



Agenda Item Summary

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Submitted By

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Reviewed By

LKS

Agenda Item Title

A Resolution To Include Cash Payments Related to Health Insurance as Illinois Municipal Retirement Fund Earnings

Overview

The Village was recently selected for an Illinois Municipal Retirement Fund (IMRF) audit. One result of the audit was in order to continue classifying these payments as pensionable, IMRF requires that the attached Resolution be adopted a finding that payments to employees who opt-out of the Village's health insurance benefit may only be considered pensionable earnings for IMRF purposes if the governing board adopts a Resolution to this effect. These opt-out payments have historically been classified as IMRF pensionable earnings. In order to continue classifying these payments as pensionable, IMRF requires that the attached Resolution be adopted.

Staff Recommendation

Staff recommends adoption of the Resolution.

Fiscal Impact

None (opt-out compensation is currently being reported as IMRF earnings)

Background

The IMRF implemented a new rule that effective January 1, 2018, any "opt-out" compensation related to health insurance must be approved via Resolution by the governing body in order for these earnings to be considered IMRF pensionable. Should the Board decide to not approve the attached Resolution, negative IMRF earning adjustments for opt-out payments made from January 1, 2018 to present would be required affecting a total of 33 current and former employees.

Alternatives

Delay action and seek additional information

Previous Board Action

None

Citizen Advisory Commission Action

N/A

Anticipated Future Actions/Commitments

N/A

Intergovernmental Cooperation Opportunities

N/A

Performance Management (MAP) Alignment

N/A