



LAKE COUNTY FOREST PRESERVES
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Preservation, Restoration, Education and Recreation

DATE: June 28, 2018

MEMO TO: S. Michael Rummel, Chair
Finance Committee

FROM: Mary E. Kann
Director of Administration

REQUEST: Provide policy direction regarding adoption of a resolution to continue to include health insurance waiver payments as Illinois Municipal Retirement Fund (IMRF) earnings.

STRATEGIC DIRECTIONS SUPPORTED: Organizational Sustainability

FINANCIAL DATA: There is no additional financial impact if the District adopts such a resolution because health insurance waiver payments are currently included as IMRF earnings. If the District chooses to not adopt such a resolution, there is a potential annual savings of approximately \$2,443.92.

BACKGROUND: The District has a policy allowing employees to waive their group health insurance benefits and, in return, receive a health insurance waiver payment. The District currently has 16 employees receiving this payment. Historically, the District (and certain other units of governments participating in IMRF) has treated these payments as IMRF earnings, which would count toward an employee's earnings for purposes of calculating pension benefits.

IMRF has adopted a resolution clarifying that such payments, at the option of the participating unit of government, are "IMRF reportable earnings" and further providing that participating units of government who elect to include these payments as IMRF reportable earnings, must pass a resolution affirmatively expressing that election.

If the District chooses not to pass such a resolution, these payments to employees will no longer be considered reportable earnings for IMRF purposes. The long term financial impact of not passing a resolution, based on the current year IMRF rate to the District, is estimated to be a savings of \$2,443.92 per year.

REVIEW BY OTHERS: Executive Director, Chief Operations Officer, Director of Finance, Manager of Human Resources and Risk, Corporate Counsel.