

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	2003	2004	2004	2005	INCREASE
	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>(DECREASE)</u>
PERSONNEL	\$4,005,757	\$4,711,485	\$4,574,315	\$5,103,208	\$391,723
CONTRACTUAL	93	250	250	250	0
OTHER	0	0	110,000	0	0
TOTAL	<u>\$4,005,850</u>	<u>\$4,711,735</u>	<u>\$4,684,565</u>	<u>\$5,103,458</u>	<u>\$391,723</u>
RATES APPLIED					
	2001	2002	2003	2004	2005
IMRF	7.77	6.82	6.81	8.48	8.99
SOCIAL SEC	7.65	7.65	7.65	7.65	7.65
TOTAL	<u>15.42</u>	<u>14.47</u>	<u>14.46</u>	<u>16.13</u>	<u>16.64</u>
FUNDING SOURCE					
	2004		2005		
	AMOUNT	PERCENTAGE	AMOUNT	PERCENTAGE	
PROPERTY TAXES					
IMRF FUND	\$2,516,605	53.3	\$2,686,988	52.5	
REPLACEMENT TAXES	241,800	5.1	279,000	5.5	
INTERFUND TRANSFERS	1,953,330	41.4	2,137,470	41.8	
INTEREST INCOME	10,000	0.2	10,000	0.2	
TOTAL	<u>\$4,721,735</u>	<u>100.0</u>	<u>\$5,113,458</u>	<u>100.0</u>	

Budget Analysis

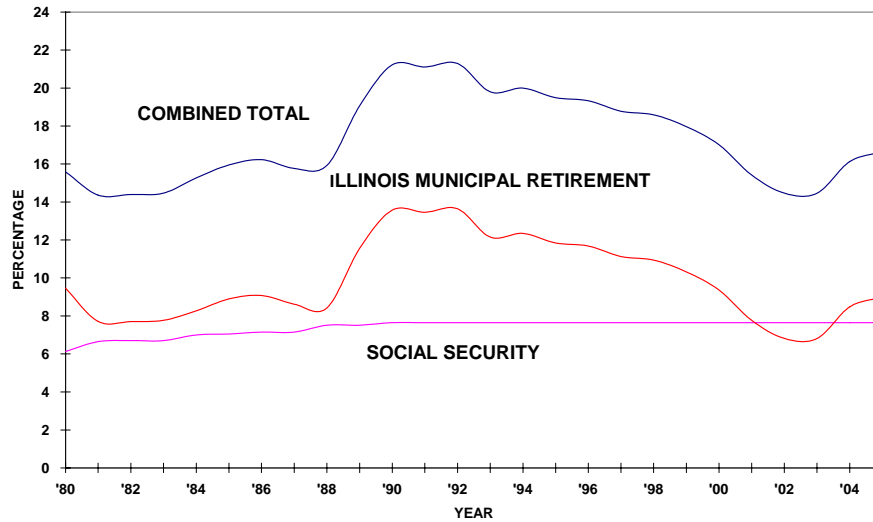
The Social Security rate, last increased in 1990 to 7.65%, remains unchanged for 2005. While the taxable wage base for the 1.45% Medicare portion continues to be unlimited, the ceiling for Social Security (6.2%) increases from 2004's \$87,900 to 2005's \$90,000.

The 2005 IMRF rate increases to 8.99% from 2004's 8.48% (6.0%). Combining IMRF and Social Security, the 2005 rate is 16.64%, a 3.2% increase. The City's IMRF plan is 92.7% funded (five year smoothing value – market value). Funding for the City's Police and Fire plans is 83.3% and 75.0% respectively (market value).

IMRF Pension Fund

The property tax rate for IMRF and Social Security retirement is unlimited by statute. The 2005 estimated rate is 15.4 cents, an increase from the prior year's 14.8 cents.

CITY OF ROCKFORD, ILLINOIS CITY PENSION CONTRIBUTIONS FOR ALL NONSWORN PERSONNEL YEARS FROM 1980



SOURCE: FINANCE OFFICE

Five Year Financial Forecast

The 2006-2010 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.

IMRF FUND 2006-2010 FINANCIAL FORECAST (IN 000'S)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Revenues	\$5,318	\$5,584	\$5,863	\$6,156	\$6,464
Expenses	<u>5,308</u>	<u>5,573</u>	<u>5,852</u>	<u>6,145</u>	<u>6,452</u>
Excess (Deficit)	<u>10</u>	<u>11</u>	<u>11</u>	<u>11</u>	<u>12</u>
Beginning Balance	(49)	(39)	(28)	(17)	(6)
Ending Balance	<u>(\$39)</u>	<u>(\$28)</u>	<u>(\$17)</u>	<u>(\$6)</u>	<u>\$6</u>
Property Tax Rates (in cents)	15.1	15.4	15.7	16.1	16.4