

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	2010 <u>ACTUAL</u>	2011 <u>BUDGET</u>	2011 <u>ACTUAL</u>	2012 <u>BUDGET</u>	INCREASE (DECREASE)
PERSONNEL	\$6,525,637	\$6,637,477	\$6,325,205	\$6,678,511	\$41,034
CONTRACTUAL	211	250	246	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>\$6,637,727</u>	<u>\$6,325,451</u>	<u>\$6,678,761</u>	<u>\$41,034</u>
RATES APPLIED					
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
IMRF	9.59	9.35	12.53	12.81	13.18
SOCIAL SEC	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>	<u>7.65</u>
TOTAL	<u>17.24</u>	<u>17.00</u>	<u>20.18</u>	<u>20.46</u>	<u>20.83</u>
FUNDING SOURCE					
		2011 <u>AMOUNT</u>	2011 <u>PERCENTAGE</u>	2012 <u>AMOUNT</u>	2012 <u>PERCENTAGE</u>
PROPERTY TAXES					
IMRF FUND		\$3,002,395	45.2	\$3,070,675	45.9
REPLACEMENT TAXES		277,300	4.2	282,300	4.2
INTERFUND TRANSFERS		3,358,032	50.5	3,325,785	49.7
INTEREST INCOME		<u>10,000</u>	<u>0.1</u>	<u>10,000</u>	<u>0.2</u>
TOTAL		<u>\$6,647,727</u>	<u>100.0</u>	<u>\$6,688,760</u>	<u>100.0</u>

Budget Analysis

The Social Security rate, last increased in 1990 to 7.65%, remains unchanged for 2012. The taxable wage base for the 1.45% Medicare portion continues to be unlimited; the ceiling for Social Security (6.2%) remains unchanged from 2011's \$106,800.

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The 2012 IMRF rate increases slightly to 13.18% from 2011's 12.81% (2.9%) due to the performance of equity markets. Combining IMRF and Social Security, the 2012 rate is 20.83%, a 1.8% increase. The City's IMRF plan is 77.5% funded (2010 market value). Funding for the City's Police and Fire plans is 71.5% and 65.3% respectively (2010 market value).

The property tax rate for IMRF and Social Security retirement is unlimited by statute. The 2012 estimated rate is 17.1 cents, a slight increase from the prior year's 15.9 cents.

Five Year Financial Forecast

The 2013-2017 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 2013-2017 FINANCIAL FORECAST (IN 000'S)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Revenues	\$7,157	\$7,658	\$8,194	\$8,768	\$9,382
Expenses	<u>7,146</u>	<u>7,646</u>	<u>8,181</u>	<u>8,754</u>	<u>9,367</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)	18.8	21.2	22.8	24.5	26.3