one year**

By law your spouse is your primary beneficiary and will receive a surviving spouse pension (see page 31) plus \$3,000. You cannot exclude your spouse from receiving a surviving spouse pension. State statute determines who is eligible to receive a surviving spouse pension.

However, if you wish, you can name someone other than your spouse—any person, organization, or your estate—as beneficiary(ies) for the \$3,000 death benefit.

**Married for less than one year or not married**

You can name any person, organization, or your estate as beneficiary(ies) for the \$3,000 death benefit. A surviving spouse pension is not payable.

**Surviving spouse pension**

A surviving spouse's monthly pension is one-half of the member's monthly pension. Or, in the case of a member who dies while participating in IMRF (see page 29), one half of the pension the member had earned at the date of death.

However, if the spouse is more than five years younger than the retired member, the pension is actuarially reduced. Although monthly payments may be reduced because of the difference in ages, the total payments received by the spouse are intended to be the same.

If, at retirement, you choose your spouse as your reversionary annuitant, the amount of the additional pension payable to your spouse will be determined by your Reversionary Annuity choice (see page 19).

Surviving spouse pensions are

- increased each January 1 by 3% of the original amount. The first year may be prorated unless the effective date of the benefit is January 1.
- Payable for the lifetime of the surviving spouse, even if the spouse remarries.

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**Please note:** IMRF can “back date” a surviving spouse pension only 12 months.

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**Optional surviving spouse pension**

If the surviving spouse is under age 60, IMRF's optional retirement plan permits the spouse to choose an increased IMRF benefit until age 60 and a reduced IMRF benefit thereafter. IMRF will advise surviving spouses who are under age 60 of the amounts payable under the straight life (standard) plan and under the optional plan.

The calculations of the optional plan vary and can be computed on an individual basis only.

*continued...*

### Death of a person receiving a surviving spouse pension

Upon the death of a person receiving a surviving spouse annuity, no death benefit is payable. However, if any member contributions and interest have not been paid as retirement and survivor's pension payments, IMRF will pay the remainder to the primary beneficiary(ies) designated by the deceased retired member and on file with IMRF.

If no primary beneficiary survives, IMRF will pay the secondary beneficiary(ies) designated by the deceased retired member and on file with IMRF. If no primary or secondary beneficiary(ies) survives, any remaining member contributions and interest will be paid to the surviving spouse's estate.

### If You Divorce

The IMRF retirement pension is considered to be marital property. Therefore, your IMRF benefits may be subject to a division of assets between you and a former spouse.

### Qualified Domestic Relations Orders (QDRO)

Qualified Domestic Relations Orders (QDRO) are court orders requiring a retirement plan to split retirement benefits between a member and the member's former spouse. QDROs are provided for under a *federal* law which governs private sector pension plans. Government plans, such as IMRF, are exempt from that federal law.

### Qualified Illinois Domestic Relations Order (QILDRO)

IMRF is governed by the Illinois Pension Code which does not allow IMRF to honor a QDRO. Instead, IMRF may split pensions and refunds with a *Qualified Illinois Domestic Relations Order (QILDRO)*.

A QILDRO is significantly different from a QDRO. One of the most important differences is that a QILDRO must state a dollar amount of the benefit to be paid to the member's ex-spouse. A percentage or formula is not acceptable. Also, a QILDRO is applicable only to the member's pension or refund of contributions. Survivor benefits and death benefits are not subject to a QILDRO.

Also, a QILDRO requires IMRF to split the benefit at the time it is actually paid. IMRF cannot pay the ex-spouse's share of the refund or pension before the member applies for and receives the benefit.

### Free information available

If you are divorcing, **no later than** two to three months before your court date, contact IMRF at 1-800-ASK-IMRF (1-800-275-4673) and ask for the "Divorce Information Packet" and the "Qualified Illinois Domestic Relations Orders—Forms, Instructions and General Information" booklet.

Divorce and QILDRO information is also available online at [www.imrf.org](http://www.imrf.org), the IMRF web site.

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**Please note:** A QILDRO may have important consequences for a member's benefits. **IMRF strongly recommends that members get competent legal or other expert assistance.**

The information in IMRF publications regarding divorce and QILDROs is provided to members for general information only, with the understanding that IMRF does not offer legal, financial, or other professional advice.

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## Member records

### Member Statement of Account

Each year, IMRF mails to all IMRF members a Member Statement of Account which provides an account of wages reported, contributions made and service earned for the previous year.

Your Member Statement also includes estimates of your IMRF benefits: retirement (if vested), disability, death, and refund.

When you receive your Member Statement of Account, review it carefully and verify that the wages and contributions reported for you agree with your records.

### Keep your records up-to-date

You should notify IMRF in writing (including your **signature**) whenever you change your address.

To ensure the safety and security of your personal and financial information, we cannot take address changes via email nor by telephone. Any changes to your IMRF information must be made in writing with your signature.

Once you stop participating in IMRF and become an inactive member, a limited number of changes can be made to your IMRF records. Therefore, before you terminate participation, we recommend that you review the accuracy of your IMRF member records with your employer.

Again, for your safety and security, we cannot disclose or send any account information by email or telephone.

## How IMRF is administered

IMRF is established under statutes adopted by the Illinois General Assembly. It is governed by a Board of eight trustees; seven must be participating members and one trustee must be receiving an IMRF annuity (pension). Four trustees are elected by employers, three are elected by participating members, and one is elected by IMRF annuitants (individuals receiving an IMRF pension). Trustees receive no compensation, only reimbursement for expenses.

The Board appoints an Executive Director who is responsible for all administrative functions and supervision of staff.

The Board also appoints medical and investment consultants, an actuary, and an independent auditor.

## How IMRF operates

### How the IMRF plan operates locally

IMRF serves more than 2,800 employers: cities, villages, counties, school districts, townships and various special districts, such as parks, forest preserves, and sanitary districts. Although total participation exceeds 160,000 active members and 73,000 retired members, IMRF is a local program. Each employer builds up an account to provide future benefits for its own employees.

Your employer has appointed one of its employees to serve as your IMRF Authorized Agent. Your IMRF Authorized Agent handles the operation of the plan locally and has the necessary forms to apply for all IMRF benefits. If you wish to apply for a benefit, see your employer's Authorized Agent.

Questions

**IMRF Service Representatives**

If you have a question regarding your IMRF benefits, your IMRF Member Statement of Account, or service credit, you can call an IMRF Service Representative at 1-800-ASK-IMRF (1-800-275-4673). Service Representatives are available Monday through Friday, from 7:30 A.M. to 5:30 P.M. Please have your Social Security number available when you call.

You can also visit IMRF *Online* on the World Wide Web at [www.imrf.org](http://www.imrf.org).

**Social Security**

Social Security coverage for IMRF members is required by an agreement between the State of Illinois and the Social Security Administration under Section 218 of the Social Security Act. Exceptions are made for a limited number of firefighters and police officers.

You pay Social Security taxes on wages up to the wage base, and your employer pays an equal amount. Your employer remits these taxes to the Internal Revenue Service.

Applications for benefits and questions about Social Security should be directed to your Social Security district office or representative or call 1-800-772-1213.

The age for Social Security full retirement benefits is increasing beginning with individuals born in 1938.

Year of Birth	Full Retirement Age	Year of Birth	Full Retirement Age
1937 or earlier	65	1955	66 and 2 months
1938	65 and 2 months	1956	66 and 4 months
1939	65 and 4 months	1957	66 and 6 months
1940	65 and 6 months	1958	66 and 8 months
1941	65 and 8 months	1959	66 and 10 months
1942	65 and 10 months	1960 and later	67
1943--1954	66		

**Health Insurance Continuation**

Public Act 86-1444 is Illinois legislation covering IMRF retiree health insurance continuation. It requires most, but not all, IMRF employers who offer health insurance to their active employees to offer the same health insurance to disabled employees, retirees, and surviving spouses, at the same premium rate for active employees.

This law is separate from and different than the federal COBRA law, which requires employers to offer insurance continuation to certain employees, former employees, and their dependents.

**Under Illinois law**

Under the Illinois Insurance Code, an IMRF employer who offers health insurance to its active employees must allow an IMRF member who retires or a member who goes on IMRF disability to continue on the employer’s insurance. (Please note: “an IMRF member who retires” includes members who terminate employment and are eligible to receive a pension—are at least age 55 with at least 8 years of service credit—even if they defer taking the pension).

The option to continue the employer’s health insurance is required until the IMRF member becomes eligible for Medicare, regardless of the member’s age when continuation began. Once the member becomes Medicare eligible, further coverage is not required for either the member or the member’s dependents. There may be COBRA eligibility for dependents when the member becomes Medicare eligible.

**Paying premiums**

The disabled member, retiree, or surviving spouse may be required by the employer to pay both the employer and employee portions of the premiums.

As a general rule, the Illinois Insurance Code continuation provision does not require IMRF employers to pay any portion of the premium for members on continuation. However, it does not override the provisions of a collective bargaining agreement or employer policy requiring the employer to pay insurance premiums for retired or disabled members.

**Additional information**

Health insurance continuation coverage is a complex subject. You should be aware of the various rules, under both the Illinois Insurance Code and the federal COBRA law, that will apply to you when you retire or if you become disabled.

Check with your employer's personnel office regarding your COBRA rights and your rights under the Illinois Insurance Code. You will also find additional information through IMRF *Online* ([www.imrf.org](http://www.imrf.org)).

The IMRF member continuation provision is found in the Illinois Insurance Code at section 367j (215 ILCS 5/367j).

If you have questions regarding Health Insurance Continuation, contact your employer's personnel office.

For details and exceptions on the following terms and benefits, contact your employer's IMRF Authorized Agent.

**13th check**

An additional benefit payment that is paid each July to IMRF retirees and surviving spouses, the "Supplemental Benefit Payment."

**Active member**

See "participating member."

**Annuitant**

A person receiving an IMRF pension or surviving spouse pension.

**Annuity**

See "pension."

**Authorized Agent**

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

**Beneficiaries**

The individual(s) or organization(s) you choose to receive your IMRF death benefits.

**Board of Trustees**

A group of eight persons organized to administer the Illinois Municipal Retirement Fund; seven must be participating members and one trustee must be receiving an IMRF annuity (pension). Four trustees are elected by employers, three are elected by participating members, and one is elected by IMRF annuitants. Trustees receive no compensation, only reimbursement for expenses.

The Board appoints an Executive Director who is responsible for all administrative functions and supervision of staff employees. The Board also appoints medical and investment consultants, an actuary, and an independent auditor.



**Concurrent service**

Concurrent service occurs if you are reported by more than one employer for the same month. However, by law, you are credited with only one month of service, but your salaries are combined for that month.

**Contribution**

Member contributions: the percentage of an IMRF member's gross salary that is withheld by the IMRF employer and submitted to IMRF each month.

The member contributions are held by IMRF until the member requests a refund or qualifies to receive a pension.

The percentage withheld is determined by Illinois legislation and is also dependent on the member's plan: Regular IMRF: 4.50%; Sheriff's Law Enforcement Plan (SLEP): 6.50%; Elected County Official (ECO) Plan: 7.50%.

**Covered position**

See "qualified position."

**Creditable service**

Also known as service credit, service, or pension credits. Your total time as an IMRF member. Service is credited monthly while you are working, on an IMRF authorized leave of absence, or receiving IMRF disability benefits.

**Defined Benefit Plan**

Under a defined benefit plan (like IMRF), your future retirement benefit is calculated using a formula that includes your years of service credit and salary history.

**Defined Contribution Plan**

Under a defined contribution plan, the future retirement benefit is based upon how much the participant contributed and the earnings made on those contributions.

**Direct Deposit**

Direct Deposit allows IMRF to electronically deposit a pension payment or total and permanent disability benefit into the member's bank or other financial institution.

**Disability benefits**

While receiving IMRF temporary or total and permanent disability benefits, you earn service credit and have the same death benefit protection as if you were working.

**Early Retirement Discount**

Not to be confused with the IMRF Early Retirement Incentive (ERI). Under the early retirement discount, if you retire between the age of 55 and 60 with less than 35 years of service credit, your pension is discounted (reduced) by the lesser of 1/4% for each month you are less than age 60 or 1/4% for each month of service credit less than 35 years.

**Early Retirement Incentive (ERI)**

At the employer's option, a member can purchase up to five years of service credit in order 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 (can include Reciprocal service).

**ECO**

The IMRF Elected County Official Plan provides for an alternative benefit plan for elected county officials.

**EFTS**

See "Direct Deposit."

**Eligible spouse**

See "qualifying spouse."

**Field Representatives**

IMRF field representatives work with employers and members.

**Final rate of earnings**

Your Final Rate of Earnings (FRE) is the salary used to calculate the amount of disability, retirement, and death benefits.

Under Regular IMRF and SLEP: highest total earnings during any 48 consecutive months within the member’s last 10 years of IMRF service divided by 48. Usually, the average of the last 48 months of service.

**Formula**

The Regular IMRF formula to calculate a pension is 1-2/3 percent of the “final rate of earnings” (FRE) for each of the first 15 years of service credit, plus 2 percent of the FRE for each year of service credit in excess of 15 years. Refer to the appropriate benefit booklet for the SLEP and ECO formulas.

**Hourly standard**

The hourly standard (either 600 or 1,000 hours a year) which determines whether a position qualifies for IMRF participation.

**Optional pension benefit**

If a member retires before age 62, he or she can choose IMRF’s level option plan. The member would receive a larger pension until age 62 and a reduced pension thereafter.

**Member contributions**

Members who participate in Regular IMRF contribute 4.50% of salary toward a future IMRF pension. See “surviving spouse contributions.” SLEP members contribute 6.50% of salary: 5.75% for the member and 0.75% for a surviving spouse pension. ECO members contribute 7.50% of salary: 6.75% for the member and 0.75% for a surviving spouse pension.

**Member Statement of Account**

Mailed to all members each year. This statement provides an annual report of your salary, member contributions, service credit earned, and an estimate of IMRF benefit payments.

**Participating member**

A member currently working in an IMRF qualified position and making contributions to IMRF. If you are on an IMRF authorized leave of absence or receiving IMRF disability benefits, you are considered a participating member.

**Pension**

A monthly IMRF pension is paid as long as the member lives. It is increased by 3% of the original amount each year. You need at least eight years of service credit and must be at least age 55 to apply for an IMRF pension.

**Pension credits**

See “creditable service.”

**Pre-existing condition**

In some cases, IMRF disability benefits are not payable if the condition that caused the disability is pre-existing.

A condition is considered pre-existing if you received medical treatment for the mental or physical condition which resulted in your current disability within the three years immediately preceding the date you began participating in IMRF.

If you became disabled before January 1, 2002, the pre-existing exclusion applies if you have less than five years of IMRF service credit prior to the date you became disabled.

If you become disabled on or after January 1, 2002, you will not be subject to the pre-existing exclusion. However, if you have fewer than five years of service credit, you will remain subject to pre-existing exclusion for total and permanent disability benefits.

**Qualified position**

Also known as covered position. An IMRF qualified position is one which will equal or exceed an employer’s annual hourly standard. An employee is required to participate in IMRF if he or she works in an IMRF qualified position.

**Qualifying spouse**

In order to receive a surviving spouse pension, the surviving spouse must have been married to the IMRF member one year prior to the member's retirement or the member's last day worked. If the surviving spouse is more than five years younger than the retired member, the pension is actuarially reduced.

**Reciprocal Act/System**

Under the Reciprocal Act, service under IMRF and 12 other Illinois public pension funds may be considered together to determine eligibility for and the amount of retirement benefits.

**Reinstatement**

If you take a separation refund, you may be able to repay IMRF (with interest) and reinstate those years of service credit.

**Reversionary annuity**

Under the reversionary option, you choose to receive a reduced pension and, upon your death, your pension payments "revert" (become payable) to someone else. The amount of the monthly pension payable to someone upon your death varies from 25% to 100% of your reduced pension.

**Seasonal employees**

Seasonal employees of school districts and special education cooperatives automatically receive 12 months of service credit if they are employed for the entire year. Other seasonal employees can receive 12 months of service credit if they are employed the entire year and the employer applies to IMRF.

**Separation refund**

You can receive a separation refund—a return of all your member contributions without interest—if you terminate your employment with an IMRF employer. If you take a refund, you forfeit—give up—all of your service credit and all IMRF benefits.

**Service credit**

See "creditable service."

**SLEP**

IMRF's Sheriff's Law Enforcement Personnel program is available to county sheriffs, deputy sheriffs, forest preserve rangers, airport police, and certain police chiefs.

**Supplemental benefit payment**

See "13th check."

**Surviving spouse contributions**

All IMRF members are required, by law, to contribute toward a surviving spouse pension. If when you retire you do not have an eligible spouse (married to you for at least one year before you terminated IMRF participation), your surviving spouse contributions will be refunded, with interest.

**Surviving spouse pension**

Usually one-half of the member's monthly pension.

**13th check**

See "Supplemental benefit payment."

**Vesting**

In order to qualify for an IMRF pension, a member needs eight years of service credit. Also see "Reciprocal Act."

### IMRF Mission statement

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 Vision

To be the best provider of retirement services for public employees in the State of Illinois.

### IMRF Values

#### Honesty

Be truthful in what we think, say and do.

#### Accuracy

Recognize that what we do affects the lives of others.

#### Empathy

Be aware of and sensitive to the feelings of others.

#### Accountability

Answer for our conduct and obligations.

#### Courage

Confront new ideas and be willing to change.

Have a question about your IMRF benefits?

## Ask IMRF!

IMRF Member Service  
Representatives  
**1-800-ASK-IMRF**  
**(1-800-275-4673)**



*Tenemos representantes que hablan español.*

**Monday through Friday**

**7:30 A.M. to 5:30 P.M.**

*Please have your Social Security number available when you call.*

## Illinois Municipal Retirement Fund

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