

# 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

<b>IMRF PENSION FUND BUDGET SUMMARY</b>					
<b>APPROPRIATION</b>	2009 <u>ACTUAL</u>	2010 <u>BUDGET</u>	2010 <u>ACTUAL</u>	2011 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$5,947,533	\$6,878,846	\$6,525,637	\$6,637,477	(\$241,369)
CONTRACTUAL	317	250	211	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>\$6,879,096</u>	<u>\$6,650,848</u>	<u>\$6,637,727</u>	<u>(\$241,369)</u>
<b>RATES APPLIED</b>					
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
IMRF	9.93	9.59	9.35	12.53	12.81
SOCIAL SEC	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>
TOTAL	<u>17.58</u>	<u>17.24</u>	<u>17.00</u>	<u>20.18</u>	<u>20.46</u>
<b>FUNDING SOURCE</b>					
	2010 <u>AMOUNT</u>	2010 <u>PERCENTAGE</u>	2011 <u>AMOUNT</u>	2011 <u>PERCENTAGE</u>	
PROPERTY TAXES					
IMRF FUND	\$3,173,264	46.1	\$3,002,395	45.2	
REPLACEMENT TAXES	308,100	4.5	277,300	4.2	
INTERFUND TRANSFERS	3,397,732	49.3	3,358,032	50.5	
INTEREST INCOME	<u>10,000</u>	<u>0.1</u>	<u>10,000</u>	<u>0.1</u>	
TOTAL	<u>\$6,889,096</u>	<u>100.0</u>	<u>\$6,647,727</u>	<u>100.0</u>	

## Budget Analysis

The Social Security rate, last increased in 1990 to 7.65%, remains unchanged for 2011. The taxable wage base for the 1.45% Medicare portion continues to be unlimited; the ceiling for Social Security (6.2%) remains unchanged from 2010's \$106,800.

The 2011 IMRF rate increases slightly to 12.81% from 2009's 12.53% (2.2%) due to the performance of equity markets. Combining IMRF and Social Security, the 2011 rate is 20.46%, a

# **IMRF Pension Fund**

1.4% increase. The City's IMRF plan is 77.5% funded (2010 market value). Funding for the City's Police and Fire plans is 69.5% and 64.2% respectively (2009 market value).

The property tax rate for IMRF and Social Security retirement is unlimited by statute. The 2011 estimated rate is 15.9 cents, unchanged from the prior year's 15.9 cents.

## **Five Year Financial Forecast**

The 2012-2016 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.

IMRF FUND 2012-2016 FINANCIAL FORECAST (IN 000'S)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues	\$7,047	\$7,540	\$7,917	\$8,313	\$8,729
Expenses	<u>7,036</u>	<u>7,529</u>	<u>7,905</u>	<u>8,300</u>	<u>8,715</u>
Excess (Deficit)	<u>11</u>	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>
Beginning Balance	<u>61</u>	<u>72</u>	<u>83</u>	<u>95</u>	<u>108</u>
Ending Balance	<u>\$72</u>	<u>\$83</u>	<u>\$95</u>	<u>\$108</u>	<u>\$122</u>
Property Tax Rates (in cents)	18.2	20.6	21.6	22.8	24.0