



Village of Mount Prospect

Understanding Your IMRF Benefits

Rebecca Alanis, Member Education Counselor



Agenda:

- Introduction to IMRF
- Understanding Your Benefits
- How Your Pension is Calculated
- Voluntary Additional Contributions
- Online Member Access Tools
- Questions



Locally funded, financially sound.





Illinois
Municipal
Retirement
Fund

A defined benefit pension fund for employees of local government

- Pension benefits
- Disability benefits
- Death benefits



Locally funded, financially sound.



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



Locally funded, financially sound.



2019 Award Recipient





Locally Funded, Financially Sound.

- **About 3,062 units of government**
- **Membership breakdown**
 - 196,859 Active
 - 169,066 Inactive
 - 158,379 Benefit Recipients
- **Each employer funds retirement costs of its own employees**
- **Full funding goal**
- **Legally enforceable benefits**



Locally funded, financially sound.



2025 Pension Dollar

The IMRF Pension Dollar Pensions are a shared responsibility.

Every dollar paid to IMRF retirees comes from three sources:

67¢

IMRF Investment
Earnings

22¢

IMRF
Employers

11¢

IMRF
Members



Locally funded, financially sound.



Malcolm Baldrige
National Quality Award
2019 Award Recipient



Member Contributions

*Regular
4.5%*

*Mandated by IL
State statute*

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



Locally funded, financially sound.



**Malcolm Baldrige
National Quality Award**
2019 Award Recipient



Enrollment in IMRF

- Enrollment is based on number of hours expected to be worked during a 12-month period.
- Each employer has a specific hourly standard.

600
HOUR STANDARD

OR

1,000
HOUR STANDARD



Locally funded, financially sound.





*Member participation began
prior to January 1, 2011*

OR



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



Locally funded, financially sound.



2019 Award Recipient



IMRF Benefits

- Retirement
- Disability
- Death

All benefit payments are subject to Federal income tax



Locally funded, financially sound.



IMRF Disability Protection

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

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



Locally funded, financially sound.



Malcolm Baldrige
National Quality Award
2019 Award Recipient



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 (no qualifying spouse)

- 1 year's earnings + member contributions + interest or beneficiary annuity

Vested (qualifying spouse)

- Eligible spouse can choose survivor pension +3,000 or lump sum or beneficiary annuity



Locally funded, financially sound.



Malcolm Baldrige
National Quality Award

2019 Award Recipient





Regular Plan Benefits

Eligibility

- 8 years service
- Age 60 (unreduced), Age 55 (earliest age)

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

- 0.25% per month
- Reduction is permanent
- Smallest reduction is applied if member has at least 30 years of service credit, but less than 35

AGE	REDUCTION	SERVICE
60	0%	35
59	3%	34
58	6%	33
57	9%	32
56	12%	31
55	15%	30



Locally funded, financially sound.





Regular Plan Benefits

Eligibility

- 10 years service
- Age 67 (unreduced), Age 62 (earliest age)

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

- 0.5% per month
- Reduction is permanent
- Smallest reduction is applied if member has at least 30 years of service credit, but less than 35

AGE	REDUCTION	SERVICE
67	0%	35
66	6%	34
65	12%	33
64	18%	32
63	24%	31
62	30%	30



Locally funded, financially sound.



What is Your IMRF Pension Amount Based On?



**Final Rate of
Earnings (FRE)**



**Years & Months
of Service**



**Age at
Retirement**



Locally funded, financially sound.





Earnings

■ **Reported monthly, and they include:**

- Regular wages
- Overtime (Except SLEP Tier 2) 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 – Effective 1/1/2025 \$127,283.01



Locally funded, financially sound.



2019 Award Recipient





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



Locally funded, financially sound.



Malcolm Baldrige
National Quality Award
2019 Award Recipient



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



Locally funded, financially sound.



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
- IMRF



Locally funded, financially sound.



How Reciprocity Works

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



Locally funded, financially sound.



How Your Pension is Calculated



Locally funded, financially sound.



PENSION

Final Rate of Earnings



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

VS



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

*** Over the last 10 years of earnings*



Locally funded, financially sound.



2019 Award Recipient



Service Determines How Much of Your FRE is Replaced



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



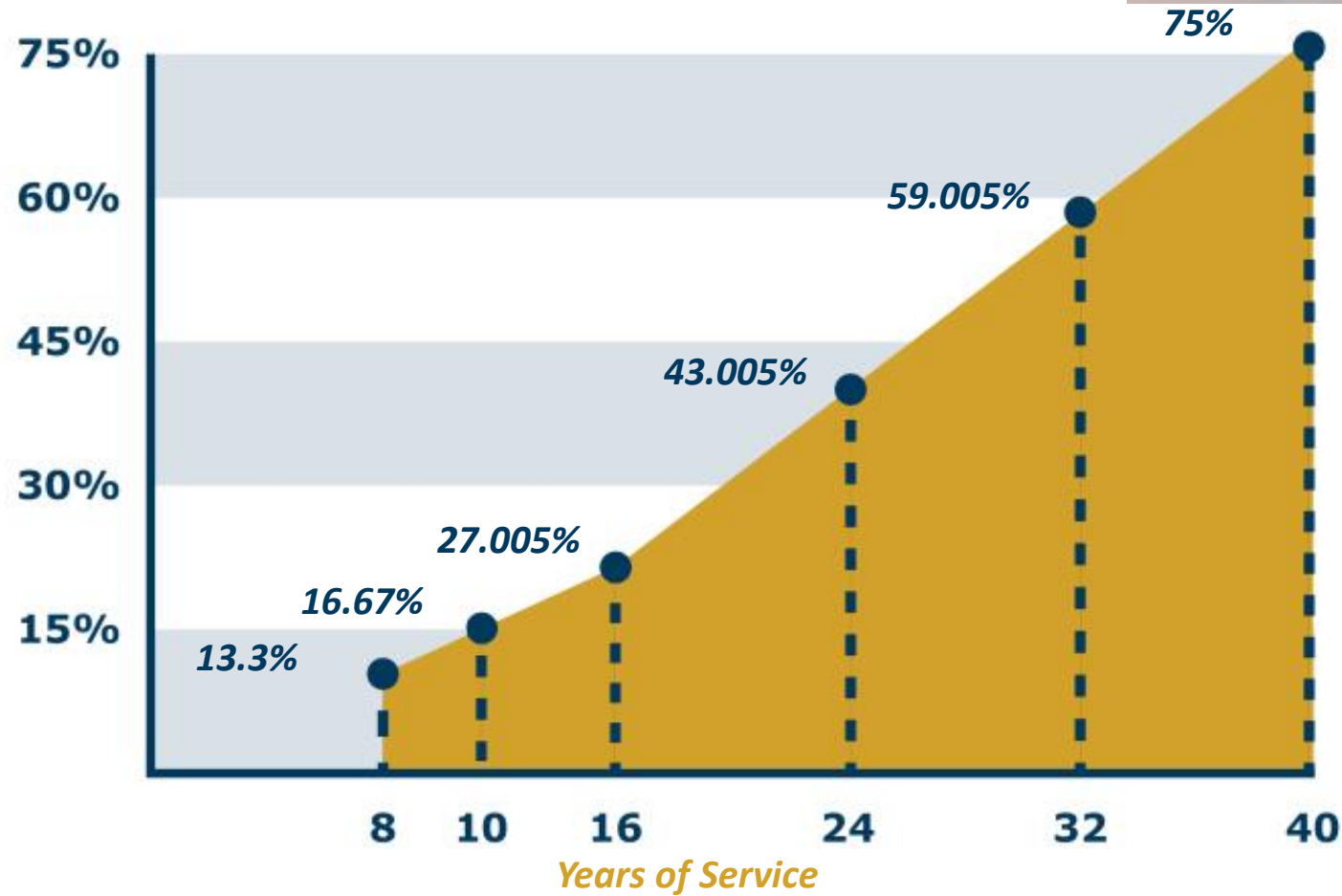
Locally funded, financially sound.



Malcolm Baldrige
National Quality Award
2019 Award Recipient



Service and FRE % Comparison



Locally funded, financially sound.



Malcolm Baldrige
National Quality Award
2019 Award Recipient



Voluntary Additional Contributions



Locally funded, financially sound.



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

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



Locally funded, financially sound.



VAC Options

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

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.

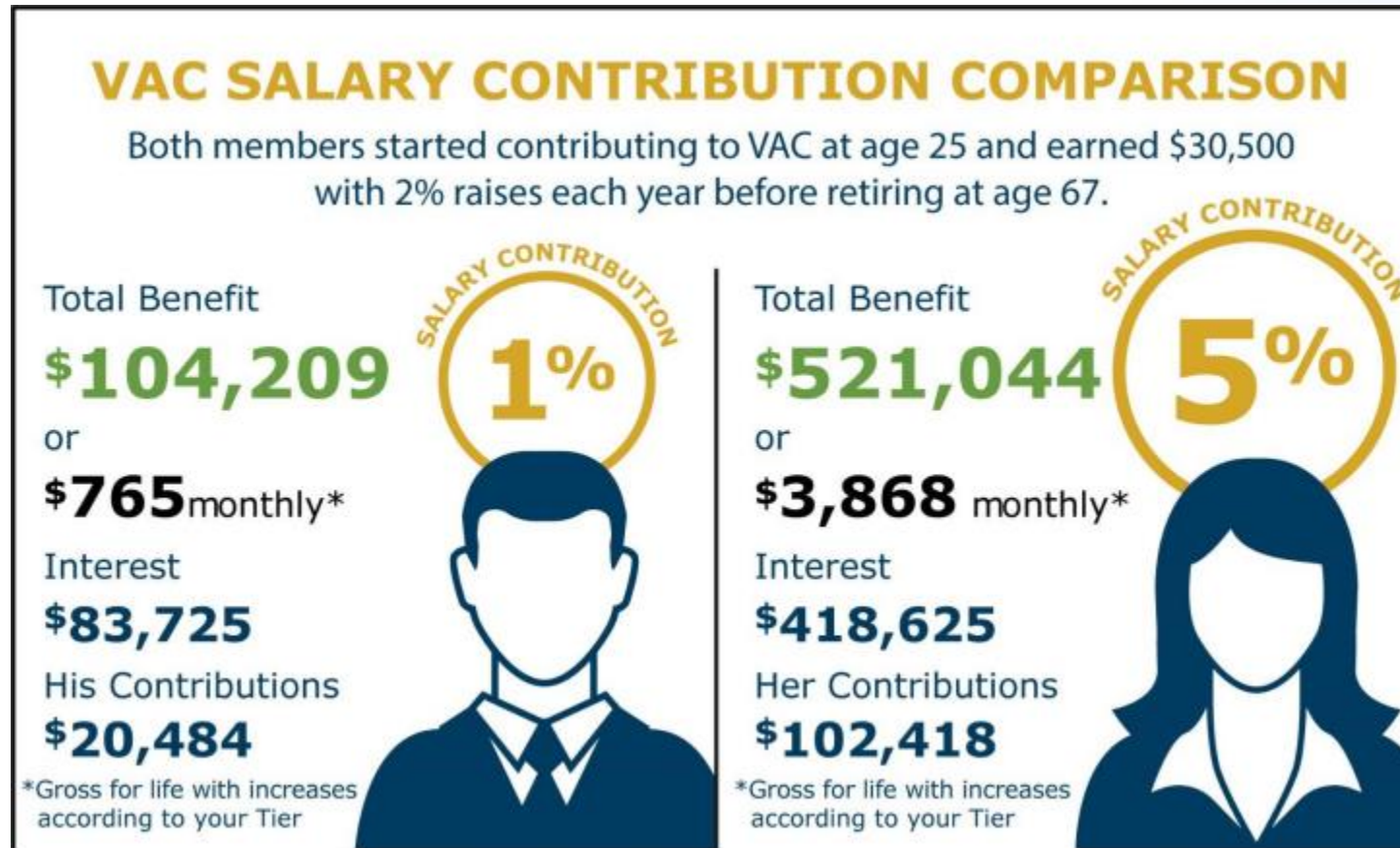
Rollover to a qualified retirement account



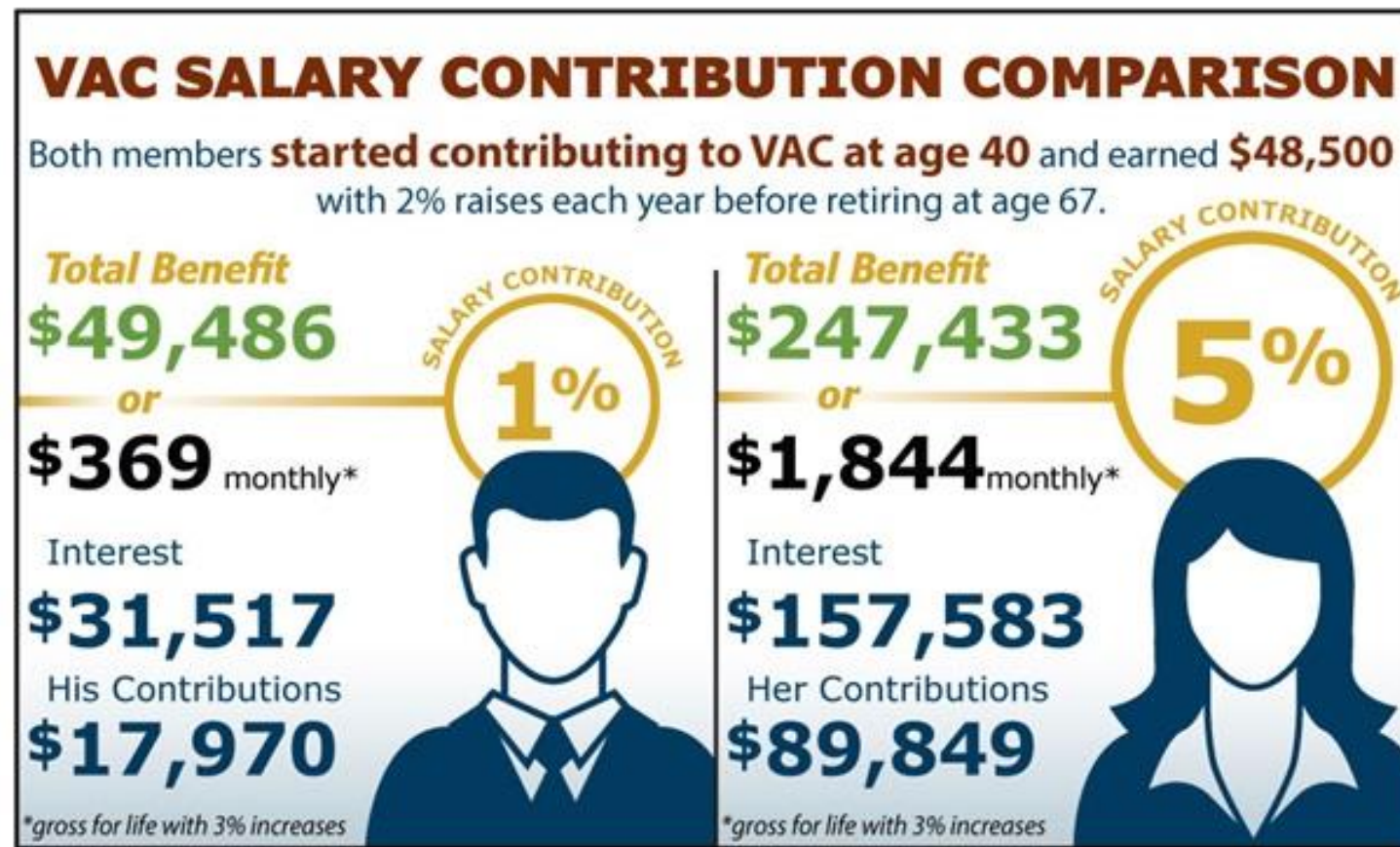
Locally funded, financially sound.



Voluntary Additional Contribution Example



Voluntary Additional Contribution Example



Taking an IMRF Refund



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

- Leave contributions on deposit
- Paid directly to you
- Rollover to other plans



Locally funded, financially sound.



2019 Award Recipient



Online Member Access Tools



Locally funded, financially sound.



Malcolm Baldrige
National Quality Award

2019 Award Recipient



Member Access

- Went live with new pension administration system on March 4, 2024
- New Member Access webpage – personal email address on file required to register
- Member Access Learning Center – resources to navigate the new website & a self-registration walkthrough video: [Member Access Learning Center \(imrf.org\)](https://imrf.org)



Locally funded, financially sound.

A screenshot of the IMRF Member Access login page. The page has a dark blue header with the IMRF logo on the left and a "Sign In" link on the right. Below the header, there is a welcome message and instructions for logging in. There are two input fields for "User ID" and "Password", each with a "Forgot your [User ID/Password]?" link to its right. At the bottom left is a "Sign In" button, and at the bottom right is a "Self-registration" link.



[Sign In](#) [Need Help?](#)

Welcome to IMRF Member Access!

This website provides the information and tools you need to manage your IMRF benefits. Please enter your user ID and password to access the site.

If this is your first time logging in, please use the self-registration link.

If you need help logging in, contact IMRF Member Services at 1-800-ASK-IMRF (275-4673).

User ID: [Forgot your User ID?](#)

Password: [Forgot your Password?](#)

[Sign In](#) [Self-registration](#)



Information Changes

Pension Profile

Personal Information

Payment Information

Basic Personal Information

Survivor(s) Information

Authorized Representative

Basic Personal Information

Keeping your personal information up to date is very important. Doing so ensures prompt, accurate and efficient administration of your plan.

Personal Information

Full Name	Prior Last Name
	Not on file
Date of Birth	Gender
Marital Status	Member Id

Update

Survivor(s) Information

My Beneficiary Information

Primary Beneficiary(ies)

Designated Beneficiary ⓘ	Contact Information	Allocation ⓘ
	Email Address	Equally shared
	Mobile Phone Number	
	Email Address	Equally shared
	Mobile Phone Number	

ⓘ The allocation by beneficiary is 50.00%.

Update



Locally funded, financially sound.



Documents Section

Communication Center

Annual Statements & Tax Slips

Other Documents

Annual Statements & Tax Slips

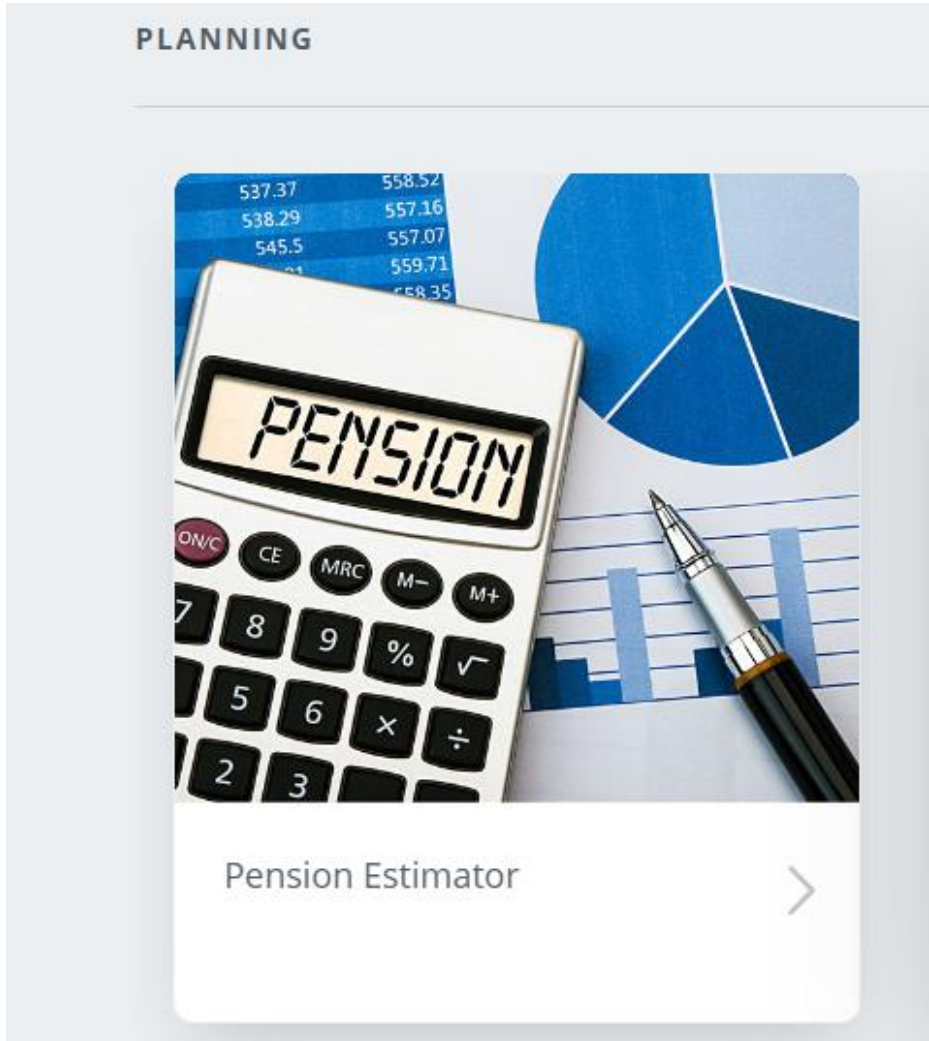
▼ Name	▼ Type	▼ Sent
Annual Statement	Annual Statement	Feb 2, 2024



Locally funded, financially sound.



Pension Estimator



Locally funded, financially sound.

Estimate

Instructions

My projection parameters

Reset

Retirement scenarios

Termination date (optional)

MM-DD-YYYY

Age

Scenario 1

Retirement date

06-01-2025

Age 60

Scenario 2

Scenario 3

IMRF's Recent Changes

Expected annual salary increase

2%

Start date

01-01-2026



Malcolm Baldrige
National Quality Award
2019 Award Recipient



Pension Estimator

Please use the [Purchase of Service Estimator](#) to identify your service buyback periods as well as the estimated cost of the buyback.

Additional service ⓘ

0.000 year(s)

Start date ⓘ

01-01-2026

Please use the [Purchase of Service Estimator](#) to identify your service buyback periods as well as the estimated cost of the buyback.

Additional service ⓘ

0.000 year(s)

Amount display

• Monthly

My basic information

Additional service

You can include your accumulated sick days to the estimate. Each 20 days is worth an additional month of service.

Service Decimal	Months Service	Sick Days
0.083	1	1-20
0.167	2	21-40
0.250	3	41-60
0.333	4	61-80
0.417	5	81-100
0.500	6	101-120
0.583	7	121-140
0.667	8	141-160
0.750	9	161-180
0.833	10	181-200
0.917	11	201-220
1.000	12	221-240



Locally funded, financially sound.



Malcolm Baldrige
National Quality Award
2019 Award Recipient



What We've Covered Today

- Introduction to IMRF
- Understanding Your Benefits
- How is Your Pension Calculated
- Voluntary Additional Contributions
- Online Member Access Tools
- Questions



Locally funded, financially sound.



Thank you for joining us!

Any other questions?

Member Services Contact Center

7:30am – 5:30pm, Monday – Friday

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

www.imrf.org

Remember to sign up for

**Member
Access**



Locally funded, financially sound.



2019 Award Recipient



Questions?



Locally funded, financially sound.

