



**SUGGESTED FORM OF RESOLUTION TO
ADOPT EARLY RETIREMENT INCENTIVE**
IMRF Form 6.77 (Rev. 04/2015)

PLEASE ENTER
Employer IMRF I.D. Number
04952

See next page for additional ERI information.

RESOLUTION Number 260

WHEREAS, Section 7-141.1 of the Illinois Pension Code provides that a participating employer may elect to adopt an early retirement incentive program offered by the Illinois Municipal Retirement Fund by adopting a resolution or ordinance; and

WHEREAS, the goal of adopting an early retirement program is to realize a substantial savings in personnel costs by offering early retirement incentives to employees who have accumulated many years of service credit; and

WHEREAS, IMRF has prepared an actuarial estimate of the cost of an early retirement incentive program for Frankfort Public Library District and the additional liability created by the early retirement incentive

EMPLOYER NAME

is estimated to be \$ 308367.15; and the 10-year amortization cost is estimated to be \$ 442,141.00.

WHEREAS, the Board of Library Trustees has reviewed the cost estimate and determined that the adoption of an early retirement incentive is in the best interests of the Frankfort Public Library District; therefore be it

BOARD, COUNCIL, ETC.

EMPLOYER NAME

RESOLVED by the Board of Library Trustees of Frankfort Public Library District that:

BOARD, COUNCIL, ETC.

EMPLOYER NAME

(1) The Frankfort Public Library District does hereby adopt the Illinois Municipal Retirement Fund

EMPLOYER NAME

early retirement incentive program as provided in Section 7-141.1 of the Illinois Pension Code. The early retirement incentive program shall take effect on 12/31/2016.

DATE

(2) In order to help achieve a true cost savings, an employee who retires under the early retirement incentive program shall lose those incentives if he or she later accepts employment with any IMRF employer in any position. (Exception: employee can hold an elected position if he/she chooses to not participate in IMRF and the pension is not based on any service earned in that position during any term of office.)

(3) In order to utilize an early retirement incentive as a budgeting tool, the Frankfort Public Library District

EMPLOYER NAME

will use its best efforts either to limit the number of retiring employees replaced or to limit the salaries paid to the replacement employees.

(4) The effective date of each employee's retirement under this early retirement incentive program shall be set by

Frankfort Public Library District and shall be no earlier than the effective date of the program and no later than one year after

EMPLOYER NAME

that effective date; except that the employee may require that the retirement date set by the employer be no later than the June 30 next occurring after the effective date of the program and no earlier than the date upon which the employee qualifies for retirement.

(5) To be eligible for the early retirement incentive under this Section, the employee must have attained age 50 and have at least 20 years of creditable service by his or her retirement date; and

(6) As of the date of the adoption of this Resolution, the Board of Library Trustees is () is not () aware of the

BOARD, COUNCIL, ETC.

pending dissolution of Frankfort Public Library District.

EMPLOYER NAME

(Note: Failure to disclose a potential dissolution shall void this Resolution. If the Board, Council, etc. is aware of the pending dissolution of the IMRF employer, then the successor unit(s) of local government must approve the adoption of the early retirement incentive in order for this Resolution to be effective. If there is no successor, submit your resolution for approval from the IMRF Board of Trustees.)

(7) The Cristina Ruiz shall promptly file a certified copy of this resolution (ordinance) with the

CLERK OR SECRETARY

Board of Trustees of the Illinois Municipal Retirement Fund.

CERTIFICATION

I, Cristina Ruiz the Secretary of the

NAME

CLERK OR SECRETARY

Frankfort Public Library District of the County of Cook & Will, State of Illinois, do hereby

EMPLOYER NAME

COUNTY

certify that I am the keeper of the books and records of the Frankfort Public Library District and that the foregoing is a true and

EMPLOYER NAME

correct copy of a resolution (ordinance) 260 duly adopted by the Board of Library Trustees at a meeting

ORDINANCE

BOARD, COUNCIL, ETC.

duly convened and held on the 8 day of December, 2016.

If applicable, I further certify that this Resolution has been submitted to the successor unit(s) of local government and that said unit(s) of local government has/have adopted a resolution approving the adoption of the early retirement incentive for

Frankfort Public Library District.

EMPLOYER NAME

A copy of the approval resolution is attached hereto.

SEAL

CLERK OR SECRETARY OF THE BOARD

IMRF

2211 York Road Suite 500 Oak Brook, IL 60523-2337
Employer Services Representatives 1-800-728-7971 Fax: (630) 706-4289

ADDITIONAL EMPLOYER ERI INFORMATION AVAILABLE

Before Passing an ERI Resolution:

Employers should review the "IMRF Early Retirement Information Incentive (ERI) Booklet - Employer Information" for a more complete explanation of the ERI program and employer responsibilities before passing an ERI resolution. The booklet can be found at www.imrf.org.

You may request a copy of this booklet from IMRF by calling our Employer Services Representatives at 1-800-728-7971.

Limitation on Frequency

- Employers may not adopt an Early Retirement Incentive (ERI) more frequently than once every five years after the close of a prior ERI.
- An ERI resolution adopting a program earlier than five years after the close of a prior ERI shall not be given effect by IMRF.

ERI cost estimates

- When an employer submits the ERI resolution to IMRF, it should include a copy of the cost estimate for the period of the adopted ERI.
- Contact your IMRF Field Representative to request a cost estimate. Your local Field Representative will be able to calculate the annual increased pension costs. The cost estimate will be completed at no charge to the employer.
- If an employer submits the ERI resolution without a cost estimate:
 - IMRF will not implement the program, and
 - The employer will need to both conduct the cost estimate and adopt a second resolution.

Dissolutions

- If an employer is dissolving and its IMRF assets and liabilities will be transferred to:
 - One successor unit of government—the dissolving employer must provide the ERI Cost Study to the successor, and the successor must also approve the ERI. A copy of the successor unit's resolution approving the ERI must be available to IMRF upon request.
 - More than one successor unit of government—the dissolving employer must provide the ERI Cost Study to each successor, and a majority of the successors must approve the ERI. Copies of the successor units' resolutions approving the ERI must be available to IMRF upon request.
 - No successor unit of government and the law does not specify responsibility for the IMRF assets and obligations—the IMRF Board of Trustees must approve the ERI.
- If a dissolving employer submits the ERI resolution without approval by successor unit(s) of local government or without a request for IMRF Board of Trustee approval when no successors exist, IMRF will not implement the ERI program.
- If IMRF is unaware that these requirements were not met and pays an ERI enhanced pension to a member who:
 - Retired at age 55 or older under Regular Tier 1 (age 50 for SLEP and SLEP ECO) or at age 62 or older under Regular Tier 2, the member will lose the ERI enhancements and be required to pay IMRF the difference between the ERI enhanced pension and the pension he or she would have received without the ERI—less the amount he or she paid for the ERI.
 - Retired at less than age 55 under Regular Tier 1 or less than age 62 under Regular Tier 2, the member will be required to repay IMRF for all pension payments received—less the amount paid for the ERI.

IMRF

2211 York Road Suite 500 Oak Brook, IL 60523-2337
Employer Services Representatives 1-800-728-7971 Fax: (630) 706-4289



SUGGESTED FORM OF RESOLUTION TO ADOPT AMORTIZATION PERIOD FOR IMRF EARLY RETIREMENT INCENTIVE

IMRF Form 6.78 (7/2003)

PLEASE ENTER Employer IMRF I.D. Number
04952

RESOLUTION

Number 260

WHEREAS, on 12/08/2016 the Library Trustees of

DATE

BOARD, COUNCIL, ETC.

Frankfort Public Library District adopted Resolution (Ordinance) No 260 which established an early retirement

EMPLOYER NAME

incentive (incentive) through the Illinois Municipal Retirement Fund for its employees; and,

WHEREAS, Section 7-141.1 of the Illinois Pension Code provides that a participating employer may select an amortization period for the actuarial costs of the incentive which may be no greater than 10 years; and,

WHEREAS, Frankfort Public Library District is prohibited from adopting a subsequent incentive until

EMPLOYER NAME

the actuarial costs of the previous programs are paid.

RESOLVED (ORDAINED) by the Library Trustees of Frankfort Public Library District that

BOARD, COUNCIL, ETC.

EMPLOYER NAME

the Frankfort Public Library District does hereby request the Illinois Municipal Retirement Fund to amortize the cost

EMPLOYER NAME

of the incentive over a period of 5 years.

NUMBER

CERTIFICATION

I, Cristina Ruiz, the Secretary of the

NAME

CLERK OR SECRETARY

Frankfort Public Library District of the County of Cook & Will County

EMPLOYER NAME

COUNTY

State of Illinois, do hereby certify that I am keeper of the books and records of the Frankfort Public Library District and

EMPLOYER NAME

that the foregoing is a true and correct copy of a resolution (ordinance) duly adopted by the Library Trustees at

BOARD, COUNCIL, ETC.

a meeting duly convened and held on the 8 day of December, 20 16.

SEAL


CLERK OR SECRETARY OF THE BOARD

Illinois Municipal Retirement Fund

Suite 500, 2211 York Road, Oak Brook Illinois 60523-2337 www.imrf.org

Member Services Representatives 800/ASK-IMRF (1-800-275-4673)

**Actuarial Analysis of
The Potential Effect of
IMRF's Early Retirement Incentive Program
For
04952 - FRANKFORT PUB LIB DIST
(Regular Members)**

1 Year Window Beginning

12/31/2016



Introduction

The accompanying report illustrates the potential effects of the IMRF Early Retirement Incentive (ERI) Program on your unit of government. The enclosed report is an estimate which illustrates the additional liability (cost) created if your employer offers the ERI program. This cost may be partially offset if the ERI results in payroll and fringe benefit savings. Your employer is in the best position to determine whether or not the ERI will generate any overall savings. Participation in the ERI by any unit of government is voluntary and at the discretion of the governing body.

The effect of the ERI on any particular unit of government depends on the:

- number of eligible members
- number of members electing to retire under the ERI
- employer's re-staffing plans
- salary and fringe benefit costs for replacement employees.

Because of differing demographics and other local conditions, not all employers will be able to save money under the ERI program.

Data used to produce the report

The attached report was based upon December 31, 2014, data (our most current). The data was adjusted to the extent possible for employees who have already retired, who are expected to retire before the beginning of the ERI window, or who have service with Illinois reciprocal public pension systems. Independent actuaries Gabriel, Roeder, Smith and Company created the software for this report. Your unit of government provided input variables that were selected for this report. If the input variables do not reflect actual practice if/when your employer adopts the program, the results may vary considerably.

Timing of costs

Increased retirement costs due to ERI are reflected in future IMRF employer contribution rates. If your employer adopts the ERI program, the cost of the ERI will be based on actual experience and will be reflected in the second calendar year's rate. For example, if your employer adopts an ERI program and one of your employees retires under it in 2015, the cost for ERI will be first reflected in your 2017 employer rate.

We will charge your employer 7.50% interest the following year that your employer has an outstanding ERI balance at the beginning of the year. This report reflects estimated employer costs of the ERI.

Summary of Provisions

Eligible Members¹

To be eligible to retire under ERI, a member must be at least age 50 years old and have 20 or more years of IMRF service credit by their date of retirement. The 20 years of service can include service credit earned with another IMRF employer and/or reciprocal service credit. These ERI requirements apply to regular IMRF members, Sheriff's Law Enforcement Personnel (SLEP) members, and Elected County Officials (ECO).

Eligible members include IMRF members who were actively participating in IMRF on the effective date of their employer's ERI program. A member is considered active if he or she is on layoff status with right of re-employment, on IMRF Benefit Protection Leave of Absence, or receiving IMRF disability benefits for less than two years.

Members participating in the Elected County Official plan are not included in the study.

Retirement Incentives

Eligible members may purchase up to five years of IMRF service credit. The member's age at retirement will be increased by the amount of service credit purchased. For example, if a 50-year-old member purchases five years (or 60 months) of service credit, his or her age will be increased to age 55 for the purposes of determining IMRF retirement benefits.

Note: A regular IMRF member receives the maximum pension after earning 40 years of service credit. Therefore, regular members with less than 35 years of service credit should purchase all five years of ERI service.

¹ Eligible Members, for this document, refers to IMRF Tier 1 Members. Retirement age and service requirements, as related to ERI, are different for IMRF Tier 2 Members. Please contact an IMRF Member Services Representative at 1-800-ASK-IMRF (1-800-275-4673) for Tier 2 IMRF ERI provisions.



Member Cost

For each year of service credit the member purchases, he or she will pay 4.5 percent (7.5 percent for SLEP, 7.5% for ECO) of the member's highest 12 consecutive months of salary within the final rate of earnings period.

For more information on member cost, please refer to the member ERI booklet that can be downloaded at www.imrf.org.

Retirement Dates

The ERI legislation provides flexibility for employers by allowing the governing body to determine when a member retires (terminates employment). Employers are to give a member at least 30 days' notice of his or her designated termination date. The member may waive the 30-day notice.

A member may terminate up to one year from the effective date of the employer's ERI program. However, a member must file his or her "Notice of Intent to Retire under ERI" (IMRF Form 5.21) with the retirement application (IMRF Form 5.20).

Example:

Board meeting adopting program.....December 15, 2015
Member files Notice of Intent by retirement date*

Effective date of ERI program.....December 31, 2015
Last eligible termination date: December 31, 2016#

* Best practice: Encourage the member to file a "Notice of Intent to Retire Under Employer's IMRF Early Retirement Incentive" (IMRF Form 5.21) as soon as your employer adopts the ERI and the member decides to retire under it.

If a member requests to retire on or before June 30, so he or she can receive the following year's Supplemental Benefit Payment, your employer is required by law to allow the member to do so.

Cost estimate

Your IMRF field representative must prepare a cost estimate and you must share that cost estimate with your employer's governing body before it adopts ERI.

Also, the cost estimate must be based on the same time period as the ERI being considered by your governing body. If your employer does not know when it will offer the ERI, your IMRF Field Representative can prepare multiple cost estimates each using a different time period.

The ERI resolution has been revised to acknowledge the cost estimate requirement. The cost estimate and IMRF Form 6.77 "Suggested Form of Resolution to Adopt Early Retirement Incentive" must be submitted to IMRF.

For more information, please refer to the member and employer ERI booklets that can be downloaded at www.imrf.org. Your IMRF field representative is also available to meet with your employees to discuss the ERI program. Please contact your field representative to arrange a meeting.

Future ERI programs

An employer cannot adopt an ERI program until the cost of the previous ERI is paid in full. A resolution adopting ERI with an effective date prior to the pay-off date is void. Call 1-800-ASK-IMRF (1-800-275-4673) and ask to speak with Dionne Smith, Employer Account Analyst, to request a written confirmation of the current balance.

Limitations on Frequency

As of December 31, 2013, employers may not adopt an Early Retirement Incentive (ERI) more frequently than once every five years after the close of a prior ERI. An ERI resolution adopting a program earlier than five years after the close of a prior ERI shall not be given effect by IMRF.

IMRF Retirement Incentive 5-Year Window Program

Actuarial Analysis for

04952 - FRANKFORT PUB LIB DIST

(Regular Members)

Summary of Valuation Results and Input Variables

Window Period: 12/31/2016 Through 12/31/2017

<u>EMPLOYEES AFFECTED BY WINDOW *</u>	
1. Presently eligible to retire with full or reduced benefits	
a. Number	4
b. Annual Payroll	\$218,165
2. Number newly eligible to retire	
a. Number	0
b. Annual Payroll	\$0
<u>INPUT VARIABLES</u>	
3. Employees presently eligible to retire, who	
a. Would have retired without this window	0
b. Are induced to retire during this window **	4
4. Employees newly eligible to retire who are induced to retire during window period **	0
5. Total number assumed to retire during window period: (3a) + (3b) + (4)	4
6. Total across-the-board pay increase since 12/31/2015	3.00%

* Persons covered by Elected County Official benefit provisions with this employer were not included in this study.

** Inducement to retire is consistent with the assumptions for the Reserve Transfer Program.

IMRF Retirement Incentive 5-Year Window Program

Actuarial Analysis for

04952 - FRANKFORT PUB LIB DIST

(Regular Members)

Summary of Valuation Results

Window Period: 12/31/2016 Through 12/31/2017

<u>IMRF COSTS</u>						
1. Unpaid ERI Liability Exists? (See Note Below)	No					
2. Additional Liability Created by Window	308,367					
3. Schedule of Increase in Employer Contribution to IMRF based on indicated amortization of liability increase	Amortization Years					
	5 Years	6 Years	7 Years	8 Years	9 Years	10 Years
First Year	68,868	58,450	51,019	45,456	41,137	37,689
Second Year	71,279	60,496	52,805	47,047	42,576	39,008
Third Year	73,773	62,613	54,653	48,693	44,067	40,373
Fourth Year	76,356	64,805	56,566	50,398	45,609	41,786
Fifth Year	79,028	67,073	58,546	52,161	47,205	43,249
Sixth Year		69,421	60,595	53,987	48,857	44,762
Seventh Year			62,716	55,877	50,567	46,329
Eighth Year				57,832	52,337	47,951
Ninth Year					54,169	49,629
Tenth Year						51,366
Total Estimate Cost First Year	369,304	382,858	396,901	411,451	426,524	442,141

NOTE:

An employer cannot adopt an ERI program until the cost of a previous ERI program is paid in full. A resolution adopting ERI with an effective date prior to the pay-of date is void. Call 1 800 ASK IMRF and ask to speak with Corey Lockwood, Employer Account Analyst, to request a written confirmation of the current balance.

IMRF Retirement Incentive 5-Year Window Program

Actuarial Analysis for

04952 - FRANKFORT PUB LIB DIST

(Regular Members)

Window Period: 12/31/2016 Through 12/31/2017

Individual Member Results

Name	SSN	New Salary	Lump Sum Wages	Total Service	ERI Cost
GOTKOWSKI, GWEN	XXX-XX-3751	54,229.50	0.00	25.17	80,485.47
GREGOIRE, PIERRE	XXX-XX-1413	87,851.79	0.00	20.58	115,209.28
MATTHEWS, KAREN	XXX-XX-9201	30,407.66	0.00	22.83	44,865.11
STRAUB, MARGARE	XXX-XX-5059	45,676.38	0.00	25.33	67,807.29
Total		218,165.33	0.00		308,367.15

IMRF Retirement Incentive 5-Year Window Program
Actuarial Analysis for Employer No. 04952
(Regular Members)

Member Data Used in the Analysis

Name	SSN	Sex	Annualized Salary	Lump Sum Wages	Date of Birth	Prior Purchase	12/31/2017 Maximum Service Credit	
							All Regular	All SLEP
GOTKOWSKI, GWEN	XXX-XX-3751	Female	54,229.50	0.00	8/1/1952	No	25.167	0.000
GREGOIRE, PIERRE	XXX-XX-1413	Male	87,851.79	0.00	2/15/1955	No	20.583	0.000
MATTHEWS, KAREN	XXX-XX-9201	Female	30,407.66	0.00	10/5/1955	No	22.833	0.000
STRAUB, MARGARE	XXX-XX-5059	Female	45,676.38	0.00	10/23/1952	No	25.333	0.000

'' Currently Eligible for Regular or Early Retirement
 * Newly Eligible to Retire due to Window Program
 X Record is Ignored