



IMRF Update

IASBO Annual Conference

Paul Parise
Employer Representative

April 30, 2026

Agenda

- **IMRF 101**
- **Financial Update**
- **Rate-making Principles**
- **Annual Documentation**
- **Closing Remarks**



IMRF 101



Illinois **M**unicipal **R**etirement **F**und

A defined benefit pension fund for employees of local government.

- Pension benefits
- Disability benefits
- Death benefits

An agent multiple employer plan.

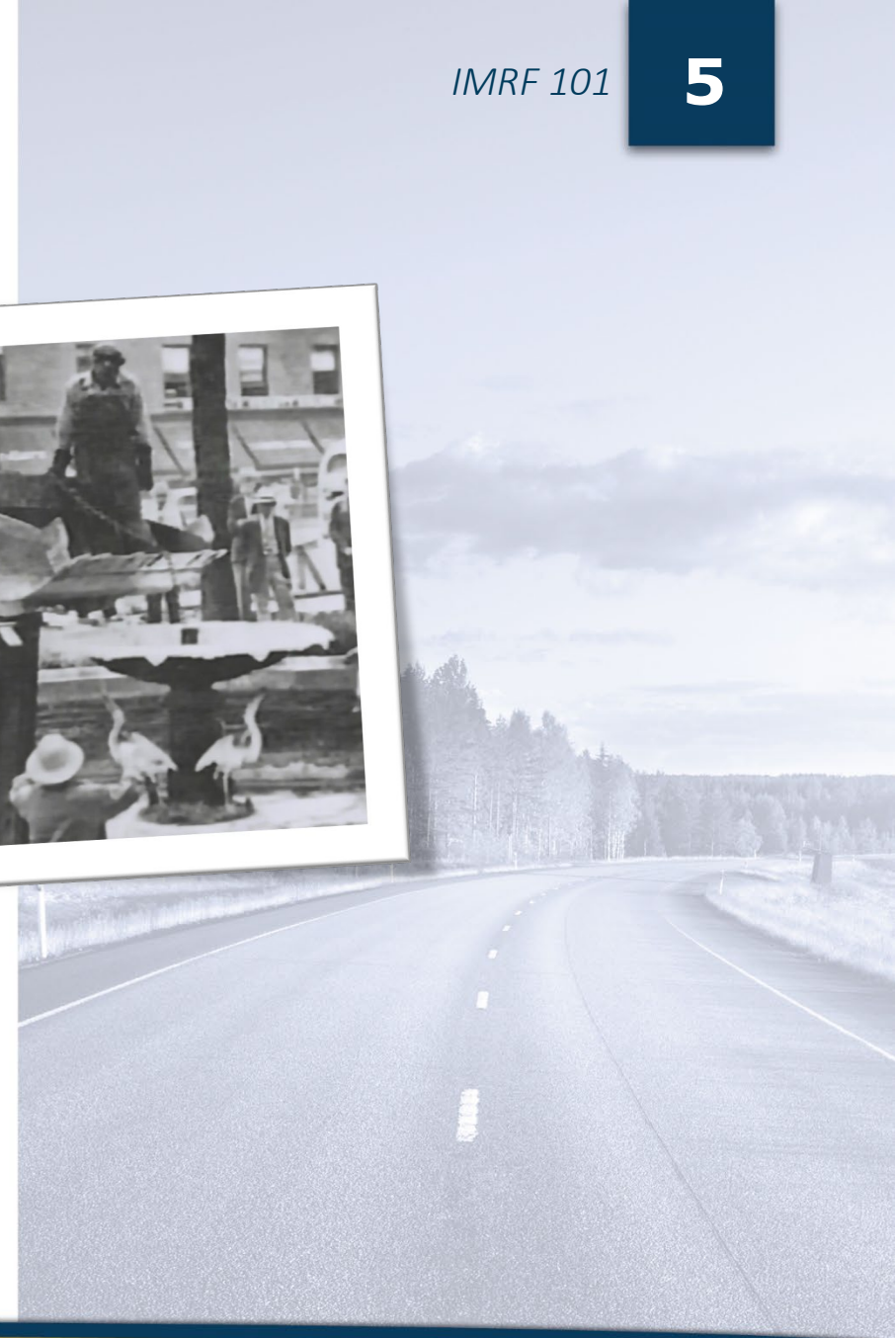
- Each employer funds its own employee benefits



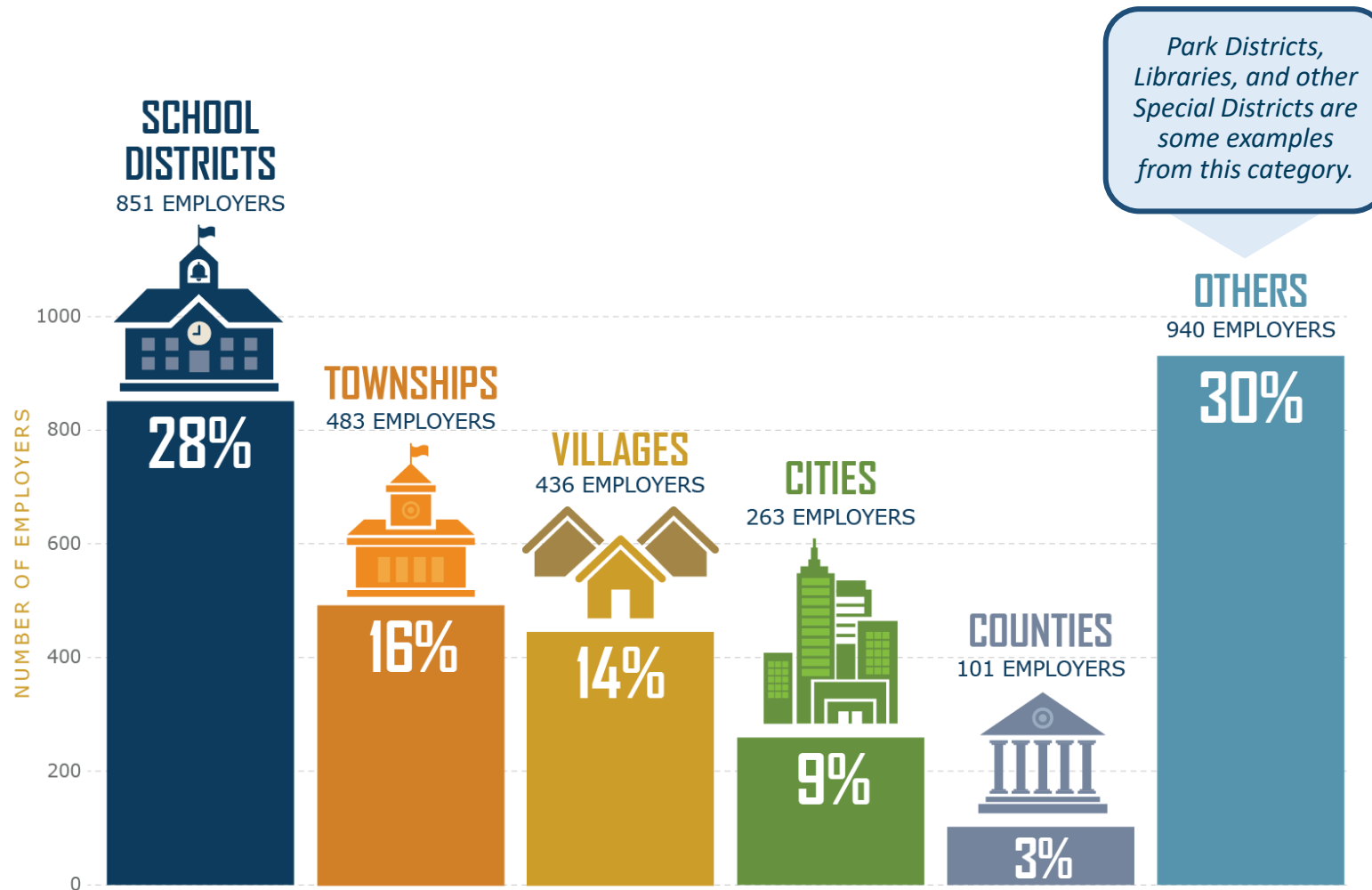
Created by the Illinois General Assembly

Governed by the Illinois Pension Code

- Began operating in 1941
- In response to economic conditions (Great Depression)
- Social Security was not available to public employees
- Started with 5 employers and \$5,000 in assets



3,076 Total Employers



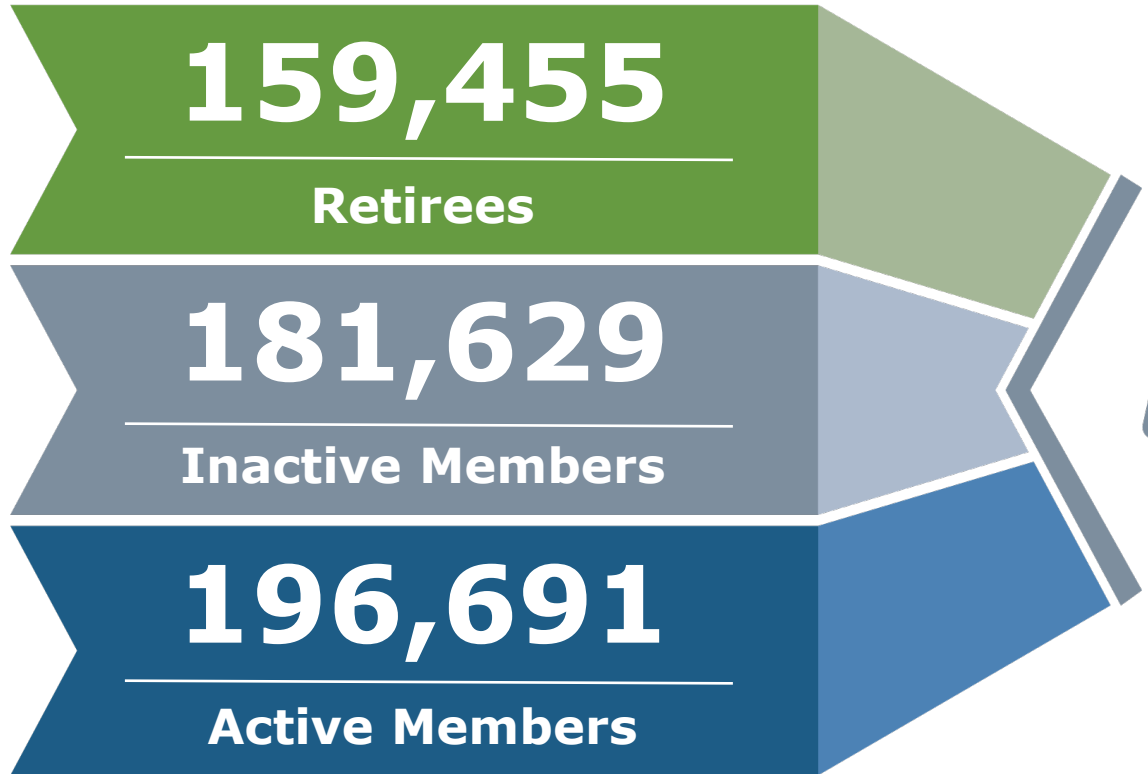
Participation is dictated by the Illinois Pension Code.

Members and Employers cannot opt out of IMRF.



Locally funded, financially sound.

IMRF's Membership



537,775

TOTAL IMRF CUSTOMERS



Almost 10% of Illinois households

IMRF is Neither Funded nor Managed by the State of Illinois



Locally funded, financially sound.

Our Board of Trustees

- **Four Elected by IMRF Employers**
- **One Elected by IMRF Retirees**
- **Three Elected by IMRF Active Members**



Operational Changes

Technology modernization project

- IMRF completed a multi-year project to upgrade administration system and customer portals

Executive Director retiring

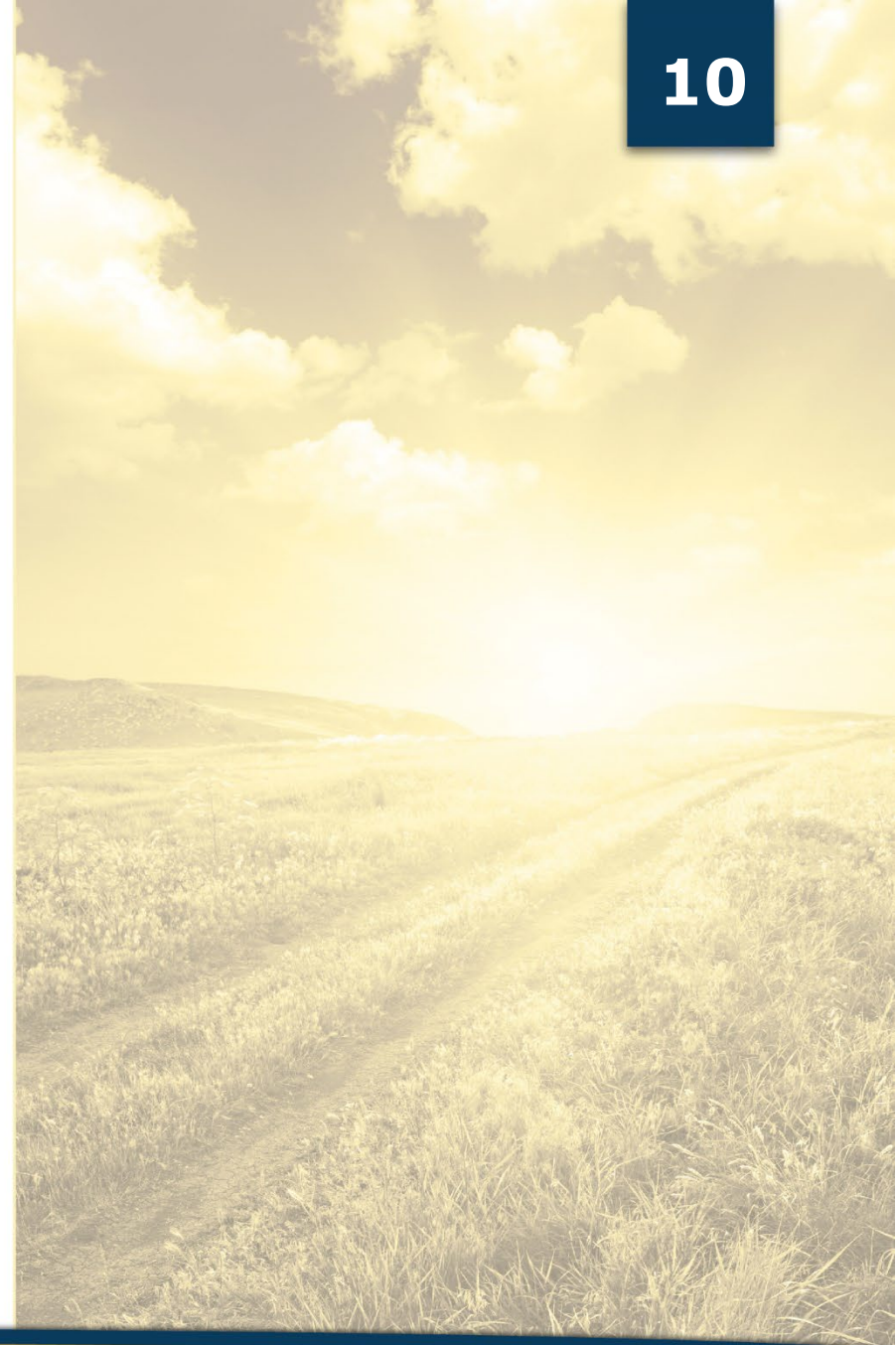
- April of 2026

Oak Brook Headquarters moved to a new location

- Opened for business in January 2026
- IMRF continues to operate out of its Springfield location



Locally funded, financially sound.



800

COMMERCE



NEW LOCATION

800 Commerce Dr. Oak Brook, IL 60523

Conveniently located next to I-88 and the Oak Brook Mall



Locally funded, financially sound.

Financial Update

These FY 2025 figures are preliminary estimates.

2025 Financial Results

**\$5.7
BILLION**

2025 Portfolio Increase

**14.7%
RETURN**

2025 Net Investment Return

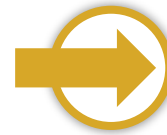
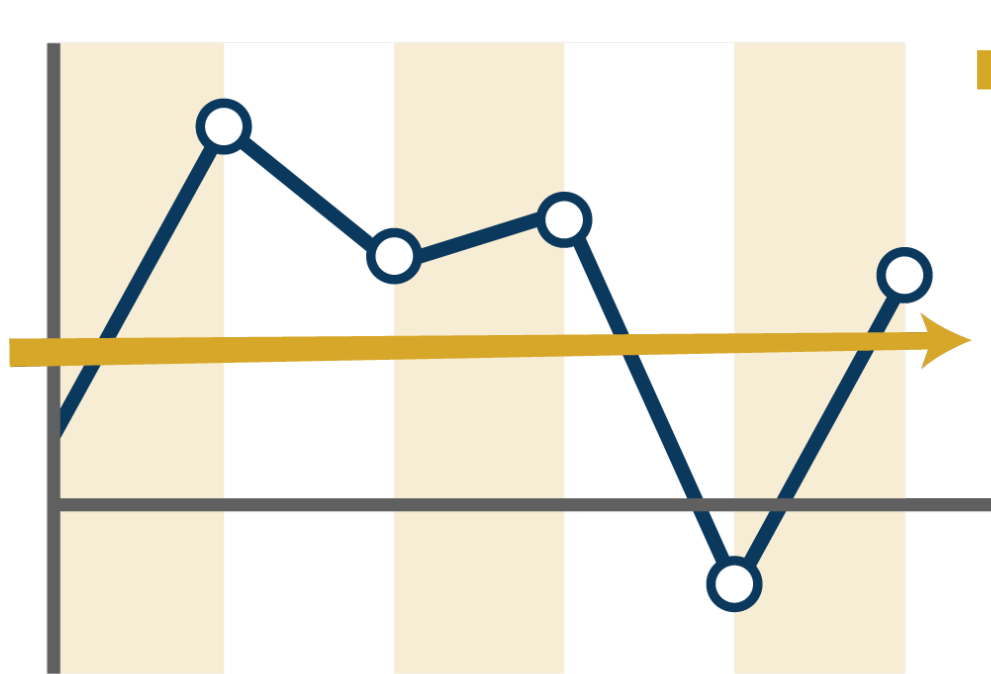
**\$60.9
BILLION**

Investments as of 12/31/2025



Locally funded, financially sound.

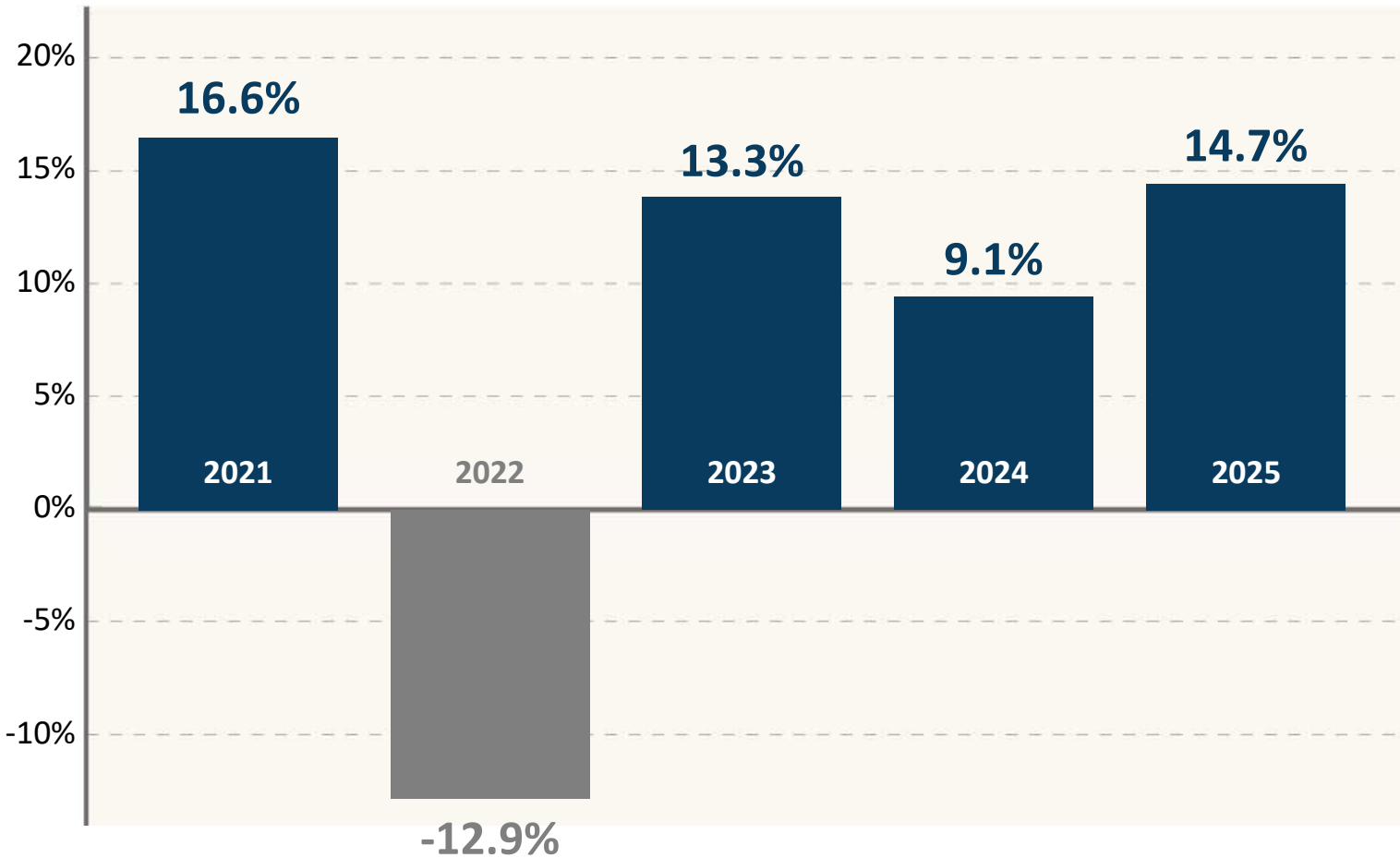
Rate Impact From Investment Results are Smoothed Over a 5-year Period



This arrow represents the impact of IMRF's investment results on employer contribution rates

- Only 1/5th of the investment gain/loss is recognized annually
- There is a two-year lag before investment results impact employer rates

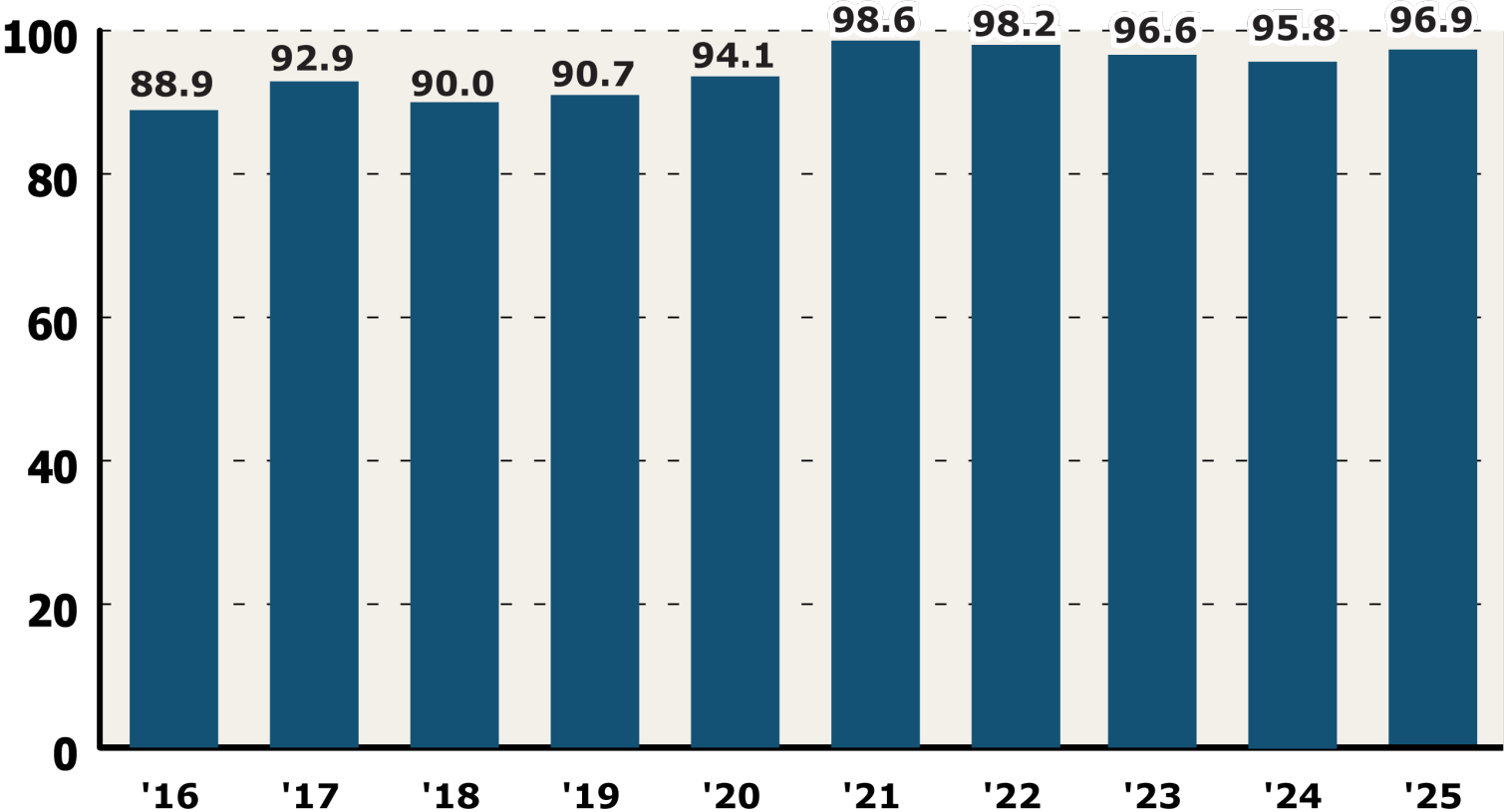
Net Investment Return Year-End Percentage Growth/Loss Over The Last 5 Years



Is your Employer over 100% Funded?

- A large percentage of Employers will be over 100% funded
- Based on 5-year smoothing, 4 of the last 5 years have exceeded the 7.25% Assumed rate of return resulting in above average funding levels
- Funds are held in reserve to offset potential future market losses

Actuarial Funding Level 10-year Trend



IMRF's Actuarial Funded Status



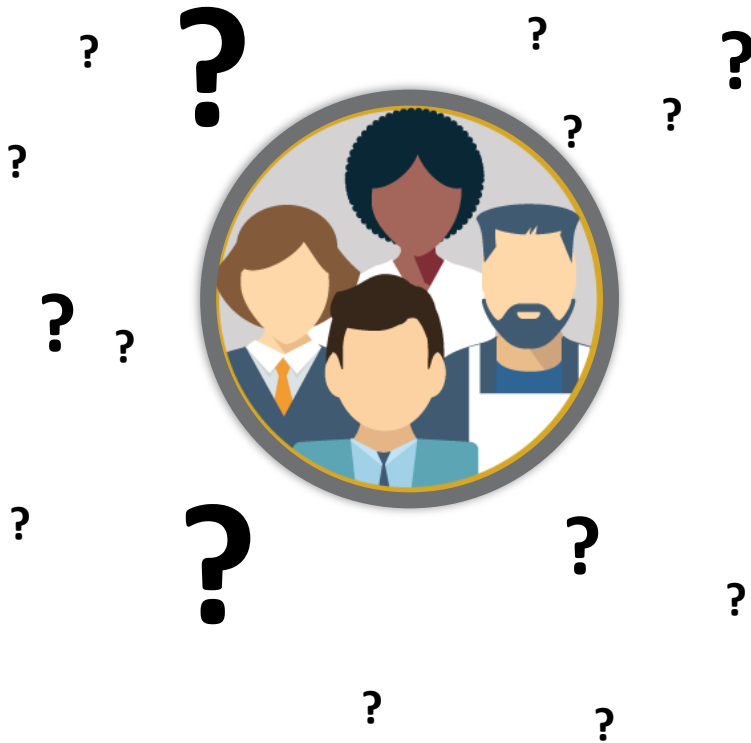
Locally funded, financially sound.

Actuarial Funding Level Compared to the National Average



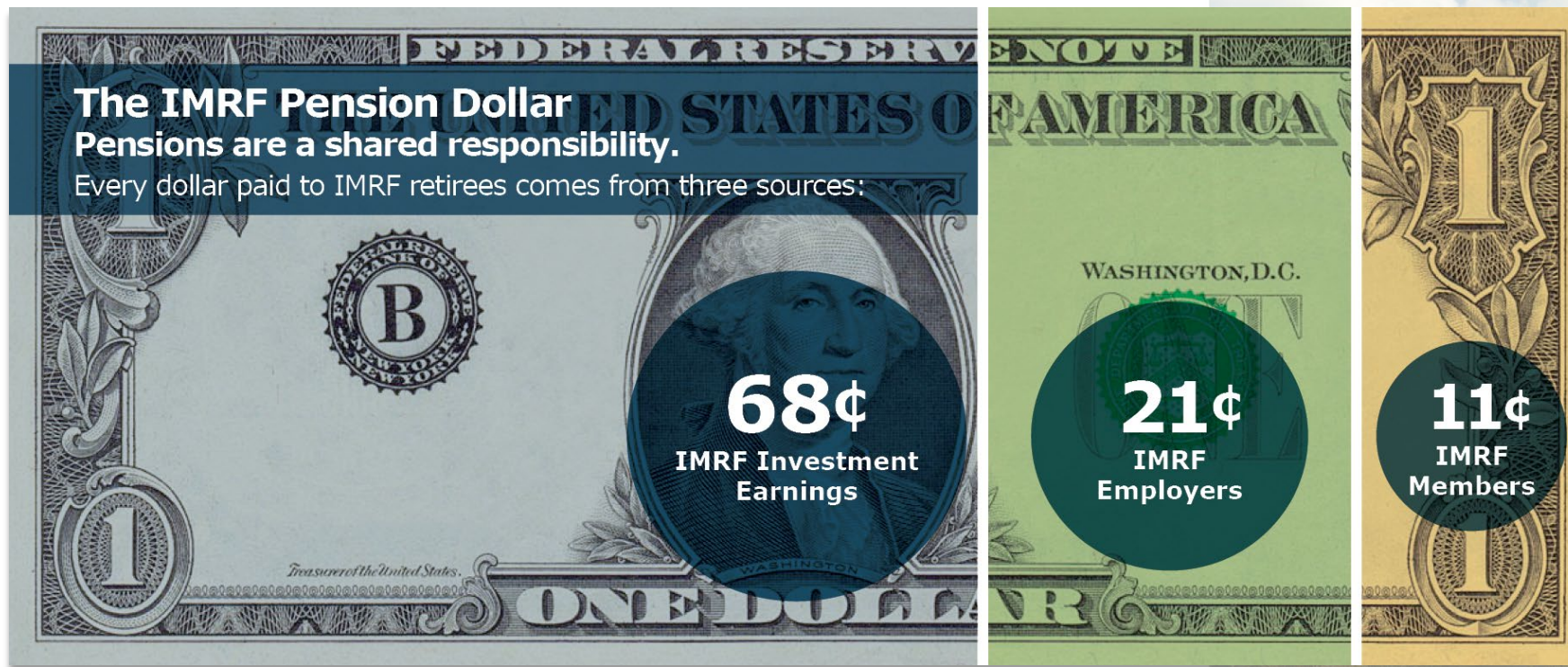
Locally funded, financially sound.

Actuaries Use Principal Assumptions to Determine Rates



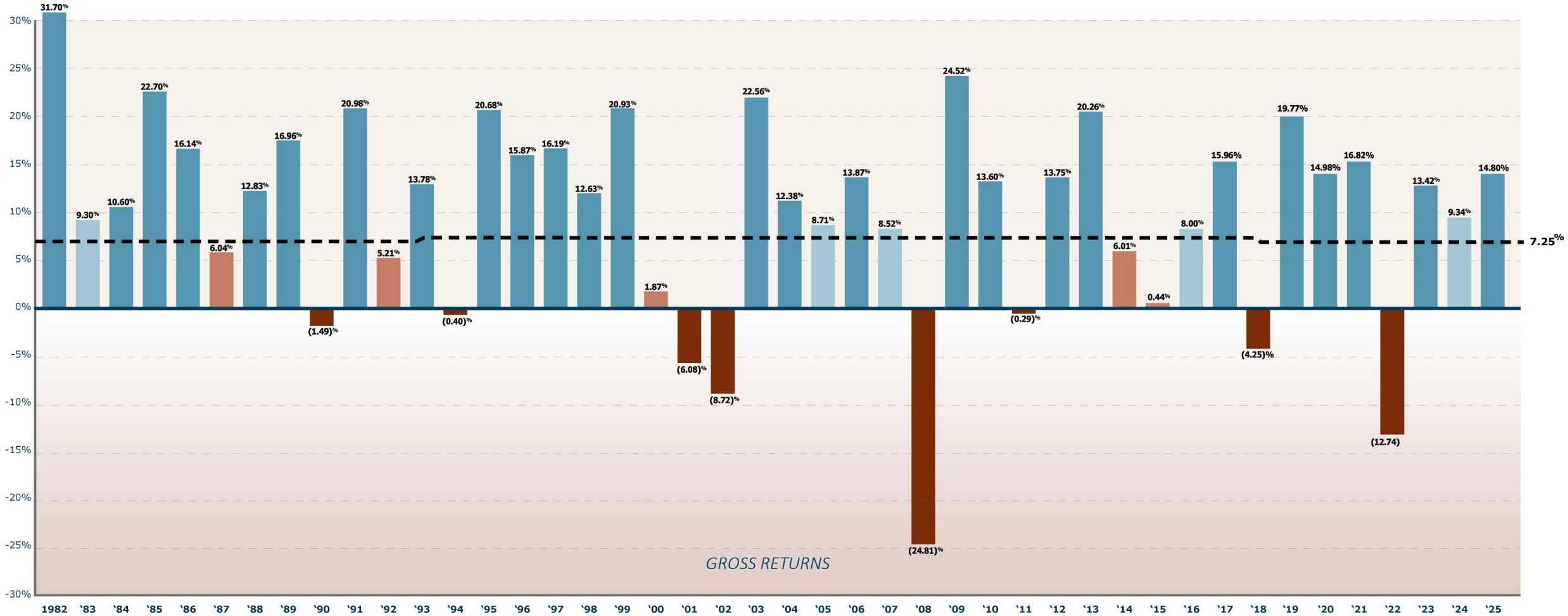
- Investment Return
- Retirement Age
- Marital Status
- Mortality of Active Members
- Mortality of Retired Members
- Disability
- Separations/Refunds
- Payroll Increases

2025 Pension Dollar



Locally funded, financially sound.

Gross Investment Returns: Strong But Volatile



IMRF's Assumed Rate of Return



Years IMRF did not meet its Assumed Rate of Return

8

Negative returns

5

Positive returns that fell short of goal

Years IMRF exceeded its Assumed Rate of Return

5

Positive returns that met goal but did not exceed 10%

26

Positive returns that met goal and exceeded 10%

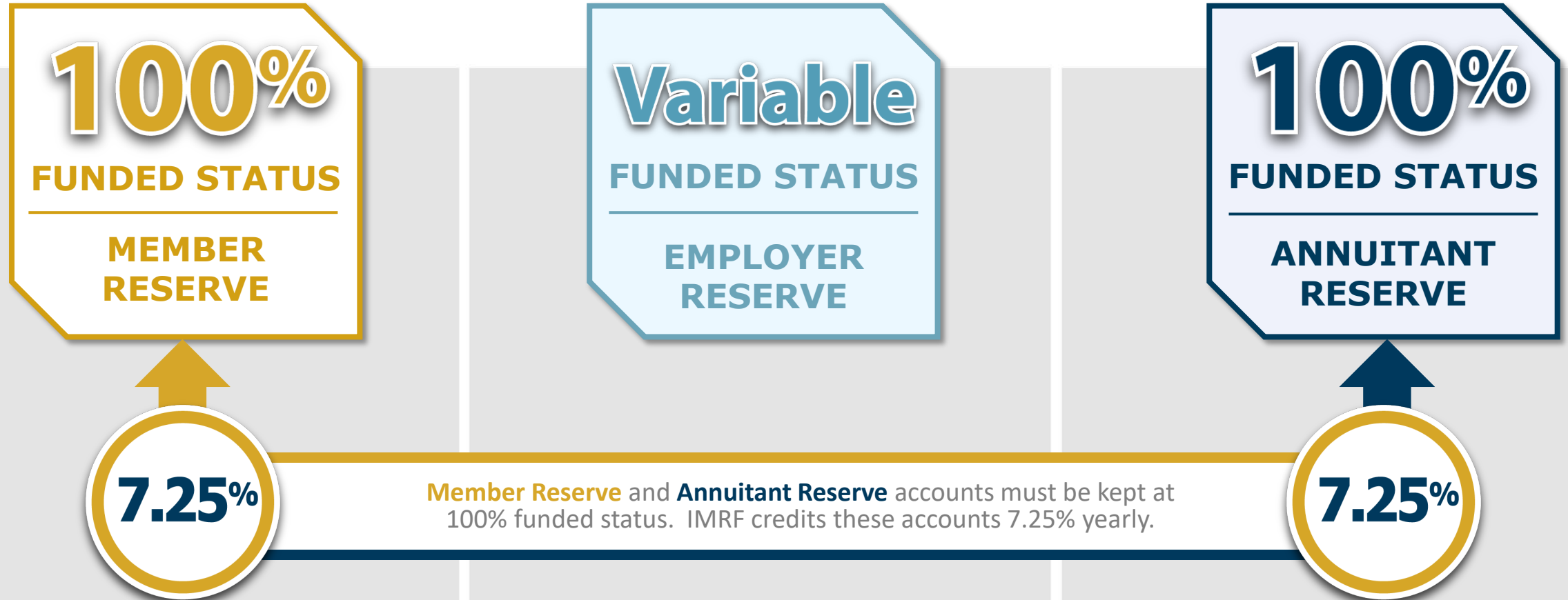


Locally funded, financially sound.

Rate-making Principles

Reserve Accounts and Funded Status

Employer Reserve serves as a “Balancing Account.”



As an agent multiple employer plan, each employer has a separate reserve account.

EACH EMPLOYER
HAS ITS OWN
RESERVE ACCOUNT

Your employer pays for the retirement benefits of only its employees.

How your employer reserve account works.

- Credited with contributions made by your employer.
- Credited investment gain or loss.
- Debited retirement costs of your employees.

Your employer's finances have no relationship to the pension assets and liabilities of IMRF's other 3,076 employers.

5 Parts of the Employer Rate

Each part is calculated separately and used for specific purposes designated by state law.

- Normal Retirement Contributions
- Disability Benefit Contributions
- Death Benefit Contributions
- Supplemental Retirement Contributions (“13th Payment”)
- Unfunded Liability Contributions



How is your employer's rate calculated?

1

IMRF provides demographic and financial data as of year-end to IMRF's actuaries.

2

Actuaries apply assumptions to the demographic and financial data.

3

The actuaries then produce an actuarial valuation for IMRF.

4

Actuaries rely on the valuation to set contribution rates for each employer.



Your specific employer's rate is designed to achieve a 100% funding level.

- 100% funding means your employer will have all the funds needed to pay its pension obligations when its employees retire.
- If your funding level is over 100%, funds are held in reserve to offset potential future market losses and in a strong position to manage future market downturns



Actuarial Assumptions



Used to calculate how much money needs to be set aside to fund future benefits



IMRF Board sets assumptions

- Economic and Demographic
- Updated every three years



Demographic Assumptions Defined

- Active members that quit (withdrawal rates)
- Disability for active members
- Retirement for active members
- Merit and longevity pay for active members
- Mortality for active members, retirees, and their beneficiaries



Economic Assumptions Defined

- Price inflation = 2.25%
- Wage inflation = 2.75%
- Payroll growth = 2.50%
- Investment return assumption = 7.25%



Non-Economic Assumptions Defined

- Mortality rates
 - Before retirement
 - After retirement
- Disability rates
- Rates of retirement
- Rates of separation from employment (Refunds)
- Marriage probabilities of active members



Actual Experience Compared to Actuarial Assumptions

What happens when IMRF's actual experience does not align with its economic and demographic actuarial assumptions?

Any variance between our assumptions and our actual experience impacts your contribution rates.



Annual Documentation

Two main purposes:

- Projects your future costs
- Financial reporting

Employer Reserve Information Now Available

IMRF no longer generates your Employer Reserve Statement

- You can access your updated reserve information on Employer Access

You are encouraged to review your Employer Reserve Account information

- REG
- SLEP
- ECO
- ERI



Projects your future costs

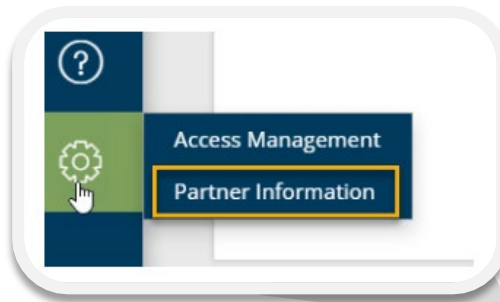
This statement shows your employer's funds on deposit as of January 1

- Credits
- Debits
- Adjustments

Preliminary Employer Rate Information Now Available

IMRF no longer produces Preliminary or Final Rate Notice Letters

- You can access your specific employer's rate information on Employer Access



Administration / Partner Information

Partner Information

Partner Code: 00000

CONTACT METHODS INDICATORS RESERVES CONTRIBUTIONS

Contribution Rates

All selected Filter by year

From: 01-01-2024

To:

Year	Effective Date	Rate Type	Contribution Rate
2024	01-01-2024	Employer supplemental benefit payment contribution	0.62%
2024	01-01-2024	REG Employer retirement funding adjustment contribution	0.34%
2024	01-01-2024	REG Employer death contribution	0.16%
2024	01-01-2024	REG Employer retirement normal contribution	4.73%
2024	01-01-2024	REG Employer disability contribution	0.08%
			5.93%
			Total

Add your components



Projects your future costs

Log onto Employer Access to see your employer's rate for the year

- Preliminary Rates are already posted
- Final Rates will be posted in November



Locally funded, financially sound.

IMRF Documentation Employers Need for Financial Reporting

GASB 50 Disclosure Statement

- This statement shows your funded status broken out by plan
- Each plan has its own report

GASB 68 Disclosure Statement

- Needed by employers who GAAP report
- This funded status includes retirees
- Funding level will be HIGHER for more employers

Schedule of Changes in Fiduciary Net Position

- Needed by employers who GAAP report
- Supplements the IMRF ACFR
- Finalized following Board approval in May

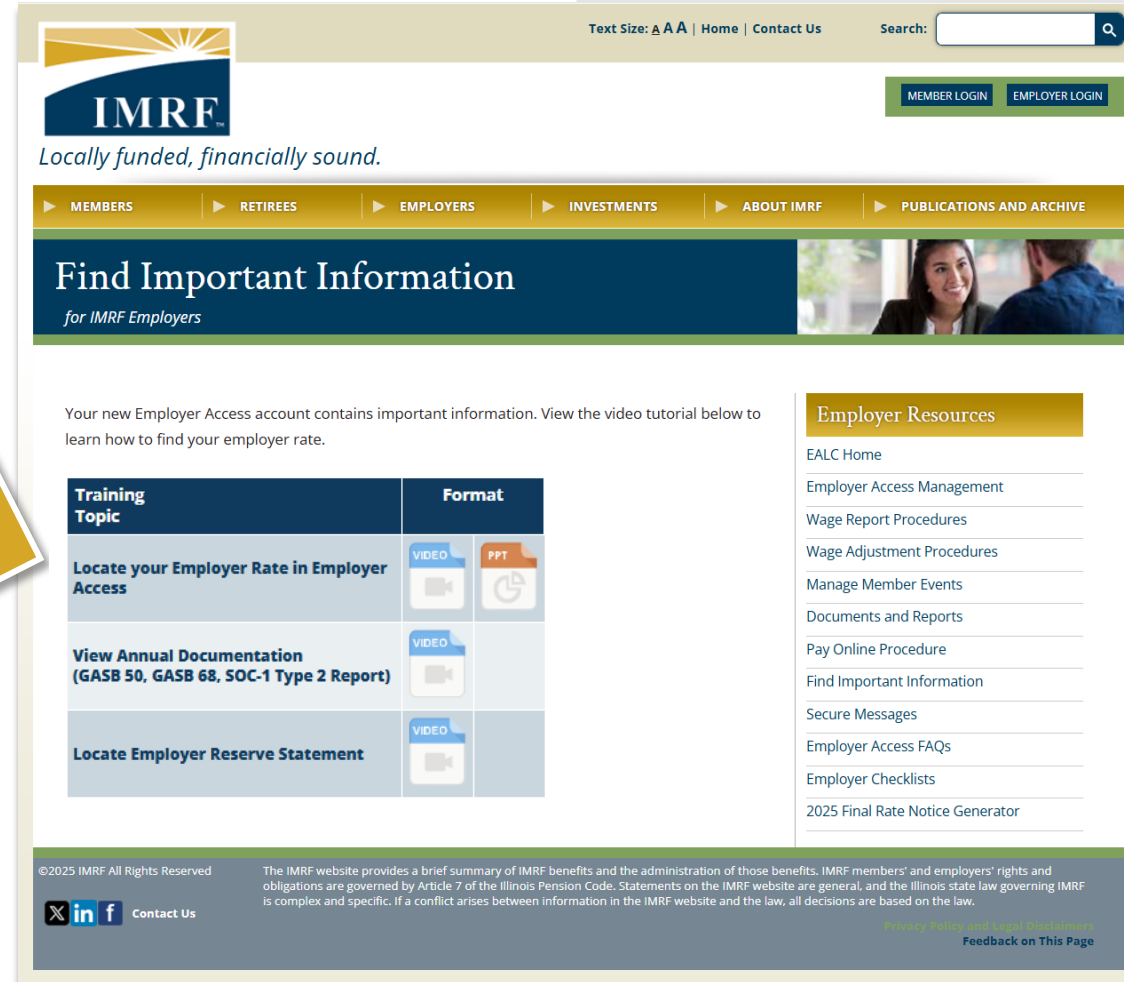
SOC-1 Type 2 Report

- This statement verifies IMRF's strict internal controls
- Relieves your auditors from having to test IMRF data



How to Find Your Employer's Specific Information

- Employer Reserve Information
- Employer Rate Information
- How to use the Document Generator



Text Size: [A](#) [A](#) [A](#) | [Home](#) | [Contact Us](#) Search:

IMRF
Locally funded, financially sound.

[MEMBERS](#) | [RETIREES](#) | [EMPLOYERS](#) | [INVESTMENTS](#) | [ABOUT IMRF](#) | [PUBLICATIONS AND ARCHIVE](#)

Find Important Information

for IMRF Employers

Your new Employer Access account contains important information. View the video tutorial below to learn how to find your employer rate.

Training Topic	Format	
Locate your Employer Rate in Employer Access	VIDEO	PPT
View Annual Documentation (GASB 50, GASB 68, SOC-1 Type 2 Report)	VIDEO	
Locate Employer Reserve Statement	VIDEO	

Employer Resources

- [EALC Home](#)
- [Employer Access Management](#)
- [Wage Report Procedures](#)
- [Wage Adjustment Procedures](#)
- [Manage Member Events](#)
- [Documents and Reports](#)
- [Pay Online Procedure](#)
- [Find Important Information](#)
- [Secure Messages](#)
- [Employer Access FAQs](#)
- [Employer Checklists](#)
- [2025 Final Rate Notice Generator](#)

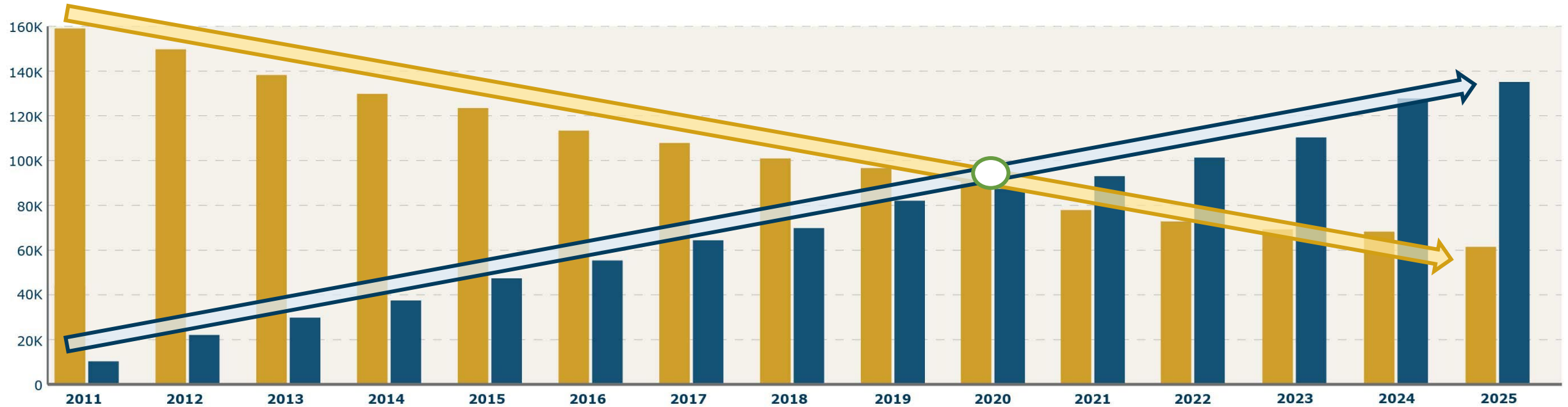
©2025 IMRF All Rights Reserved

The IMRF website provides a brief summary of IMRF benefits and the administration of those benefits. IMRF members' and employers' rights and obligations are governed by Article 7 of the Illinois Pension Code. Statements on the IMRF website are general, and the Illinois state law governing IMRF is complex and specific. If a conflict arises between information in the IMRF website and the law, all decisions are based on the law.

[Privacy Policy](#) | [Feedback on This Page](#)

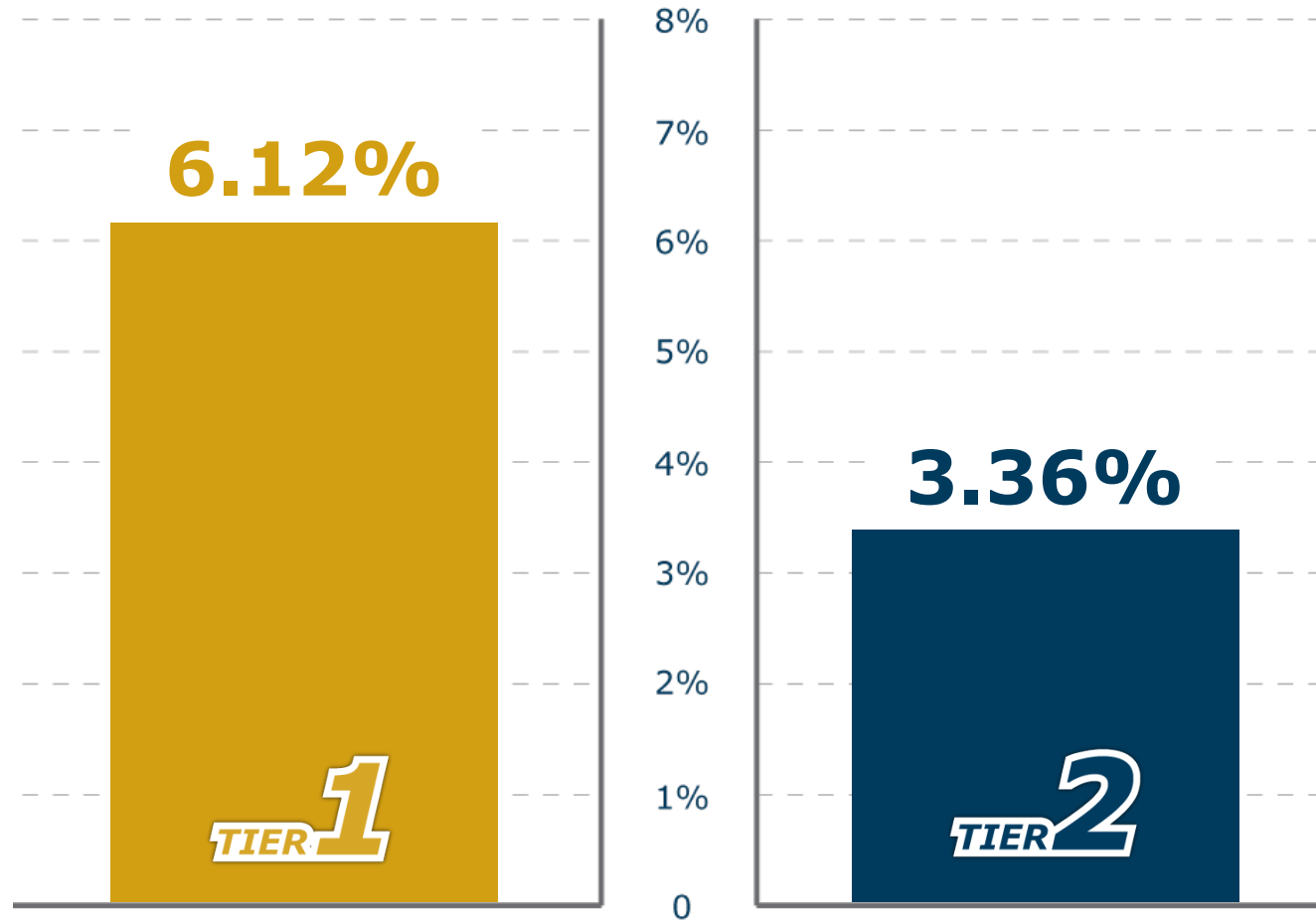
Closing Remarks

Number of Active Regular Plan Members



Locally funded, financially sound.

2024 Regular Plan Average Normal Cost



TIER 2

Tier 2 legislation was approved in 2010 to reduce retirement costs for Illinois

All new members start in Tier 2

Tier 2 costs 42% less than Tier 1



Locally funded, financially sound.

Where We Are Today

Launched (New System) Horizon

- **Not yet where we want to be.**
- **Operations are widely stabilized.**
- **Member and Employers continue to learn the new system.**
- **Staff is working hard to resolve exception cases.**
- **We are driven to improve and anticipate further progress in 2026.**

2026 Strategic Focus

**Improve 8-week
processing time
for claims**

**Reduce Contact
Center hold
times**



Closing Remarks

- **IMRF is financially strong**
- **Growth in Tier 2 membership reduces costs**
- **Committed to improving customer service**
- **Remember our new location**
- **Employer Webinars and Training (imrf.org)**



Authorized Agent Webinar Schedule for 2026



Wed. May 13th
Wed. June 10th

Part 1
Introduction, Enrollment, Wage Reporting and Termination



Wed. May 27th
Wed. June 24th

Part 2
IMRF Benefits, Employer Rates & Legislation



To sign up for future Authorized Agent webinars, please go to www.imrf.org, under Employers tab and select Workshops & Materials.

Questions and Answers

Please contact our
Employer Support Team at

1-800-728-7971

or submit a secure message

