

IMRF Pension Fund

Mission Statement

It is the mission of the Illinois Municipal Retirement Fund to provide retirement benefits for all retired non-sworn City employees and their beneficiaries.

Primary Functions → The primary function of the IMRF Fund is to account for all benefits for retired non-sworn City employees and their beneficiaries through employer and employee contributions.

Fund Highlights

Based on sound professional actuarial advice and adequate funding, former employees are able to draw retirement benefits from the plan.

Budget Summary

IMRF PENSION FUND BUDGET SUMMARY					
APPROPRIATION	2008 <u>ACTUAL</u>	2009 <u>BUDGET</u>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$5,947,533	\$6,432,496	\$5,947,533	\$6,878,846	\$446,350
CONTRACTUAL	317	250	317	250	0
OTHER	<u>125,000</u>	<u>0</u>	<u>125,000</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$6,072,850</u>	<u>\$6,432,746</u>	<u>\$6,072,850</u>	<u>\$6,879,096</u>	<u>\$446,350</u>
RATES APPLIED					
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
IMRF	9.89	9.93	9.59	9.35	12.53
SOCIAL SEC	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>
TOTAL	<u>17.54</u>	<u>17.58</u>	<u>17.24</u>	<u>17.00</u>	<u>20.18</u>
FUNDING SOURCE					
	2009 <u>AMOUNT</u>	2009 <u>PERCENTAGE</u>	2010 <u>AMOUNT</u>	2010 <u>PERCENTAGE</u>	
PROPERTY TAXES					
IMRF FUND	\$3,734,567	58.0	\$3,173,264	46.1	
REPLACEMENT TAXES	433,400	6.7	308,100	4.5	
INTERFUND TRANSFERS	2,264,779	35.2	3,397,732	49.3	
INTEREST INCOME	<u>10,000</u>	<u>0.1</u>	<u>10,000</u>	<u>0.1</u>	
TOTAL	<u>\$6,442,746</u>	<u>100.0</u>	<u>\$6,889,096</u>	<u>100.0</u>	

Budget Analysis

The Social Security rate, last increased in 1990 to 7.65%, remains unchanged for 2010. The taxable wage base for the 1.45% Medicare portion continues to be unlimited; the ceiling for Social Security (6.2%) remains unchanged from 2009's \$106,800.

The 2010 IMRF rate increases to 12.53% from 2009's 9.35% (34.0%) due to the performance of equity markets. Combining IMRF and Social Security, the 2010 rate is 20.18%, an 18.7% increase.

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The City's IMRF plan is 69.7% funded (2009 market value). Funding for the City's Police and Fire plans is 81.9% and 71.6% respectively (2008 market value).

The property tax rate for IMRF and Social Security retirement is unlimited by statute. The 2010 estimated rate is 15.1 cents, unchanged from the prior year's 15.1 cents.

Five Year Financial Forecast

The 2011-2015 five-year forecast assumes that retirement costs will increase 5% annually due to salary adjustments, that the Social Security and IMRF rates will remain constant, that the Social Security base will continue to increase incrementally and that the revenue mix of property and transfer reimbursements will remain constant. Given the performance of the equity markets, the IMRF rate and consequently the City's expense may need to increase during this time period. The preliminary 2011 IMRF rate notice is 12.81%, up 2.2% from 2010's 12.53%.

IMRF FUND 2011-2015 FINANCIAL FORECAST (IN 000'S)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Revenues	\$7,234	\$7,596	\$7,976	\$8,375	\$8,794
Expenses	<u>7,223</u>	<u>7,584</u>	<u>7,963</u>	<u>8,361</u>	<u>8,779</u>
Excess (Deficit)	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>
Beginning Balance	<u>74</u>	<u>85</u>	<u>97</u>	<u>110</u>	<u>124</u>
Ending Balance	<u>\$85</u>	<u>\$97</u>	<u>\$110</u>	<u>\$124</u>	<u>\$139</u>
Property Tax Rates (in cents)	16.2	16.8	17.3	17.9	18.4