

VILLAGE OF LOMBARD
REQUEST FOR BOARD OF TRUSTEES ACTION
For Inclusion on Board Agenda

DISTRICT # _____

Resolution or Ordinance (Blue) Waiver of First Requested _____
 Recommendations of Boards, Commissions & Committees (Green)
 Other Business (Pink)

TO : PRESIDENT AND BOARD OF TRUSTEES

FROM: David A. Hulseberg, Village Manager *DAH*

DATE : December 3, 2012 **B of T** December 6, 2012

SUBJECT: IMRF Military Service Credit

SUBMITTED BY: Kathleen Dunne, Human Resources Administrator

BACKGROUND/POLICY IMPLICATIONS:

Pursuant to Resolution R-102-98, the Village of Lombard is proposing to increase the employee's ability to purchase from two (2) years to four (4) years of IMRF military service credit.

Fiscal Impact/Funding Source:

Review (as necessary):

Finance Director _____ Date _____
Village Manager *David A. Hulseberg* _____ Date 12/4/12

NOTE: All materials must be submitted to and approved by the Village Manager's Office by 12:00 noon, Wednesday, prior to the Agenda distribution.

VILLAGE OF LOMBARD PURCHASING OF IMRF MILITARY SERVICE CREDIT

Pursuant to Resolution R-102-98, the Village of Lombard is proposing to increase the employee's ability to purchase from two (2) years to four (4) years of IMRF military service credit.

To be eligible to purchase Military Service credit from IMRF, the following criteria would need to be met:

- * A member must be participating in IMRF to purchase military service.
- * Military service occurred before the member began participation in IMRF.
- * Member did not return to IMRF participation within 90 days of discharge.
- * Military leave interrupted the member's IMRF participation and the member returned to IMRF participation within 90 days of discharge.
- * Member received a discharge that does not qualify for veteran's benefits, such as a dishonorable discharge.

Eligible military service:

- * Regular service in the United States Armed Forces.
- * Reserve duty (active or inactive).
- * National Guard duty (active or inactive).
- * Public Health Service commissioned duty.

Ineligible military service:

- * Peace Corps work.
- * ROTC

Member Costs:

- * The cost to the member of converting military service to IMRF service varies widely depending on when the military service occurred, when the member began IMRF participation, and the member's salary upon participation.
- * The member's first IMRF salary is to be used in the calculation of member costs, assuming the member did not take a refund. If the member took a refund, IMRF uses the first salary as of the member's most recent uninterrupted IMRF participation date.

Example:

Member is eligible to purchase three years of Military service credit. Your salary for the 12 months immediately before their leave was \$1,000 a month for six months and \$1,200 a month for six months. IMRF will average their salary for those months:

$1,000 \times 6 \text{ months} = \$6,000$

$1,200 \times 6 \text{ months} = \$7,200$

$\$6,000 + \$7,200 = \$13,200$ divided by 12 months equals an average of \$1,100 per month of service

IMRF will use this averaged salary to calculate their member contribution amount. The member contribution percentage is 4.5%, for example:

$\$1,100 \times 4.5\% = \49.50 a month

$\$49.50 \times 36 \text{ months (3 years)} = \$1,782$

Interest charges may be added to the member's cost, depending on when the member purchased their leave service. If they pay their contributions in the same year as their leave, no interest charges will apply. If they pay their contributions during the calendar year or years following your leave, interest will be added.

IMRF would then calculate interest from their discharge date through December 31st of the year prior to receipt of their application. Interest is added to the contribution amount to make your total cost for the service.

MILITARY SERVICE CREDIT NOTIFICATION

A member must apply in writing by completing the attached Form 6.02J, "Application for Military Service Credit" and attaching a copy of his or her DD Form 214 (Armed Forces of the United States Report of Transfer or Discharge).

If you have any questions, please feel free to contact Kathleen Dunne, Human Resources Administrator at 630-620-5918.



Application for Military Service Credit

IMRF Form 6.02J (Rev. 9/2007)

If you have any questions, call 1-800-ASK-IMRF (1-800-275-4673)

- The purchase of military service for public employees is a benefit designed to partially compensate veterans for their service in the armed forces.
- Any converted military service credit is applied toward the calculation of a member's IMRF benefits.
- **Member cost and other requirements differ under each law.** Please read the following information carefully to determine if you are eligible to establish military service credit under one of the following laws.
- If member contributions and interest are required, IMRF will mail you a payment schedule after your application is received and your cost is calculated.
- Establishing service as Elected County Official (ECO) Service: To establish ECO service, the member must have previously participated, or be currently participating, in IMRF under the ECO plan. The member must also have IMRF Form 6.21B, "Election to Contribute under the ECO Plan" on file with IMRF, and the county under which the member opted to participate in ECO must have a standing resolution on file allowing such participation. (NOTE: Only members under the *Original* ECO plan may establish military service credit as ECO service. Members of the *Revised* ECO plan may convert their military service credit only to Regular service credit.)
- When submitting this form, you should also request formal pension estimates with and without the additional service credit by submitting IMRF Form BF-20, "Pension Estimate Request." Request Form BF-20 by calling 1-800-ASK-IMRF (1-800-275-4673) or by downloading the form from www.imrf.org. You can also request a **Formal Pension Estimate** through your IMRF Member Access account.

UNDER ILLINOIS LAW

UNDER FEDERAL LAW

MILITARY SERVICE EARNED BEFORE IMRF PARTICIPATION OR DID NOT RETURN TO IMRF WITHIN 90 DAYS

MILITARY LEAVE INTERRUPTED IMRF PARTICIPATION AND RETURNED TO IMRF WITHIN 90 DAYS

MILITARY LEAVE INTERRUPTED IMRF PARTICIPATION AND RETURNED TO SAME EMPLOYER

Member participation as related to military leave

Military leave can have occurred at any time, even prior to first date of participation in IMRF.

Must have participated in IMRF before and after military leave; can participate with different IMRF employers. Must return to IMRF participating employment within 90 days of discharge.

Must participate in IMRF before and after military leave with the **same** IMRF employer. Return to work requirement varies.

Member's current participation

Must be currently participating in IMRF.

Must be participating in IMRF or in another retirement system covered by the Reciprocal Act.

Must be participating in IMRF or in another retirement system covered by the Reciprocal Act.

Member cost

If member has cost, IMRF will calculate your cost and send you a payment schedule. You may purchase the service credit in a lump sum or on a payment plan.

Member and "normal" employer contributions plus interest calculated from first date of participation in IMRF. Salary used to calculate cost is first salary earned as IMRF member.

Free

Member contributions plus interest calculated from the end of the military leave period. Salary used to calculate cost is the salary in effect when the military leave began.

Maximum number of years member can purchase

Two or four years, determined by employer resolution

No maximum, but employer may limit by resolution.

Five years.

Military documentation

A copy of release order or military discharge must accompany this form.

A copy of release order or military discharge must accompany this form.

A copy of release order or military discharge must accompany this form.

Military pension

May still use the service in the computation of a pension or retirement pay from the U.S. government.

May **not** use the service in the computation of a pension or retirement pay from the U.S. government.

May still use the service in the computation of a pension or retirement pay from the U.S. government.

Employer resolution required?

Yes, covers all IMRF members under that employer.

Yes, covers all IMRF members under that employer.

No.

Employer cost

Through future employer rates.

Through future employer rates.

Through future employer rates.



Application for Military Service Credit

IMRF Form 6.02J (Rev. 9/2007)

PLEASE PRINT OR TYPE — USE BLACK INK

MEMBER'S FIRST NAME	MIDDLE INITIAL	LAST	JR., SR., II, ETC.	SOCIAL SECURITY NUMBER
STREET ADDRESS			CITY	STATE
			ZIP	TELEPHONE NUMBER + AREA CODE

CURRENT EMPLOYMENT INFORMATION	
NAME OF CURRENT EMPLOYER	
NAME OF CURRENT RETIREMENT SYSTEM	OPTIONAL: ANTICIPATED RETIREMENT DATE

IMRF COVERAGE INFORMATION	
IF YOU PREVIOUSLY USED A DIFFERENT NAME, PLEASE INDICATE	DATE OF BIRTH
LIST ALL FORMER IMRF EMPLOYERS	PERIOD OF EMPLOYMENT (E.G. 9/87 - 3/96)

CHECK ONE (Refer to instructions on previous page)
I am converting my military service to IMRF service credit under the following designation:

Military leave prior to IMRF participation OR leave interrupted IMRF participation, but did not return within 90 days of discharge and/or the employer has not adopted 6.62 resolution

Illinois law: Service credit during military leave as provided by Public Acts 90-0488 and 95-0486. Employer has filed resolution (IMRF Form 6.63 or 6.63A) with IMRF.

Military leave interrupted IMRF participation

Illinois law: Service credit during military leave as provided by the Illinois Pension Code. Employer has filed resolution (IMRF Form 6.62 or 6.62A) with IMRF. Converting military service under the provisions of the Illinois Pension Code, means that **this service will not be used in the computation of a pension or retirement pay from any branch of the Armed Forces of the United States.**

Federal law: Service credit during military leave as provided by the Uniformed Services Employment and Re-employment Rights Act. No employer resolution required.

CERTIFICATION BY MEMBER
I certify that I entered the Armed Forces of the United States on _____ and I completed
DATE
duty on _____. I began IMRF participation on _____.
DATE
I have attached documentation from the military attesting to the validity of the dates of my military service.

Choose one:

I wish to establish the service on this application as:

Regular Service

Elected County Official Service—ECO (See instructions on page 1)

SLEP Service (limitations may apply)

See instructions for eligibility of ECO or SLEP plan.

I have requested pension estimates with and without the additional service credit I intend to purchase (see instructions).

Member's Signature _____ Date _____

FOR USE BY IMRF	CALCULATED	AUDITED	SJE CODE	SERVICE GRANTED
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Illinois Municipal Retirement Fund
2211 York Road, Suite 500, Oak Brook Illinois 60523-2337
1-800-ASK-IMRF (1-800-275-4673)
www.imrf.org

RESOLUTION
R_____13

A RESOLUTION APPROVING THE IMRF EARLY RETIREMENT INCENTIVE

WHEREAS, the Corporate Authorities of the Village of Lombard have reviewed the proposed amendment of Resolution 102-98 to increase IMRF Military Service credit from 2 years to 4 years between the IMRF and the Village of Lombard, as attached hereto and marked Exhibit "A"

WHEREAS, the Corporate Authorities deem it to be in the best interest of the Village of Lombard to approve such agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DU PAGE COUNTY, ILLINOIS as follows:

SECTION 1: That the Village Manager and/or his designee(s) be and hereby is authorized to sign on behalf of the Village of Lombard said agreement.

Adopted this ____ day of _____, 2012.

Ayes: _____

Nays: _____

Absent: _____

Approved this ____ day of _____, 2012.

Peter Breen
Acting Village President

ATTEST:

Brigitte O'Brien
Village Clerk

**A RESOLUTION TO ALLOW IMRF SERVICE CREDIT
FOR MILITARY SERVICE**

WHEREAS, Article 7 of the Illinois Pension Code (ILCS 5/7-139) provides that the governing body of a governmental unit may elect to allow service credit in the Illinois Municipal Retirement Fund to members who served in the armed forces of the United States for all periods of such service prior to their participation in IMRF or whose participation was interrupted by military leave but did not return to IMRF participation within 90 days of discharge, and

WHEREAS, such allowance of service credit cannot be limited to a specific IMRF member and applies to all employees who were in active participating status under IMRF on the date this resolution was adopted.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LOMBARD, DUPAGE COUNTY, ILLINOIS AS FOLLOWS:

Section 1 -That the Village Board of Trustees of the Village of Lombard (*Employer IMRF I.D. Number 03112*) elects to allow service credit to members who served in the armed forces of the United States for up to two years of service prior to their participation in the Illinois Municipal Retirement Fund;

Section 2 -That the Village President be and hereby is authorized to sign this Resolution on behalf of the Village of Lombard.

Section 3 -That the Village Clerk be and hereby is authorized to attest said Resolution on behalf of the Village of Lombard.

Section 4 -That the Village Clerk shall be directed to file a certified copy of this resolution with the Board of Trustees of the Illinois Municipal Retirement Fund and that this resolution shall remain in full force and effect until modified or rescinded and notice of such modification or rescission has been file with the Board of Trustees of the Illinois Municipal Retirement Fund. This resolution is not limited to a specific military operation.

Adopted this 7th day of May, 1998

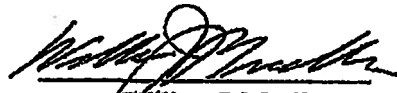
RESOLUTION 102 98
A RESOLUTION TO ALLOW IMRF SERVICE
CREDIT FOR MILITARY SERVICE
PAGE 2

Ayes: Trustees Borgatell, Tross, Schaffer, Jaugilas, Gatz and Rufrin

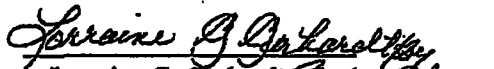
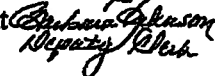
Nays: None

Absent None

Approved this 7th day of May, 1998.


William J. Mueller
Village President

ATTEST:


Lorraine G. Gerhardt 
Village Clerk *Barbara Johnson*
Deputy Clerk



Suggested Form of Resolution to Allow Service Credit for Military Service

Member did not return to IMRF within 90 days of discharge OR military service earned prior to participation

IMRF Form 63A (08/2007)

PLEASE NOTE: This form is to be used for military service that

- interrupted IMRF participation but member did not return to IMRF within 90 days of discharge OR
- was earned prior to IMRF participation

Use Form 6.62: for military service that interrupted IMRF participation with NO restrictions on amount of service credit

Use Form 6.62A: for military service that interrupted IMRF participation but WITH restrictions on amount of service credit OR specific military operations involved to receive service credit.

PLEASE ENTER Employer IMRF I.D. Number

ALL BLANK SPACES ON THIS FORM MUST BE FILLED IN.

RESOLUTION

Number _____

WHEREAS, Article 7 of the Illinois Pension Code (40 ILCS 5/7-139) provides that the governing body of a governmental unit may elect to allow service credit in the Illinois Municipal Retirement Fund to members who served in the armed forces of the United States for all periods of such service prior to their participation in IMRF OR whose participation was interrupted by military leave but did not return to IMRF participation within 90 days of discharge, and

WHEREAS, such allowance of service credit cannot be limited to a specific IMRF member and applies to all employees who were in active participating status under IMRF on the date this resolution was adopted;

RESOLVED, that the _____
BOARD, COUNCIL, ETC.

of _____
EMPLOYER NAME

elects to allow service credit to members who served in the armed forces of the United States for up to four years of service, prior to their participation in the Illinois Municipal Retirement Fund;

FURTHER RESOLVED, that the _____ shall be directed to file a
CLERK OR SECRETARY

certified copy of this resolution with the Board of Trustees of the Illinois Municipal Retirement Fund and that this resolution shall remain in full force and effect until modified or rescinded and notice of such modification or rescission has been filed with the Board of Trustees of the Illinois Municipal Retirement Fund. This resolution is not limited to a specific military operation.

CERTIFICATION

I, _____, the _____ of the
NAME CLERK OR SECRETARY OF THE BOARD

_____ of the County of _____,
EMPLOYER NAME COUNTY

State of Illinois, do hereby certify that I am keeper of its books and records and that the foregoing is a true and correct

copy of a resolution duly adopted by its _____ at a meeting duly convened
BOARD, COUNCIL, ETC.

and held on the _____ day of _____, 20 ____.

SEAL

CLERK OR SECRETARY OF THE BOARD

Illinois Municipal Retirement Fund
Suite 500, 2211 York Road, Oak Brook Illinois 60523-2337
Service Representatives 1-800-ASK-IMRF (1-800-275-4673)
www.imrf.org