



Illinois Municipal Retirement Fund

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**Revised 9/12/07
Revised Military Resolution
form number changed
to Form 63A**

GENERAL MEMORANDUM

Number: 559

Date: September 4, 2007

To: All Authorized Agents

Subject: Public Act 95-0486

Executive Summary

On August 28, 2007, the governor signed Senate Bill 647 (Public Act 95-0486) into law. The new law is effective immediately and increases the number of years of military service a member can convert to IMRF service credit.

If the governing body adopts a new resolution (IMRF Form 63A), members who earned their military service **before** their IMRF participation or who did **not** return to IMRF participation within 90 days of discharge from the military may convert up to four years (previously two years) of military service.

The governor also signed House Bill 804 (95-0483). This new law includes the same language regarding converting military service to IMRF service credit as well as language amending the State Employee Article and the Downstate Police Article of the Illinois Pension Code.

Old law An IMRF member who earned his or her military service before participating in IMRF or who did not return to IMRF participation within 90 days of discharge could convert up to two years of military service to IMRF service.

The governing body of the local unit of government had to pass a resolution (IMRF Form 6.63) making its IMRF members eligible for this additional service credit.

New law An IMRF member who earned his or her military service before participating in IMRF or who did not return to IMRF participation within 90 days of discharge can convert up to **four** years of military service to IMRF service.

This remains an optional program for the employer. The governing body is **not** required to pass a new resolution (IMRF Form 63A) increasing the eligible service to four years.

- If the governing body previously adopted a resolution (IMRF Form 6.63) making its IMRF members eligible to convert two years of military service, its members remain eligible to convert up to two years of military service to IMRF service.

- If the governing body previously adopted a resolution (IMRF Form 6.63) and wishes to increase the amount of military service to four years, it would pass a new resolution (IMRF Form 63A).
- If the governing body never adopted a resolution but wishes to do so now, it would adopt IMRF Form 63A. Its members would be eligible to convert up to four years of military service to IMRF service. (A governing body may no longer pass a resolution allowing its members to convert up to two years of military service.)
- If the governing body previously adopted a resolution, it can repeal that resolution.

You can learn which resolutions your employer has adopted by visiting Employer Access at www.imrf.org. If you do not have an Employer Access account, you can call an IMRF Member Services Representative at 1-800-ASK-IMRF (1-800-275-4673).

Member and employer costs

For military service purchased under P.A. 95-0486, the member cost is calculated using member and “normal” employer contributions plus interest.

Interest rates have changed over time. IMRF is required to use the rates in effect since the military service was rendered. Currently, the interest rate is 7.50 percent.

The member’s first IMRF salary will be used in the calculation.

Download spreadsheets to calculate member and employer 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.

IMRF has developed spreadsheets that allow you to estimate the total cost for this program, the member cost, and the resulting difference which is the employer cost. The incremental employer costs are paid through future employer contribution rates.

To download these Excel spreadsheets, visit www.imrf.org/legislation/PA_95-0486.htm. Employers without web access can contact IMRF and receive the spreadsheets on a diskette. You will need Microsoft Excel installed on your computer to use these spreadsheets.

Questions

If you have any questions regarding Public Act 95-0486, please call 1-800-ASK-IMRF (1-800-275-4673), Monday through Friday, 7:30 a.m. to 5:30 p.m.

Sincerely,



Louis W. Kosiba
Executive Director