

Who Wants To Be A Pension Expert?

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Q1: An Article 4 Tier 2 member is someone who:

- A. Retires with 20 years of service with your Fund on 02/01/18
- B. Becomes a member with your Fund on 04/01/18, and who took a refund from another Article 4 Fund in 2002
- C. Becomes a member with your Fund on 04/01/18, who has no prior time with another Article 4 Fund
- D. Becomes a member with your Fund on 04/01/18, who has no prior time with another Article 4 Fund, and who did not take a refund from an Article 3 Fund he worked for in 2002

A1: An Article 4 Tier 2 member is someone who:

- A. Retires with 20 years of service with your Fund on 02/01/18 **NO**
(DOH=02/01/1998)
- B. Becomes a member with your Fund on 04/01/18, and who took a refund from another Article 4 Fund in 2002 **NO** (service pre-1/1/11)
- C. Becomes a member with your Fund on 04/01/18, who has no prior time with another Article 4 Fund **YES**
- D. Becomes a member with your Fund on 04/01/18, who has no prior time with another Article 4 Fund, and who did not take a refund from an Article 3 Fund he worked for in 2002 **YES**

More On Tier 2

40 ILCS 5/3-111(d) “...a person...who first becomes a police officer *under this Article* on or after January 1, 2011.”

40 ILCS 5/4-109(c) “...a person who first becomes a firefighter *under this Article* on or after January 1, 2011.”

Q2: Which of the following can describe a Line of Duty Disability?

- A. Always granted at 65%
- B. Taxable
- C. Available to the member only after completing 7 years of service
- D. Must be converted to a retirement pension when the member turns 50

A2: Which of the following can describe a Line of Duty Disability?

B. Taxable

- Granted at the greater of 65% or the member's eligible retirement benefit
- The first 65% is tax-free (workers comp); anything above 65% is taxable (based upon age & length of service)
- Article 3 & 4 members are vested for a line of duty disability at date of hire

Q3: Pension benefits should be paid:

- A. On the first business day of the month
- B. On the last Friday of the month
- C. On the last business day of the month
- D. Any time during the month as long as it is the same every month

A3: Pension benefits should be paid:

C. On the last business day of the month

- 40 ILCS 5/4-125 “Such benefits shall not be prepaid.”
- Can you transition the pay date?

Q4: A Tier 2 member is hired 04/05/12, then purchases 24 months of military service (from 06/11/96-06/10/98). Which of the following is true?

- A. Her DOH changes to 06/11/96 and she becomes a Tier 1 member
- B. Her DOH changes to 06/11/96 and she remains a Tier 2 member
- C. Her DOH changes to 04/05/10 and she becomes a Tier 1 member
- D. Her DOH changes to 04/05/10 and she remains a Tier 2 member

A4: A Tier 2 member is hired 04/05/12, then purchases 24 months of military service (from 06/11/96-06/10/98). Which of the following is true?

D. Her DOH changes to 04/05/10 and she remains a Tier 2 member

Tier Golden Rule:

Once Tier 1, always Tier 1; once Tier 2, always Tier 2

Q5: A Tier 1 Firefighter can retire under all but which of these scenarios:

- A. Aged 50, completed 20 years of service, for a 50% benefit
- B. Aged 50, completed 10 years of service, for a 15% benefit
- C. Aged 50, completed 20 years of service between two Article 4 Funds, for a combined 50% benefit
- D. Aged 60, completed 15 years of service, for a 30% benefit

A5: A Tier 1 Firefighter can retire under all but which of these scenarios:

B. Aged 50, completed 10 years of service, for a 15% benefit

- Per 40 ILCS 5/4-109(b) can collect at age 60:

Years	Percentage
10	15.0%
11	17.6%
12	20.4%
13	23.4%
14	26.6%
15	30.0%
16	33.6%
17	37.4%
18	41.4%
19	45.6%

Q6: A Tier 1 Police Officer can retire under all but which of these scenarios:

- A. Aged 50, completed 20 years of service, for a 50% benefit
- B. Aged 50, completed 9 years of service, for a 22.5% benefit
- C. Aged 60, completed 8 years of service, for a 20% benefit
- D. Aged 60, completed 1 year of service, for a 2.5% benefit

A6: A Tier 1 Police Officer can retire under all but which of these scenarios:

B. Aged 50, completed 9 years of service, for a 22.5% benefit

- Tier 1 Police officers are vested for retirement after 8 years of service, can collect at age 60.

Q7: A 40-year old FF is granted a line of duty disability of \$3,000/month in July 2018. He has one 8-year old adopted (not biological) daughter. What will his gross monthly benefit be in January 2019?

- A. \$3,000.00
- B. \$3,020.00
- C. \$3,020.60
- D. \$3,110.60

A7: A 40-year old FF is granted a line of duty disability of \$3,000/month in July 2018. He has one 8-year old adopted (not biological) daughter. What will his gross monthly benefit be in January 2019?

C. \$3,020.60

- Dependent must be biological child, legally adopted, & unwed
- \$20 monthly dependent benefit increases immediately (every January, 3% compounded)
- *NOT* included on IDOI Benefits Calculator

Q8: An active member has a QILDRO Order on file, granting the Alternate Payee (ex-spouse) a monthly benefit of \$2,500. The member becomes injured and is granted a line of duty disability. Which of the following statements is true?

- A. If the Alternate Payee moves, the Pension Fund only needs to make one attempt to locate her before suspending the QILDRO payments.
- B. If the member was hired prior to 07/01/99, a QILDRO Consent to Issuance form must be signed by the member and filed with the court.
- C. A QILDRO Calculation Court Order form must be completed to determine the amount to remit to the Alternate Payee.
- D. Once all relevant forms are filed with the court, the Fund can begin to remit the QILDRO payments to the Alternate Payee.

A8: An active member has a QILDRO Order on file, granting the Alternate Payee (ex-spouse) a monthly benefit of \$2,500. The member becomes injured and is granted a line of duty disability. Which of the following statements is true?

B. If the member was hired prior to 07/01/99, a QILDRO Consent to Issuance form must be signed by the member and filed with the court.

- (A) Alternate Payee's responsibility to let Fund know if moved
- (C) A QILDRO Calculation Court Order form is needed only if QILDRO Order specifies a "% of the marital portion"
- (D) A QILDRO is not attachable to a disability pension (only a retirement or a refund)

Q9: Which of the following is not permissible under current statutes?

- A. Transfer from one Article 3 Fund to another Article 3 Fund
- B. Transfer from Article 3 to Article 4
- C. Transfer from Article 4 to IMRF (Article 7)
- D. Transfer from Article 4 to Chicago (Article 6)

A9: Which of the following is not permissible under current statutes?

- A. Transfer from one Article 3 Fund to another Article 3 Fund **YES** (portability)
- B. Transfer from Article 3 to Article 4 **NO** (window closed 05/08/18)
- C. Transfer from Article 4 to IMRF (Article 7) **NO**
- D. Transfer from Article 4 to Chicago (Article 6) **NO** (window closed 05/08/18)

HB 2502

- On Governor's desk as of creation of this presentation
- Transfer from Article 6 (Chicago Fire) to Article 4
 - 40 ILCS 5/4-108.7
 - 40 ILCS 5/6-227.1

Q10: A police officer separates service after 6 years. On his last paycheck, the City includes a lump sum payment of his accrued vacation and sick time. Are these earnings pensionable?

A10: A police officer separates service after 6 years. On his last paycheck, the City includes a lump sum payment of his accrued vacation and sick time. Are these earnings pensionable?

NO.

**Lump sum payments of time accrued but not taken
are NOT pensionable.**

A10: A police officer separates service after 6 years. On his last paycheck, the City includes a lump sum payment of his accrued vacation and sick time. Are these earnings pensionable?

Administrative Code Section 4402.40

Non-Salary Compensation : Accumulated Unused Time – Compensation for unused accumulated vacation, sick, or personal time earned during employment, regardless of whether the compensation is received during employment or after termination.

Q11: A Fire Chief retires and the Village begins a search for a new chief. During the search, one of the Deputy Chiefs is given the role of “acting chief” and receives temporary pay for this acting role. Is this “temporary/acting pay” pensionable?

All: A Fire Chief retires and the Village begins a search for a new chief. During the search, one of the Deputy Chiefs is given the role of “acting chief” and receives temporary pay for this acting role. Is this “temporary/acting pay” pensionable?

NO.

Temporary pay is not pensionable until it has been received continuously for at least one year.

A11: A Fire Chief retires and the Village begins a search for a new chief. During the search, one of the Deputy Chiefs is given the role of “acting chief” and receives temporary pay for this acting role. Is this “temporary/acting pay” pensionable?

Administrative Code Section 4402.35 Salary for Pension Purposes: Temporary Pay – Compensation received for temporarily performing the duties of a higher rank or specialty rank. This is to be considered salary only if the temporary position has lasted for a continuous period of more than one year. After temporary pay has been received for one continuous year of service in that position, the amount is considered attached to rank and then becomes salary for purposes of pension computation.

Q12: A member is hired 01/01/19 with a salary of \$40,000. He receives an increase to \$50,000 on 07/01/19. What salary should you report for this member on your FYE 12/31/19 IDOI Annual Statement?

- A. \$40,000
- B. \$45,000
- C. \$50,000
- D. \$90,000

A12: A member is hired 01/01/19 with a salary of \$40,000. He receives an increase to \$50,000 on 07/01/19. What salary should you report for this member on your FYE 12/31/19 IDOI Annual Statement?

C. \$50,000

Report the annualized salary attached to rank as of the last day of the fiscal year.

Q13: Which of the following is required to be reported for every retired / disabled member's spouse on the IDOI Annual Statement?

- A. Full legal name
- B. Date of biological
- C. Social Security Number
- D. Date of marriage
- E. Gender

A13: Which of the following is required to be reported for every retired / disabled member's spouse on the IDOI Annual Statement?

- A. Full legal name **YES**
- B. Date of biological **YES**
- C. Social Security Number **NO**
- D. Date of marriage **YES**
- E. Gender **YES**

Q14: Which of the following must be uploaded to the IDOI each year?

- A. Trustee training certificates
- B. Investment policy
- C. Actuary report
- D. Meeting minutes

A14: Which of the following must be uploaded to the IDOI each year?

- A. Trustee training certificates **YES (actual certificates!)**
- B. Investment policy **YES (only if amended since last upload)**
- C. Actuary report **YES (if *Pension Fund* engaged private actuary)**
- D. Meeting minutes **YES!**

Q15: A member retires and elects to remain on the Village's insurance. Which of the following statements is true?

- A. You can withhold the insurance premium from his monthly pension check pre-tax.
- B. You must report the annual amount of insurance premiums withheld on the 1099-R.
- C. This deduction allows the member to reduce his taxable earnings.

A15: A member retires and elects to remain on the Village's insurance. Which of the following statements is true?

C. This deduction allows the member to reduce his taxable earnings

- Don't deduct pre-tax
- *Not* to be reflected in Box 2a of 1099-R
- Use IRS Form 1040: Line 4B or Schedule A
- \$3,000 limit

Q16: You are about to begin your Pension Board meeting and realize you do not have a quorum present. Which of the following is permissible pursuant to statute?

- A. You contact a trustee via teleconference who is out of town on business, and proceed with the meeting.
- B. You contact a trustee via teleconference who is out of town on vacation, and proceed with the meeting.
- C. You contact a trustee via teleconference who is home sick, and proceed with the meeting.
- D. You have to reschedule the meeting.

A16: You are about to begin your Pension Board meeting and realize you do not have a quorum present. Which of the following is permissible pursuant to statute?

D. You have to reschedule the meeting.

A trustee can participate via teleconference only if they are absent due to

- personal illness or disability
- work or business of the Fund
- family or other emergency

AND there is a physical quorum present

AND you have a process outlined in the Fund's Rules & Regulations

AND you address this formally at the beginning of the meeting and include in the meeting minutes

Q17: A FF, who is the FOIA Officer for the Pension Fund, works red shift on Monday 11/5 and receives a FOIA request via email on Tuesday 11/6 but doesn't see or open the email until his next shift day on Thursday 11/8. What is the due date of the response?

Q17: A FF, who is the FOIA Officer for the Pension Fund, works red shift on Monday 11/5 and receives a FOIA request via email on Tuesday 11/6 but doesn't see or open the email until his next shift day on Thursday 11/8. What is the due date of the response?

- A. He received the email on Tuesday the 6th, so the response is due Monday the 12th (not including weekends)
- B. He opened the email on Thursday the 8th, so the response is due on Wednesday the 14th (not including weekends)
- C. He received the email on Tuesday the 6th, day 1 is the next day (Wednesday), so the response is due Tuesday 11/13 (not including weekends)
- D. He received the email on Tuesday the 6th, day 1 is the next day (Wednesday) so the response is due Sunday 11/11 (including weekends since he is working shift days on the weekend)

A17: A FF, who is the FOIA Officer for the Pension Fund, works red shift on Monday 11/5 and receives a FOIA request via email on Tuesday 11/6 but doesn't see or open the email until his next shift day on Thursday 11/8. What is the due date of the response?

C. He received the email on Tuesday the 6th, Day 1 is the next day (Wednesday), so the response is due Tuesday 11/13 (not including weekends)

Response is due on 5th business day from receipt of the request (day of receipt is Day 0)

Q18: What record can I destroy without going through the State?

- A. 2008 Financial Report
- B. 1998 Investment Policy
- C. 2008 Fiduciary Liability Insurance Invoice
- D. 2016 Closed Session Meeting Recordings

A18: What record can I destroy without going through the State?

D. Closed Session Meeting Recordings but only after

- 18 months have passed
- Closed meeting minutes are approved
- A motion is made in open session authorizing the destruction of the recording

Note: only other records you can destroy without going through the state are additional hard copies of a report/record *or* if the report is labeled “draft”.

- Violation → Class 4 felony (5 ILCS 160/10, Ch116 par 43.13)

Q19: I can destroy a record on my approved Records Retention Schedule after which of the following criteria is met?

- A. The minimum retention period listed for the individual record series is met
- B. There is no pending or anticipated litigation and all audit requirements have been met
- C. After the Records Disposal Certificate is approved by the State Records Commission and 30 days have passed from the date of submission
- D. All of the above

A19: I can destroy a record on my approved Records Retention Schedule after which of the following criteria is met?

D. All of the above

- Any record eligible for destruction must be listed on the Records Disposal Certificate & be submitted to the State Commission for approval at least 30 days prior to disposal date.

Contact Information

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