

# 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>	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$6,525,637	\$6,325,205	\$6,678,511	\$6,997,948	\$319,437
CONTRACTUAL	211	246	250	250	0
OTHER	<u>125,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	<u>\$6,650,848</u>	<u>\$6,325,451</u>	<u>\$6,678,761</u>	<u>\$6,998,198</u>	<u>\$319,437</u>
<b>RATES APPLIED</b>					
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
IMRF	9.35	12.53	12.81	13.18	13.67
SOCIAL SECURITY	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>
TOTAL	<u>17.00</u>	<u>20.18</u>	<u>20.46</u>	<u>20.83</u>	<u>21.32</u>
<b>FUNDING SOURCE</b>	2010 <u>ACTUAL</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	2013 <u>BUDGET</u>	INCREASE (DECREASE)
PROPERTY TAXES					
IMRF FUND	\$3,133,424	\$3,190,674	\$3,070,675	\$3,219,787	\$149,112
REPLACEMENT TAXES	400,000	308,100	282,300	328,700	46,400
INTERFUND TRANSFERS	3,303,243	3,654,574	3,325,785	3,449,710	123,925
INTEREST INCOME	4,119	17,130	10,000	10,000	0
TOTAL	<u>\$6,840,786</u>	<u>\$7,170,478</u>	<u>\$6,688,760</u>	<u>\$7,008,197</u>	<u>\$319,437</u>

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## Budget Analysis

- The Social Security rate, last increased in 1990 to 7.65%, remains unchanged for 2013. The taxable wage base for the 1.45% Medicare portion continues to be unlimited; the ceiling for Social Security (6.2%) remains unchanged from 2012's \$106,800.
- The 2013 IMRF rate increases slightly to 13.67% from 2012's 13.18% (2.9%) due to the performance of equity markets. The City's IMRF plan is 77.5% funded (2010 market value). Funding for the City's Police and Fire plans is 73.8% and 67.2% respectively (2011 market value).
- The property tax rate for IMRF and Social Security retirement is unlimited by statute. The 2013 estimated rate is 18.9 cents, a slight increase from the prior year's 17.1 cents.

## Five Year Financial Forecast

The 2014-2018 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 2014-2018 FINANCIAL FORECAST (IN 000'S)

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues	\$7,499	\$8,024	\$8,586	\$9,187	\$9,830
Expenses	<u>7,488</u>	<u>8,012</u>	<u>8,573</u>	<u>9,173</u>	<u>9,815</u>
Excess (Deficit)	<u>11</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>15</u>
Beginning Balance	<u>71</u>	<u>82</u>	<u>94</u>	<u>107</u>	<u>121</u>
Ending Balance	<u>\$82</u>	<u>\$94</u>	<u>\$107</u>	<u>\$121</u>	<u>\$136</u>
Property Tax Rates (in cents)	20.7	23.4	25.2	27.0	29.0

**CITY OF ROCKFORD  
NEXT YEAR/CURRENT YEAR BUDGET ANALYSIS  
IMRF RETIREMENT FUND**

	<b>2011 ACTUAL</b>	<b>2012 BUDGET</b>	<b>7 MO ACTUAL</b>	<b>2013 BUDGET</b>	<b>CHANGE 13-12</b>
71251 IMRF Retirement	6,325,205	6,678,511	2,279,585	6,997,948	319,437
<i>TOTAL PERSONNEL</i>	6,325,205	6,678,511	2,279,585	6,997,948	319,437
72282 Audit	246	250	-	250	-
<i>TOTAL CONTRACTUAL</i>	246	250	-	250	-
<b>TOTAL IMRF RETIREMENT FUND</b>	<b>6,325,451</b>	<b>6,678,761</b>	<b>2,279,585</b>	<b>6,998,198</b>	<b>319,437</b>