



Illinois Municipal Retirement Fund
 Public Act 96-0889
 Comparison of Regular Plan Tier 1 and Regular Plan Tier 2
 Revised December 2, 2010

	Regular Plan Tier 1	Regular Plan Tier 2
Eligibility	<ul style="list-style-type: none"> • Members currently participating in Regular IMRF • Members enrolled in IMRF before January 1, 2011. • Members who previously participated in IMRF or in a reciprocal system and return to participation. 	Members first enrolled in IMRF's Regular Plan on or after January 1, 2011. EXCEPTION: <ul style="list-style-type: none"> • Members with current or previous IMRF or reciprocal retirement system participation (with the exception of the Judges' Retirement System and the General Assembly Retirement System) and who are enrolled in IMRF after January 1, 2011 will participate in Tier 1.
Vesting	8 years	10 years
Normal Retirement Age (full pension)	60	67
Earliest Retirement Age (reduced pension)	55	62
Reduction in pension	<ul style="list-style-type: none"> • Retire between age 55 and 60 with less than 30 years of service credit: pension reduced 1/4% for each month under age 60. • Retire between age 55 and 60 with at least 30 but less than 35 years of service credit: pension reduced by lesser of 1/4% for each month <ul style="list-style-type: none"> ○ Under age 60 or ○ Of service credit less than 35 years. • Retire with 35 or more years of service credit and at least age 55: no reduction. 	<ul style="list-style-type: none"> • Retire between age 62 and 67 with less than 30 years of service credit: pension reduced 1/2% for each month under age 67. • Retire between age 62 and 67 with at least 30 but less than 35 years of service credit: pension reduced by lesser of 1/2% for each month <ul style="list-style-type: none"> ○ Under age 67 or ○ Of service credit less than 35 years. • Retire with 35 or more years of service credit and at least age 62: no reduction.
Final Rate of Earnings	Average of highest 48 months in last 10 years of service 125% rule applies: Wages for each of the last three months cannot be more than 25% greater than the highest earnings in any of the first 45 months.	Average of highest 96 months in last 10 years of service 125% rule applies: Wages for each of the last three months cannot be more than 25% greater than the highest earnings in any of the first 93 months.
Wage Cap	None	New: Wages do not include compensation in excess of \$106,800 (in 2011). That amount will be increased annually by the lesser of 3% or one-half of the increase in the Consumer Price Index (urban) for the preceding September.



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Annual Pension Increase	3% of the original amount	The lower of 3% or one-half of the increase in the Consumer Price Index (urban) for the preceding year of the original amount. If the CPI decreases or is zero, no increase is paid.
Eligibility for Annual Pension Increase	First January following retirement effective date. First year increase prorated if effective date other than January 1.	Increase not paid until the later of age 67 or after one year of receiving pension.
Surviving Spouse Pension	50% of the pension the member had earned at the date of death.	66-2/3% of the pension the member had earned at the date of death.
Surviving Spouse Pension Annual Increase	Payable on January 1. 3% of the original amount.	Payable on January 1. The lower of 3% or one-half of the increase in the Consumer Price Index (urban) for the preceding year of the original amount. If the CPI decreases or is zero, no increase is paid.
Early Retirement Incentive	<ul style="list-style-type: none"> • Requires governing body resolution. • Member must be at least age 50 and have 20 years of service. • Member can purchase between one month and five years of service; increases member's age and service for retirement calculation purposes. 	<ul style="list-style-type: none"> • Requires governing body resolution. • Member must be at least age 57 and have 20 years of service. • Member can purchase between one month and five years of service; increases member's age and service for retirement calculation purposes.

The following provisions did not change under PA 96-0889	
	Member contribution rate: (not made for wages in excess of the wage cap)
	Pension formula
	13th Payment
	Survivor benefits (except as noted above)
	Disability Benefits
	Money Purchase formula