



ST. CHARLES  
SINCE 1834

### AGENDA ITEM EXECUTIVE SUMMARY

<b>Title:</b>	Recommendation to Approve an Application for IMRF Benefit Protection Leave in the Estimated Amount of \$2,220.84
<b>Presenter:</b>	Kathy Livernois

*Please check appropriate box:*

<input checked="" type="checkbox"/>	Government Operations – 9/16/13	<input type="checkbox"/>	Government Services
<input type="checkbox"/>	Planning & Development	<input type="checkbox"/>	City Council
<input type="checkbox"/>	Public Hearing	<input type="checkbox"/>	

<b>Estimated Cost:</b>	\$2,220.84	<b>Budgeted:</b>	YES	<input type="checkbox"/>	NO	<input checked="" type="checkbox"/>	X
------------------------	------------	------------------	-----	--------------------------	----	-------------------------------------	---

If NO, please explain how item will be funded:

**Executive Summary:**

In looking at a City employee’s retirement options, we recently discovered a discrepancy due to a workers’ compensation leave of seven months taken in 1995 by an employee. This resulted in a service credit discrepancy. An application for IMRF Benefit Protection Leave is required in order to document the appropriate service credit and contribute the appropriate amount to the employee’s IMRF pension account. The estimated cost to the City is \$2,220.84, and the estimated cost to the employee is \$908.44. City Council approval is required by IMRF in order to make this application.

**Attachments:** *(please list)*

**Recommendation / Suggested Action** *(briefly explain):*

Recommendation to approve an application for IMRF Benefit Protection Leave in the estimated amount of \$2,220.84.

*FOR OFFICE USE ONLY*

*Agenda Item Number:* 5a



# IMRF BENEFIT PROTECTION LEAVE

IMRF Form 6.32 (Rev. 02/2013)

*Avoid delays—read all instructions before completing this form.*

## Requirements for IMRF Benefit Protection Leave

1. In order to apply for leave service, you must still be employed in an IMRF-covered position.
2. You are allowed to establish a maximum of 12 months of Benefit Protection Leave over your entire IMRF career.
3. To qualify, the unit of government with which you were employed during the leave period, **must certify** the Benefit Protection Leave.

## Maintaining Eligibility for IMRF Benefits

If this completed form is on file with IMRF, you will maintain eligibility for disability or death benefits if you meet the following requirements:

**A. Disability benefits** are payable if the disability occurs during the leave period and if:

- (1) You have at least one year of contributing service other than the leave, have continuous service (including the Benefit Protection Leave) of one year prior to the date of disability, and this form has been filed prior to the date of disability;

or

- (2) You have at least five years of service credit (which may include noncontributing prior service credit), the last year of which immediately precedes the leave, and this form has been filed prior to the date of disability;

or

- (3) You qualify under clauses (1) or (2) above but you:
  - a. had an interruption in service of less than three months with the same employer in the 12 months preceding the date of disability and were not paid a separation benefit;

or

- b. had any interruption in service after 20 or more years of creditable service but were not paid a separation benefit and returned to service prior to the date of disability.

**Note:** In order to receive disability benefit payments, you will have to pay for the Benefit Protection Leave Service.

**B. Death benefits** are payable if death occurs during the Benefit Protection Leave period only if you have at least one year of creditable service in addition to the service granted for the leave. Your cost of the leave up to the date of death will be deducted from the IMRF death benefit.

**C. Retirement service credit** for the period of absence (not to exceed 12 months) is granted only after you pay the IMRF contributions plus interest. Remember, you must still meet the IMRF vesting requirement to qualify for a pension.

## Instructions for Completing this Form

### 1. Member Information

Enter the requested information, including a daytime telephone number.

### 2. Certification by Member

Enter the dates of the leave and number of months of leave. Sign and date where indicated. If the end date is not known, refer to the "Leave of Absence with Future End Date" section on page 2.

3. Enter the name and ID number of the employer at the time of the leave.

### 4. Certification by Authorized Agent

Your employer's IMRF Authorized Agent enters the requested information.

### 5. Certification by Clerk or Secretary of Governing Body

Clerk or secretary of your employer's governing body **must certify** the Benefit Protection Leave.

**Note:** This application will **NOT** be processed if you submit it without the Authorized Agent and governing body certification.

### Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook, IL 60523-2337

Member Services Representatives 1-800-ASK IMRF (1-800-275-4673) Fax: (630) 706-4289

[www.imrf.org](http://www.imrf.org)

## How do you pay for the Leave?

- 1. Your costs (member contributions) for the leave period** are calculated by multiplying your average monthly earnings by the number of months of the leave of absence. *Determine the monthly average by adding the IMRF reported earnings for the 12 months prior to the leave and dividing by twelve.* The member cost is based upon IMRF member contributions applicable to your Plan, plus interest.
- 2. IMRF will mail you a Past Service Payment Schedule** which offers **two payment plan options** for establishing the past service:

### Option 1 - Lump Sum Payment Plan

The Lump Sum Payment Plan allows you to pay the total cost with a single payment and purchase all past service at once.

### Option 2 - Unit Payment Plan

The Unit Payment Plan allows you to purchase one or more months at a time. You may pay as often as you like, buying credit from your earliest to your most recent month of service. However, you may not buy more months than indicated on the Past Service Payment Schedule.

- 3. Do you want to use funds from an IRA or another pension plan to pay for the leave?**

You may pay for service with a qualified pension plan as defined by Section 401a, 457, 403b, etc. of the Internal Revenue Code, or with a traditional individual retirement account ("IRA"). Please complete and submit **IMRF Form 6.01, "Request for Rollover Approval,"** for determination of eligibility.

**NOTE:** If your Leave of Absence has a **future end date**, you will **NOT** receive a Past Service Payment Schedule. However, you **WILL** receive an estimate of the cost of the Leave. **Do not send in payment** based on the estimate. Payment is only accepted after a formal Past Service Payment Schedule is sent to you.  
*See section below for more information about Leave of Absence with Future End Date.*

## Employer's Cost

The employer's contribution for leave service is made through future contribution rates. Therefore, a separate employer payment is not required. The actuary will take

the service into account when annually determining the employer contribution rate.

## Leave of Absence with Future End Date

Members and employers should **pay special attention** to Benefit Protection Leaves that end at a future date. If an exact future date is indicated, the application will be processed and an estimated cost will be based upon the member returning at that time.

**Important:** If the member **returns earlier or later** than that date, the cost indicated on the **estimate letter will be incorrect.** Please advise IMRF's Past Service Unit as soon as possible.

If an **exact future date is not indicated**, IMRF cannot process the application until an exact date is known. To protect the member's death and disability benefits, the employer should submit the leave form with a cover letter explaining that the

- (1) exact date is unknown at this time and
- (2) employer will send a copy of the leave form with the exact date when it is known.

IMRF will delay processing and will not issue a Payment Schedule to the member until the employer submits the end date of the leave. **Please note: IMRF will not send a reminder to request the end date.**

### Estimating the cost of a leave with a future end date

In order to estimate the cost of a Benefit Protection Leave that has a future end date, it is important for the employer to indicate the amount of pay, if any, the member will be paid in the month the member returns from the leave. Enter this amount in "Estimated/ Exact Earnings to be Reported in the Month the Employee Returns to Work" (Question 6 under "Certification by Authorized Agent") on the form.

### Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook, IL 60523-2337

Member Services Representatives 1-800-ASK IMRF (1-800-275-4673) Fax: (630) 706-4289

[www.imrf.org](http://www.imrf.org)