

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/FUND HIGHLIGHTS

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.

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

IMRF PENSION FUND BUDGET SUMMARY

	2011	2012	2012	2013	INCREASE
APPROPRIATION	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ESTIMATED</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$6,325,205	\$6,678,511	\$6,598,069	\$6,997,948	\$319,437
CONTRACTUAL	<u>246</u>	<u>250</u>	<u>0</u>	<u>250</u>	<u>0</u>
TOTAL	<u>\$6,325,451</u>	<u>\$6,678,761</u>	<u>\$6,598,069</u>	<u>\$6,998,198</u>	<u>\$319,437</u>

RATES APPLIED	<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 SEC	<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>

FUNDING SOURCE	2010	2011	2012	2013	INCREASE
	<u>ACTUAL</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PROPERTY TAXES	\$3,133,424	\$3,190,674	\$3,070,675	\$3,219,787	\$149,112
IMRF FUND	400,000	308,100	282,300	328,700	46,400
REPLACEMENT TAXES	3,303,243	3,654,574	3,325,785	3,449,710	123,925
INTERFUND TRANSFERS	<u>4,119</u>	<u>17,130</u>	<u>10,000</u>	<u>10,000</u>	<u>0</u>
INTEREST INCOME	<u>\$6,840,786</u>	<u>\$7,170,478</u>	<u>\$6,688,760</u>	<u>\$7,008,197</u>	<u>\$319,437</u>
TOTAL					

BUDGET HIGHLIGHTS

- 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% due to the performance of equity markets. The City's IMRF plan is 77.5% funded (2010 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.

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IMRF PENSION FUND FIVE YEAR 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

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.