



## Final Notice of Illinois Municipal Retirement Fund Contribution Rate for Calendar Year 2013

Date November 2012

Employer name KANE COUNTY

Employer No. 03022

The contribution rates on earnings paid by your participating governmental unit to IMRF members are shown below. The Illinois Pension Code provides that the employer is responsible for remitting both employer and member contributions to IMRF along with the related deposit report according to prescribed due dates.

IMRF contributions must be paid on the earnings of all employees working in participating positions. Your employer contribution rate on member earnings is based upon actuarial costs for retirement, supplemental retirement, death, and disability benefits. The actuarial formula is specified in the Illinois Pension Code. Member contributions are specified in the Illinois Pension Code and help to meet the cost of future retirement benefits.

Participating governmental units with taxing powers are authorized by the Illinois Pension Code to levy a special IMRF tax for payment of employer IMRF contributions. However, this levy may be used only for employer payments. It may not be used for payment of IMRF member contributions. These must be paid out of the same fund from which the employee IMRF earnings are paid. Interest charges are assessed on any late payments. Refer to Section 4 of the IMRF Manual for Authorized Agents for interest charge procedures. If you have any questions, please contact the IMRF Employer Account Analyst at 1-800-ASK-IMRF.

Louis W. Kosiba, Executive Director

	<b>IMRF Contributions</b>	
	<b>Regular</b>	<b>SLEP</b>
<b>Member Contributions</b> (tax-deferred) .....	4.50%	7.50%
<b>Employer Contributions</b>		
<b>• Retirement Rate</b>		
Normal Cost .....	7.79%	12.79%
Funding Adjustment <over> under .....	2.71%	6.35%
Net Retirement Rate .....	10.50%	19.14%
<b>• Other Program Benefits</b>		
Death .....	0.18%	0.15%
Disability .....	0.11%	0.11%
Supplemental Benefit Payment .....	0.62%	0.62%
Early Retirement Incentive .....	0.00%	0.00%
SLEP Enhancement .....	0.00%	1.67%
<b>• TOTAL EMPLOYER RATE</b> .....	<b>11.41%</b>	<b>21.69%</b>

KANE COUNTY  
SHEILA D. MCCRAVEN, EXECUTIVE DIRECTOR  
719 BATAVIA AVENUE  
GENEVA IL 60134

**PLEASE**

**KEEP THIS GASB FOOTNOTE DISCLOSURE STATEMENT FOR THE AUDITORS**

**THIS STATEMENT CAN ALSO BE VIEWED AT [IMRF.ORG](http://IMRF.ORG)  
EMPLOYER DOCUMENT ARCHIVE**

This information is intended to provide your governmental unit with pension information required in the Notes to Financial Statements for your next annual financial report. The following information is patterned after illustration 6 shown on pages 32 and 33 of the Governmental Accounting Standards Board Statement No. 50 for an employer contributing to an agent-multiple-employer defined benefit pension plan.

Employers who have a fiscal year ending other than December 31 will have to adjust the information shown in the three - year trend information to reflect their fiscal year. IMRF has provided a template at [www.IMRF.org](http://www.IMRF.org) for employers who have a fiscal year ending after December 31, 2011 or later, and who opted to use the optional phase-in rates to assist in calculating their net pension obligation.

This information should be shared with your auditors. Questions can be directed to Corey Lockwood at (630) 706-4226 or [coreylockwood@imrf.org](mailto:coreylockwood@imrf.org).

**Kane County**  
Sheila D. McCraven  
719 Batavia Avenue  
Geneva IL 60134

## GASB 50 Disclosures

### Note X. Pension Plan

*Plan Description.* The employer's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, your employer Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2011 used by the employer was 9.80 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 10.76 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* For calendar year ending December 31, 2011, the employer's actual contributions for pension cost for the Regular were \$4,284,486. Its required contribution for calendar year 2011 was \$4,704,191. (If you made an additional payment toward your unfunded amount, add this payment to your actual contributions and recalculate the percentage of APC contributed.)

#### Three-Year Trend Information for the Regular Plan

<b>Calendar Year Ending</b>	<b>Annual Pension Cost (APC)</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
12/31/11	4,704,191	91%	\$0*
12/31/10	4,723,964	86%	0
12/31/09	3,692,322	100%	0

\*If you utilized the phase-in contribution rate, the net pension obligation will have to be calculated.

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 80.38 percent funded. The actuarial accrued liability for benefits was \$116,058,710 and the actuarial value of assets was \$93,290,962, resulting in an underfunded actuarial accrued liability (UAAL) of \$22,767,748. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$43,719,246 and the ratio of the UAAL to the covered payroll was 52 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**GASB 50 RSI Information for Employers**

Kane County  
 EMPLOYER NUMBER: 03022R  
 REQUIRED SUPPLEMENTARY INFORMATION  
 Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ( (b-a) /c)</u>
12/31/11	93,290,962	116,058,710	22,767,748	80.38	43,719,246	52.08%
12/31/10	91,588,377	111,387,804	19,799,427	82.22	45,422,730	43.59%
12/31/09	88,317,281	107,323,370	19,006,089	82.29	45,584,222	41.69%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$88,844,107. On a market basis, the funded ratio would be 76.55%.

## GASB 50 Disclosures

### Note X. Pension Plan

*Plan Description.* The employer's defined benefit pension plan for Sheriff's Law Enforcement Personnel employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, your employer Sheriff's Law Enforcement Personnel plan members are required to contribute 7.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2011 was 20.27 percent. The employer also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for calendar year 2011 was \$3,078,695. (If you made an additional payment toward your unfunded amount, add this payment to your actual contributions and recalculate the percentage of APC contributed.)

#### Three-Year Trend Information for the Sheriff's Law Enforcement Personnel Plan

<u>Calendar Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/11	3,078,695	100%	\$0*
12/31/10	3,028,163	94%	0
12/31/09	2,636,723	100%	0

\*If you utilized the phase-in contribution rate, the net pension obligation will have to be calculated.

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of your employer Sheriff's Law Enforcement Personnel plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The employer Sheriff's Law Enforcement Personnel plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 60.70 percent funded. The actuarial accrued liability for benefits was \$60,267,075 and the actuarial value of assets was \$36,579,210, resulting in an underfunded actuarial accrued liability (UAAL) of \$23,687,865. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$15,188,433 and the ratio of the UAAL to the covered payroll was 156 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**GASB 50 RSI Information for Employers**

Kane County  
 EMPLOYER NUMBER: 03022S  
 REQUIRED SUPPLEMENTARY INFORMATION  
 Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) -Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ( (b-a) /c)</u>
12/31/11	36,579,210	60,267,075	23,687,865	60.70	15,188,433	155.96%
12/31/10	34,217,832	56,552,286	22,334,454	60.51	14,917,061	149.72%
12/31/09	31,565,559	52,247,299	20,681,740	60.42	14,871,532	139.07%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$34,324,605. On a market basis, the funded ratio would be 56.95%.