



LAKE COUNTY FOREST PRESERVES
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Preservation, Restoration, Education and Recreation

DATE: August 9, 2018

MEMO TO: S. Michael Rummel, Chair
Finance Committee

FROM: Mary E. Kann
Director of Administration

RECOMMENDATION: Recommend approval of a Resolution approving the inclusion of health insurance waiver payments as Illinois Municipal Retirement Fund (IMRF) earnings.

STRATEGIC DIRECTION 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 not to 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 government 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 & Risk, Corporate Counsel.

**LAKE COUNTY FOREST PRESERVE DISTRICT
LAKE COUNTY, ILLINOIS**

**A RESOLUTION APPROVING THE INCLUSION OF HEALTH INSURANCE
WAIVER PAYMENTS AS ILLINOIS MUNICIPAL RETIREMENT FUND EARNINGS**

WHEREAS, the Lake County Forest Preserve District (the “District”) participates in the Illinois Municipal Retirement Fund (“IMRF”), to provide pension benefits to certain District employees; and

WHEREAS, the District (i) makes group health insurance available to certain of its employees, (ii) allows employees to elect to either accept or waive health insurance benefits, and (iii) since fiscal year 1998/1999, has, to each employee who elects to waive his or her group health insurance benefits, made payments in lieu of health insurance benefits, which payments are separate from the employees’ otherwise payable salary or compensation (“Health Insurance Waiver Payments”); and

WHEREAS, the District has historically treated Health Insurance Waiver Payments paid to an employee as IMRF earnings, which would count toward that employee’s earnings for purposes of calculating his or her pension benefits; and

WHEREAS, IMRF has adopted a resolution clarifying that Health Insurance Waiver 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 Health Insurance Waiver Payments as IMRF reportable earnings, must pass a resolution affirmatively expressing the election; and

WHEREAS, the District desires to express its intent that prior and future Health Insurance Waiver Payments be included as IMRF reportable earnings;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Lake County Forest Preserve District, Lake County, Illinois **THAT**:

Section 1: Recitals. The recitals set forth above are incorporated as part of this Resolution by this reference.

Section 2: Election Regarding IMRF Reportable Earnings. The District hereby elects to include Health Insurance Waiver Payments as IMRF reportable earnings. The District’s Director of Administration is hereby authorized and directed to take such actions as are necessary to include Health Insurance Waiver Payments as IMRF reportable earnings, as provided in this Resolution.

Section 3: Effective Date. This Resolution shall be in full force and effect from and after its passage and approval in the manner provided by law and shall also apply retroactively to all Health Insurance Waiver Payments made by the District prior to the effective date of this Resolution, starting with payments made in fiscal year 1998/1999.

PASSED this _____ day of _____, 2018.

AYES:

NAYS:

APPROVED this _____ day of _____, 2018.

Ann B. Maine, President
Lake County Forest Preserve District

ATTEST:

Julie Gragnani, Secretary
Lake County Forest Preserve District

Exhibit No. _____