



Have a question about your IMRF benefits?

**Ask IMRF!**  
**IMRF Member Services**  
**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.**

**IMRF Vision**

To provide the highest quality retirement services to our members, their beneficiaries and employers.

**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 Values**

**Accuracy**

Performing our duties in an accurate and timely manner ensures our members receive the service and benefits to which they are entitled.

**Accountability**

Accepting responsibility for our actions cultivates the trust of our coworkers, members, and employers.

**Respect**

Recognizing the worth, uniqueness and importance of ourselves, our coworkers, and our membership builds collaboration and cooperation.

**Empathy**

Being aware of the feelings of others and how our actions affect them enables us to be responsive to the needs of our membership.

**Honesty**

Acting in a truthful, ethical, and professional manner builds confidence with our membership and the public.

**Courage**

Recognizing the need for new ideas and being willing to change strengthens our ability to meet future challenges and opportunities.

**Illinois Municipal Retirement Fund**

Main office & mailing address  
 Suite 500  
 2211 York Road  
 Oak Brook IL 60523-2337

Springfield Regional Counseling Center  
 Suite 101  
 3000 Professional Dr.  
 Springfield, IL 62703

[www.imrf.org](http://www.imrf.org)



***Your Benefits Under the IMRF***

**Regular Plan**  
***Tier 1***

Illinois Municipal Retirement Fund

***Helping you build a secure retirement***

**Your Benefits at a Glance**..... 2

**Why you participate in IMRF**..... 4

**What you contribute to IMRF** ..... 5

    Making additional contributions to IMRF ..... 6

    Refunds ..... 7

**What is service credit?**..... 10

**Increasing your pension by purchasing/converting service**

    Purchasing/converting other service to IMRF ..... 11

    If you work in a seasonal position ..... 12

    Working for two IMRF employers at the same time .. 14

    Earning service credit for unused, unpaid sick days... 14

    Service in other Illinois public pension funds ..... 16

**Your IMRF pension**

    How salary determines your pension..... 17

    Qualifying for an IMRF pension ..... 18

    How your pension is calculated ..... 19

    Applying for your pension..... 20

    Pension payment options ..... 21

    Annual increases, “13th payment” ..... 23

    Pension estimate chart ..... 24

    Early Retirement Incentive (ERI) ..... 26

    If you return to work after you retire ..... 27

**What happens if you become sick or injured?**

    IMRF disability benefits ..... 28

**What happens if you die?** ..... 32

    Surviving spouse pension ..... 36

**If you divorce**..... 37

**Your member account** ..... 38

**Social Security** ..... 39

**Continuing health insurance after you retire** ..... 40

**IMRF Administration & Questions** ..... 42

**Glossary**..... 43

As a member of the Illinois Municipal Retirement Fund, you are on the road to building a secure future.

The retirement plan IMRF offers is a defined benefit plan. IMRF believes secure defined benefit pensions for municipal workers help them remain financially independent when they retire as well as help minimize the likelihood that they will become financially dependent on government programs or on family members.

In addition, defined benefit pension plans act as an “automatic stabilizer” for the economy. Even in tough times, retirees with a reliable pension can maintain spending on basic needs.

**Second Tier of Benefits**

Public Act 96-0889 created a second tier for IMRF’s Regular Plan. Effective January 1, 2011, IMRF will assign a benefit “tier” to a member when he or she is enrolled in IMRF. The tier is determined by the member’s *first* IMRF participation date.

If you first participated in IMRF:

- **Before January 1, 2011**, you participate in Regular Tier 1. Your benefits are described in this booklet.
- **On or after January 1, 2011\***, you participate in Regular Tier 2. Please refer to IMRF’s Regular Tier 2 booklet.

**\*Exception:** If you have any IMRF or reciprocal retirement system participation prior to January 1, 2011 (except participation in the Judges or General Assembly Retirement Systems), and are enrolled in IMRF after January 1, 2011, you will participate in Tier 1.

**Notes**

*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 Internal Revenue Code (see 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 these plans.*

**This booklet applies to IMRF members in participating status on or after July 21, 2010. If you terminated IMRF participation before that date, your benefits may be different than those described here.**

The following is a brief summary of benefits available to you as an active member in IMRF's Regular Tier 1 plan. 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 are guaranteed the return of your member contributions either in the form of a pension, death benefit, or refund.

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 which is payable for the rest of your life.

Vesting refers to the number of years of service credit you need to qualify for an IMRF pension. Under Regular Tier 1, you qualify for an unreduced pension at age 60 (normal retirement age) if you have at least eight years of service credit or at age 55 if you have 35 or more years of service credit.

Exceptions to the normal retirement age exist but may affect the amount of your pension. See page 18 for more information on qualifying for an IMRF pension.

### **Disability benefits**

Generally, 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, and
- Are not receiving any earnings from any IMRF employer.

See page 28 for more information or refer to the IMRF disability booklet for a complete explanation.

### **Death benefits**

The amount IMRF pays as a death benefit will vary depending on the amount of your service credit. See page 32 for more information on death benefits. 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 any balance\* in your member account.
- **Eight or more years of service credit:**
  - Your spouse (if you were married or in a civil union for at least one year and named your spouse as your only primary beneficiary) will receive a surviving spouse pension plus a \$3,000 lump sum payment.
  - or
  - Your beneficiary(ies) will receive one year's salary plus any balance\* in your member account.

\* Member contributions plus interest to date of death less any benefit prepayments

**Benefit tiers**

IMRF assigns a benefit “tier” to a member when he or she is enrolled in IMRF. The tier is determined by the member’s *first* IMRF participation date.

If you first participated in IMRF or in a reciprocal retirement system (with the exception of the Judges’ and General Assembly retirement systems) **before January 1, 2011**, you participate in Tier 1. Your benefits are described in this booklet.

If you first participated **on or after** January 1, 2011, you participate in Tier 2. Please refer to the Regular Tier 2 benefit booklet.

**Why you participate in IMRF**

Illinois state law requires you to participate in IMRF if you work in a position that qualifies for IMRF. Your position qualifies for IMRF if the number of hours you are expected to work equals or exceeds your employer’s “annual hourly standard.” The actual hours you work may be more or less than the hours your position is expected to work.

Your employer’s hourly standard is either 600 or 1,000 hours a year.

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

**Exceptions to IMRF’s membership requirements**

**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, submit IMRF Form 6.21, “Election to Participate for Qualifying Position.” You cannot revoke your election to participate.

**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, submit IMRF Form 6.21, “Election to Participate for Qualifying Position.” You cannot revoke your election to participate. In addition, your governing body must file a resolution with IMRF certifying that your position meets the annual hourly standard.

**What do you contribute to IMRF?****Your member contributions**

As a member of IMRF making contributions toward a Regular plan 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 considered “previously taxed.” They will not be taxable when you receive them as a refund or pension or when your beneficiary(ies) receives them as a death benefit.

---

**Please note:** You **cannot borrow** from your member contributions or 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.

---

### Your employer's contributions

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

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

---

Returns on IMRF's investments typically account for the largest contributor to fund retirement benefits. For every dollar paid in a pension, on average only 26 cents comes from employers (taxpayers).

---

### Making additional contributions to IMRF

You can increase your retirement savings by making additional contributions to IMRF. You may contribute up to an additional 10% of your salary to IMRF's Voluntary Additional Contribution (VAC) program. At retirement, your VAC may be taken as a lump sum or as an additional monthly pension.

Your VAC are after tax—they are not tax-deferred like your usual IMRF member contributions. Some members may be better served by contributing a portion of their salary on a pre-tax (tax-deferred) basis to their employer's deferred compensation plan, e.g., 457 or 403(b).

### Earning interest on your VAC

Unlike VAC themselves, the interest credited to your VAC account is tax-deferred. The interest rate paid is currently 7-1/2%. This interest rate can change in the future. If the interest rate changes, IMRF will not notify VAC participants of the change.

VAC interest is credited differently from a traditional savings account:

- A traditional savings account credits interest on the current amount in the account.
- **IMRF credits interest at the end of the year on the beginning of the year amount.** Therefore, you will not earn any interest the first year you begin making VAC.

Although you can apply for a refund of your VAC at anytime, IMRF discourages such refunds. **If you are seeking a short-term savings vehicle, voluntary additional contributions may not be the right choice.**

To begin making VAC, submit IMRF Form 6.30, "Election to Make Voluntary Additional Contributions." Deductions begin as soon as IMRF receives your application and your employer begins reporting your VAC to IMRF.

### When can you take a refund?

#### For members who participate in IMRF under Tier 1

If you stop working for your IMRF employer and have:

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

**Eight or more years of service:**

*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 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**

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

---

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.

---

**Federal withholding on all refunds**

IMRF is required by federal law to withhold 20% of the taxable portion of your refund unless you elect to have the taxable portion directly rolled over to an IRA or other qualified retirement plan.

Depending on your age, you may also be liable for an additional 10% tax on the taxable amount. You may avoid the additional 10% tax on the refund by directly rolling your refund into an IRA or other qualified pension plan.

**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 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.

**Refunds paid at retirement**

You can receive a retirement refund in a lump sum or as an additional retirement annuity (see next below).

**Refund of voluntary additional contributions**

If you have voluntary additional contributions on deposit when you retire, you can receive the voluntary additional contributions and interest in a lump sum or as an additional monthly annuity. The additional monthly annuity is payable for life.

**Refund of surviving spouse contributions**

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

If your spouse is not eligible for a surviving spouse pension, you can provide him or her with a benefit which is similar to a surviving spouse pension by electing a Special Needs annuity at retirement. See page 21.

**Converting a retirement refund into a monthly annuity:**

- A retirement refund cannot be converted into a monthly annuity payment unless the monthly payment is at least \$10 a month.
- You cannot convert part of a retirement refund to an annuity.
- The additional monthly annuity will be paid for your lifetime. There is no annual increase, and this annuity is not eligible for the supplemental benefit payment ("13th payment").
- The original lump sum amount is the guaranteed minimum payout. There is no maximum payout.

**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 and a surviving spouse pension is not payable, your beneficiary(ies) will receive any balance in your member account (member contributions plus interest less any benefits paid).

**What is service credit?**

Service credit is your total time under IMRF, stated in years and months. Your years and months of service credit partially determine the amount of your IMRF pension. (See page 19.)

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 (member payment may be required)
- Receive an IMRF disability benefit
- Are on an IMRF Benefit Protection Leave of Absence (see bottom of page 13)
- Purchase past service credit

**Enhancing your pension  
by purchasing additional service credit**

You may be eligible to receive or purchase other service credit if, for example, you:

- Took a refund of your IMRF contributions and want to pay back the refund and reinstate your service.
- Worked in a position qualified for IMRF, but your employer did not deduct contributions and did not report your wages or contributions to IMRF.
- Wish to convert time served in the military to IMRF service.
- Were working for your employer when it joined IMRF. You were granted the maximum free service (20% of your service up to five years) and wish to purchase your remaining service.
- Are an elected official who held an office qualifying for IMRF. You now participate in IMRF and wish to purchase previous elected official service credit.
- Have service credit with a public pension system in another state and wish to convert it to IMRF service credit.
- Will take a leave of absence from your job. While on leave, you want to earn IMRF service credit and want your IMRF disability and death protection to continue.

For more information, you can download the booklet "Purchasing IMRF Past Service Credit" from the member publications area of [www.imrf.org](http://www.imrf.org).

**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 a 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 when you are enrolled in IMRF. Your months of seasonal service credit are based upon your “seasonal pattern.”

The seasonal pattern is determined by the type of employer:

**School Districts, Educational Districts, and Educational**

**Regions:** Seasonal employees receive seasonal service credit for June, July, August, and September. (Employer can designate a different seasonal pattern.)

**Park Districts and Forest Preserve Districts:**

Seasonal employees receive seasonal service credit for October, November, December, January, February, and March. (Employer can designate a different seasonal pattern.)

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

IMRF will contact the employer to determine the seasonal pattern. For you to receive seasonal service credit automatically, your employer must indicate on your Notice of Enrollment in IMRF that you work in a seasonal position.

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 for you, or
- You are on an IMRF Benefit Protection Leave\* (BPL) of Absence (you receive BPL service credit), or
- You receive an IMRF disability benefit payment (you receive disability service credit).

\* If your employer wishes to provide you with IMRF service credit and IMRF disability and death benefit protection while you are taking a leave of absence, your employer’s governing body would grant and file with IMRF an IMRF Benefit Protection Leave, IMRF Form 6.32. To be eligible for disability and death benefits, Form 6.32 must be filed **before** the disability or death occurs. For more information, refer to “Purchasing IMRF Past Service Credit” in the member area of the IMRF website, [www.imrf.org](http://www.imrf.org).

**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.

If your employers report you under the same plan (e.g., the Regular plan), you earn one month of service credit and your salaries from all positions are combined for that month. If the concurrent service occurs during your “final rate of earnings” period (see page 17), it can increase the amount of your pension.

**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:

- If you retire from a school district, your sick days from your current and any previous school district employer(s) may be included in the calculation of your future pension.
- If you do not retire from a school district, only your sick days from your last employer will be included in the calculation of your future pension.

You earn one month of service credit for every 20 days of unused, unpaid sick leave or fraction thereof. For example:

Unused, unpaid sick days	Additional months of service credit
1-20	1 month
21-40	2 months
41-60	3 months
61-80	4 months
81-100	5 months
101-120	6 months
etc. up to 240 days	

To convert the sick days to service credit, the sick days must meet certain criteria. You must not have received compensation of any kind—including payment of amounts less than your regular salary—for the sick leave. And the sick leave must have been accumulated under a written plan established by your employer and available to all employees or to a class of employees.

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 last day of participation in IMRF.
- *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 36).

---

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

- Eight years for an IMRF pension,
  - 35 years for an unreduced pension under age 60, or
  - 20 years for the IMRF Early Retirement Incentive
-

**What is reciprocal service credit?**

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 in other Illinois public pension systems 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, you need

- At least 12 months of service in each system\* and
- The total amount of your service credit with all retirement systems must meet or exceed the vesting requirements of each system.

You would receive a separate pension payment from each retirement 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, you can download the Reciprocal Act brochure from the member publications area of [www.imrf.org](http://www.imrf.org).

\* A former school district teacher aide who transfers to a position covered by TRS may apply less than 12 months of IMRF service toward a reciprocal pension.

**Your final rate of earnings (FRE)**

Under the Regular Tier 1 plan, 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 Tier 1 FRE at retirement (we assume he retires in June 2011), the last four years (48 months) are used because his earnings were highest in the last 48 consecutive months:

July 2011 to June 2012 . . . . .	\$31,600	} Highest 48 months
July 2010 to June 2011 . . . . .	\$30,650	
July 2009 to June 2010 . . . . .	\$30,000	
July 2008 to June 2009 . . . . .	\$29,400	
July 2007 to June 2008 . . . . .	\$28,800	
July 2006 to June 2007 . . . . .	\$28,200	
July 2005 to June 2006 . . . . .	\$27,700	
July 2004 to June 2005 . . . . .	\$27,150	
July 2003 to June 2004 . . . . .	\$26,600	
July 2002 to June 2003 . . . . .	\$26,000	

**Total of last 48 consecutive months:**

4 year total	=	\$121,650
Divided by 48	=	\$2,534
<b>This member's FRE</b>	=	<b>\$2,534</b>

**How do you qualify for a Regular Tier 1 pension?**

- You must have at least eight years of service credit (can include reciprocal service, see page 16).
- 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:
  - The elected official chose to not 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, your pension will not be reduced.

---

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

---

**How is your pension calculated?**

Your 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. Under Tier 1, your pension is increased annually on January 1 by 3% of the monthly pension amount you first received.

**Regular plan pension formula**

- 1-2/3% (.01667) of your final rate of earnings for each of the first 15 years of service credit, plus
- 2% (.02) of your final rate of earnings for each year of service credit more than 15 years.

For example:

<b>After earning</b>	<b>Your pension would equal*</b>
8 years of service .....	13% of your FRE
10 years of service .....	16% of your FRE
15 years of service .....	25% of your FRE
20 years of service .....	35% of your FRE
25 years of service .....	45% of your FRE
30 years of service .....	55% of your FRE
35 years of service .....	65% of your FRE
40 years of service .....	75% of your FRE

The total pension at retirement (including any portion attributable to converted sick leave) cannot exceed 75% of your final rate of earnings.

**Estimating the amount of your future pension**

- Pension estimate chart—turn to page 24.
- Estimate using your current IMRF member information—visit the Member Access area of [www.imrf.org](http://www.imrf.org) (see page 38).
- Formal pension estimate—call 1-800-ASK-IMRF (1-800-275-4673). We recommend you request a formal estimate if you are within five years of retirement.

\*Assumes retirement at age 60 or later.

### How to apply for your pension

IMRF's Member Retirement Planning Checklist, available from [www.imrf.org](http://www.imrf.org), can help you stay on track with your retirement planning.

One month before you plan to retire, submit IMRF Form 5.20, "Application for Retirement Annuity." 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 16.

IMRF pensions are effective on the first day of the month after you retire. 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 on October 1. You will receive your first pension payment within 30 days of that date.

---

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.

---

### Direct Deposit

You will receive your pension payment by Direct Deposit. Direct Deposit ensures the security of your monthly pension by having your payment electronically deposited into your checking, savings, or brokerage account.

### Pension payment options

When you retire, your initial pension payments are always based on IMRF's Standard (straight life) payout. However, you may be eligible for other payment options. (Also see retirement refunds, page 9.)

#### Standard (straight life) payout

Under the Standard payout, you receive the same pension amount every month for the rest of your life, regardless of how long you live. Annually, that amount is increased by 3% of the original pension amount.

#### Optional payout

Under Tier 1, if you retire before age 62, IMRF's Optional payout permits you to choose an increased IMRF pension until age 62 and a reduced IMRF pension thereafter.

After we receive a your retirement application and final wage report from your employer, IMRF will send you an "Option Letter" that provides the amounts payable under the Standard (straight life) payout and under the Optional payout. The calculations of the Optional payout vary and can be computed on an individual basis only.

#### Alternative Payout: Special Needs option

Under the Special Needs (Reversionary) Annuity Option, you choose to have your pension payments "revert" (become payable) to someone else upon your death. This payment option is often selected by members whose spouses are not eligible for a surviving spouse pension (page 36) or who have children or other family members with special needs.

The person you name to receive the pension upon your death is called the "Special Needs Beneficiary." The younger the age of the person you name, the greater the reduction in your monthly pension.

If you wish to consider the Special Needs Annuity option, submit IMRF Form 5.20R, "Special Needs Annuity Application," with your retirement application (IMRF Form 5.20).

Submitting Form 5.20R does **not obligate you** to select a Special Needs Annuity. You will receive an "Option Letter" that will provide the payment options available to you under the Special Needs Annuity option.

