



2018 Olympia CU SD 16

IMRF Benefit Overview

Presented by:

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2018

Program objectives



Learn about your benefits



Encourage you to review your records



Understand how your benefits are calculated



Learn what you need to do before you retire

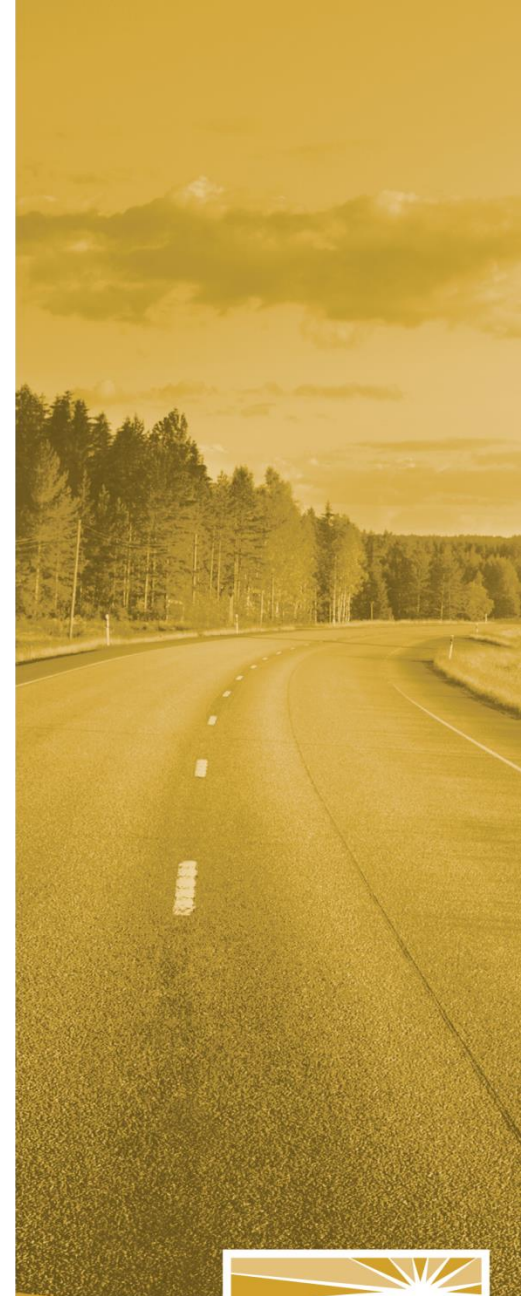


Learn what to expect after you retire

IMRF is...



- ***Public pension***
 - ***Created by the legislature for local government employees***
- Serves about 3,000 local units of Government
- Multiple employer retirement system
- Funded by members, employers, investments and not the State of Illinois
- 401a Defined Benefit Plan - *Guaranteed Benefits*
- *Well funded*
 - *Over 97% funded with \$43B in investments*



The Pension Dollar, How Your Pension is Funded





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



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

Participation in IMRF

Enrollment is based on number of hours expected to be worked during a 12 month period

600 Hour Standard

- Applies to non-certified employees of all School District and Special Cooperatives, and employers that have not selected 1000 hour standard

1,000 Hour Standard

- Applies to employees of employers that have this standard in place prior to being enrolled in IMRF



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

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 7.50%
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 CONTRIBUTION COMPARISON

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

Total Benefit

\$108,206

or

\$905 monthly*

Interest

\$87,294

His Contributions

\$20,912



**gross for life with 3% increases*

Total Benefit

\$488,241

or

\$4,085 monthly*

Interest

\$389,849

Her Contributions

\$98,392



**gross for life with 3% increases*

Employer Contributions

***Regular
11.39%****

***Set Annually by
IMRF***

**Olympia CU SD 16 2018 Employer Rate, Regular IMRF program*

***Employers fund their own employees'
retirement costs***

- Disability, death, and 13th Payment contributions



Supplemental Pension Payment



Eligibility

- Need to be retired at least 12 months
- Paid in July

Amount

- Varies each year

Your IMRF benefits are based on



Your age



Years of service



Earnings

Review IMRF Earnings



Annual “Personal Statement of Benefits”

2017 Statements were mailed and online in Member Access beginning March 1, 2018

- Service
- Earnings, Olympia SD includes 403b contributions and Section 125 deductions
- Benefit projections
- Unique Member ID information



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

Benefit projections

***Retirement estimate
projects 3.5% pay
increase***





Service Credit

Current Service Credit

- Cash basis

IMRF Disability

Seasonal Service

- Must work 6 consecutive months

Review Service Credit

- Personal Statement of Benefits
- Member Access



Purchase of Service Credit

Military Service (Form 6.02J)*

Olympia SD allows 48 mos of military service

Reinstatement (Form 6.03)

Omitted (Form 6.05)

Benefit Protection Leave (Form 6.32)*

Out of State (Form 6.33)*

****Employer optional***

Purchase of Service Approval & Credit



***Submit application
while participating***



***Payment information
will be mailed to you***



***Request comparative
estimates with and
without additional
service***



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
- 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

IMRF 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)**



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)**

Optional Pension

Larger benefit up till age 62

Smaller benefit after age 62

Computed individually

***Estimated Standard Pension until
final paycheck is reported to
IMRF, then option letter is mailed***



*Available to all
members who retire
prior to age 62.*

How your Pension is calculated

Final Rate of Earnings (FRE)

Both plans are calculated based on the earnings of your last 10 years of service.



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



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

Regular Formula



Pension Amount

- 1-2/3% per year for first 15 years
- 2% for years over 15 years

A member can opt out of IMRF if they have 40+ years of service. (IMRF service only)

Pension is effective first of the month following termination

Pension Increases

(COLA) Cost of Living Adjustment



***3% increase
each January***

- Based on original pension
- First year pro-rated



***Lesser of 3% or ½% of
CPI URBAN***

- 2018 increase is 1.12%
- After age 67

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

Apply for Your Pension



IMRF Form 5.20

Application for IMRF Pension

- Copies of birth and marriage record

IMRF Form 5.20R

Special Needs Annuity Application (if interested)



***File one month before
your retirement date***





Health Insurance Continuation

Ask your employer about your options.

Health Insurance Continuation ***State Law***

- Illinois Department of Insurance
Consumer Services Division
• 1-877-527-9431 (toll free)

COBRA ***Federal Law***

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



***A great tool for reviewing
your information!***

- Pension calculations
- Wage & service information
- Personal Benefit Review registration
- Change Beneficiary
- Retirement & Disability Applications
- Address updates

The top screenshot shows the IMRF Member Access login page. It features the IMRF logo, a navigation menu, and a login form with fields for User Name (Username) and Password. There are links for 'Forgot Your User ID?' and 'Forgot Your Password?'. A 'Sign In' button is present. Below the login form, there are 'Quick Links' for 'Forgot User ID', 'Forgot Password', and 'Register New Account'. A 'Did you know?' section mentions that users can use Member Access to perform various tasks.

The bottom screenshot shows a sample member account page. It displays the following information:

- Account Status:** INACTIVE MEMBER
- Vesting Status:** YOU ARE NOT VESTED FOR AN IMRF PENSION.
- Service Information:**
 - Total Service Credit: 1 YEAR 3 MONTHS
 - Service Credit by Plan: 1 YEAR 3 MONTHS (REGULAR TIER 2)
 - Current Employer(s): NA
- Wages and Contributions:**

Employer	Reported Wages	Member Contributions
ANY COUNTY	\$21,000.00	\$900.00
ANY SCHOOL DISTRICT	\$5,000.00	\$225.00
Total:	\$26,000.00	\$1,125.00
- Most Recent Wage Report Date:** FEBRUARY 2015
- Refund or Rollover of Member Contributions:**
 - Estimated Member Contributions: \$1,125.00

A note at the bottom states: 'This amount is based on member contributions received by IMRF through FEBRUARY 2015 Contributions made by'.

Member Access

How do I log in?

1. Log in to **www.imrf.org**
2. Register
3. Login information mailed to your home within 7 business days

Thank you for attending!

Are there any questions?

