

Retirement Fund



RETIREMENT FUND – IMRF/FICA
FY 2016/17 Budget Narrative

LAKE COUNTY FOREST PRESERVES



GENERAL PROGRAM STATEMENT

The Retirement Fund reflects the District's contributions of the cost for the Illinois Municipal Retirement Fund (IMRF) and the Federal Insurance Compensation Act. IMRF is organized under the laws of the State of Illinois for the purpose of providing a uniform program of death, disability, and retirement benefits for the employees of approximately 3,000 local governments and school districts. The Federal Insurance Compensation Act includes Social Security (6.20%) and Medicare (1.45%) and is a United States payroll tax imposed by the federal government on both private and governmental employers.

BACKGROUND

IMRF, as a defined benefit plan, is designed to be 100% funded. The Illinois Pension Code [40 ILCS-7-172(b) (2)] requires the amortization of any unfunded liabilities over the remainder of the period allowable under generally accepted accounting principles. As a defined benefit plan, investment return fluctuations have no impact on the benefits payable to active or retired IMRF members.

The estimated 2015 investment return for IMRF is 0.32%. This return translates into investment income of approximately \$147.43 million after expenses. From an actuarial basis, IMRF assumed it would earn a 7.5% return. The fact that IMRF earned approximately \$2.62 billion less than its anticipated actuarial return will increase future employer contribution rates.

IMRF receives no state funding. Since 1978, on average, members (employees) funded 14% of their benefits, investment income 60%, and employers 25%. The District's rate for the regular plan will increase from 12.40% to 12.50%, a 0.8% increase in the District's contribution amount, and from 15.70% to 15.72%, an increase of 0.1% for contributions to the Sheriff's Law Enforcement Personnel (SLEP) plan. The District funds 100% of its required contribution each year and will do so for the FY2015/16 budget.

<u>DISTRICT CONTRIBUTION RATE</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
IMRF . Regular Employees	12.06%	12.66%	12.13%	11.81%	12.40%	12.50%
IMRF . Sheriff's Law Enforcement Personnel	18.57%	19.42%	18.70%	17.71%	15.70%	15.72%
FICA - Federal Insurance Compensation Act	7.65%	7.65%	7.65%	7.65%	7.65%	7.65%

Budget Request Summary for Fiscal Year 2016/17
Fund: 2100-2110 Retirement Fund



LAKE COUNTY FOREST PRESERVES

	<u>2013/14</u> <u>Actual</u>	<u>2014/15</u> <u>Actual</u>	<u>2015/16</u> <u>Budget</u>	<u>2015/16</u> <u>Estimate</u>	<u>2016/17</u> <u>Request</u>
Revenues					
Property Tax Levy	2,836,117	2,540,350	2,388,920	2,410,700	2,491,550
Interest from Investments	(45,263)	7,546	4,530	4,100	4,100
Total Revenues	\$2,790,854	\$2,547,896	\$2,393,450	\$2,414,800	\$2,495,650
Expenditures					
Personnel					
IMRF Contributions	1,539,921	1,506,194	1,579,640	1,595,488	1,620,280
FICA Contributions	941,419	947,271	1,003,930	995,855	1,009,950
Total Personnel	2,481,340	2,453,465	2,583,570	2,591,343	2,630,230
Revenue Excess (Deficit) over Expenditures	309,514	94,431	(190,120)	(176,543)	(134,580)
Beginning Fund Balance	954,163	1,263,677	1,359,158	1,358,108	1,181,565
Ending Fund Balance	\$1,263,677	\$1,358,108	\$1,169,038	\$1,181,565	\$1,046,985