IPPAC
Fall, 2005

ILLINOIS PUBLIC PENSION ADVISOR

Official Newsletter of the Illinois Public Pension Advisory Committee

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IMRF BUYBACK

This article in this newsletter concerns the recently enacted legislation concerning IMRF pension transfers. The statute applies to officers who previously had an IMRF pension and received a refund upon their separation from service. The officer may transfer up to 7 years and 11 months of "creditable service" in the IMRF pension, to the police pension. A few individuals may have more the 7 years and 11 months of creditable service. If so they are not eligible for the buyback.

The officer should make a written request to IMRF, requesting to transfer creditable service to the police pension fund. The officer will pay their fund, plus 6% interest, to the IMRF fund in order to reinstate service. IMRF will then calculate the amount to be transferred to the police fund. The actuary to the police pension board will then calculate how many months and/or years of creditable service this will purchase with the current Police Pension Fund.

Officers must make this written request to IMRF by January 1, 2006. Include name, address, social security number, and signature. Also provide IMRF with the contact person that administers your police pension fund.

Send to:
Illinois Municipal Retirement Fund
2211 York Road, Suite 500
Oak Brook, IL 60523-2337
For further questions, contact
1-800-ASK-IMRF

Please direct all correspondence to IMRF, and NOT to the police pension fund. The police pension fund has no involvement in the process until the officer and IMRF have calculated the correct amount to be transferred to the police fund. At that point, the police fund will calculate the number of years of creditable service that will be purchased.

IPPAC'S NEWEST MEMBERS

We wish to welcome our new members!!!

Fox River Grove Police Pension Fund

Morris Police Pension Fund

The Bank of Edwardsville Financial Management Group

QILDRO LEGISLATIVE UPDATE
- NEW QILDRO STATUTE

On July 1, 2006, a new QILDRO Statute becomes effective.

A QILDRO is a Qualified Domestic Relations Order under 40 ILCS 5/1-119. This is an order issued in conjunction with a divorce decree involving an individual covered by an applicable Illinois Public Retirement System (a police officer or a firefighter).

The QILDRO effectively places responsibility for payment of benefits to a participant's former spouse (Alternate Payee).

The Benefits cover retirements; there is no provision for:

a) Disability Benefits
b) Child Support
c) Maintenance
d) Benefits to an Alternate Payee upon death

The Statute changes the format of the order and permits payment of a percentage of the benefit; the old Statute required a dollar amount.

The Statute requires that the calculations are to be made by the participant, the alternate payee, or their designated experts in a QILDRO Calculation Court Order. The Pension Board does not have to calculate the benefits only provide:

a) Accumulated contributions
b) Accrued benefits
c) Any general retirement information available to the participant and rules or procedures adopted by the Pension Board

The Pension Board must within forty-five (45) days of the receipt of a QILDRO or QILDRO Calculation Order acknowledge its receipt. If there is an error in the Order, the Pension Board shall notify the plan participant and the alternate payee. The Board is to implement the Order and may not reject it or withhold enforcement due to an error in calculation.

Procedure: Within 45 days of the date of a request, the Pension Board Provides:

1. The date that the participant became a member of the Fund providing the month, date and year or the closest exact date available.

2. The total months and years of creditable service accumulated, including any permissible creditable service (buybacks).

3. The gross amount in dollars of the non-reduced monthly annuity benefit earned.

4. The gross amount of a member's refund (including any interest) calculated as of the date the QILDRO was received or closest date available, providing the date used by the Pension Board.

5. The gross amount of death benefits payable assuming the member died as of the date the QILDRO was received.

6. The date of retirement if the participant has advised the Pension Board of the date.

If the Participant has retired, the Pension Board shall provide:

1. Date of retirement.

2. Date benefits began being paid.

3. Creditable Service accumulated by the participant.

4. Amount of pension paid monthly.

5. Amount of refund, if any.

6. The amount paid to beneficiaries if the member died on the retirement date.

__ The new QILDRO Order contains a provision, Section IV, which permits the annual post-retirement increase to be paid. The Section contains SHALL and SHALL NOT Provisions.

Spread the Word!!!

If you know of a Police or Fire Pension Board that would benefit from IPPAC - please tell them about us.

Encourage them to call us at (847) 519-0010, we will send them an application and brochure.

Mark Your Calendars

The Illinois Public Pension Advisory Committee

Presents

Our Annual Holiday Seminar

To Be Held At

Poplar Creek Country Club

1400 Poplar Creek Drive, Hoffman Estates, IL

8:30 am to 4:00 pm
December 8, 2005

Continental Breakfast and Lunch will be provided
Cocktail Reception
to follow Seminar at 4:3O

Seminar Registration Form

Pension Fund Name: _____

Attendee's Name: _____

Address/City/State/Zip: _____

Phone: _____ **Fax:** _____ **Email:** _____

(Please duplicate this form for additional attendees)

Fax or mail to

Illinois Public Pension Advisory Committee
2200 Higgins Road, Suite 155
Hoffman Estates, IL 60195
Phone: (847) 519-0010 Fax: (847) 519-0016

Please be sure to contact our Advisory Faculty

They are selected for their expertise in the pension investment field. They are always available to help IPPAC members!

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