Know Your Benefits

RECIPROCAL SERVICE

Service credit under the Reciprocal Act

IMRF is one of the public pension systems covered under the Illinois Retirement Systems Reciprocal Act. If you participated in more than one of the pension systems covered under the Reciprocal Act, you can choose to combine your service credit to calculate a pension from each system. This is called a reciprocal retirement.

If you are retiring reciprocally, you must:

1. Inform all your reciprocal retirement systems that you plan to retire reciprocally.
2. Confirm that you meet the minimum requirements to receive a pension with each system (using your combined service credit).
3. Before you retire, make sure your service credit with each system is correct, and that you—and the retirement systems—are aware of any concurrent (or "overlapping") service periods.
4. Apply for a reciprocal pension with all reciprocal systems at the same time.

SYSTEMS COVERED UNDER THE RECIPROCAL ACT

- Chicago Teachers' Pension Fund
- County Employees' and Officers' Annuity and Benefit Fund of Cook County
- Forest Preserve District Employees' Annuity and Benefit Fund of Cook County
- Judges' and General Assembly Retirement Systems
- Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago
- Metropolitan Water Reclamation District Retirement Fund
- Municipal Employees' Annuity and Benefit Fund of Chicago
- Park Employees' Annuity and Benefit Fund of Chicago
- State Employees' Retirement System (SERS)
- State Universities Retirement System (SURS)
- Teachers' Retirement System (TRS)

WHY CONSIDER A RECIPROCAL RETIREMENT?

- **Each system uses their legal highest average earnings to calculate your pension amount.** This can result in a higher total monthly benefit amount than if you retired from each system separately.
- **You can use your combined service credit total to meet each system's vesting requirements.** This allows you to receive a pension from a system you may not have enough service credit with to qualify for a non-reciprocal pension.

QUALIFYING FOR A RECIPROCAL RETIREMENT

- **You must have at least 12 months of service credit with each retirement system to combine service credit under the Reciprocal Act.**

  One exception: If you participated in IMRF as a Teacher Aide and earned less than 12 months of IMRF service credit, and your next participating position was covered by the Teachers' Retirement System, you may apply your IMRF service toward a reciprocal pension.
- **Your total service credit with all retirement systems must meet the longest vesting requirement of all the systems under which you plan to retire.**

You may not use the following service credit to retire under the Reciprocal Act:

- Less than 12 months with a single pension system (unless using the Teacher Aide exception)
- Service credit that you have forfeited by accepting a refund for (unless you repay the refund and reinstate the service credit)
- Service credit that has already been used to calculate a pension
- Concurrent credit
- Unused sick time (cannot be used toward vesting but may be used toward total service credit)

ALWAYS REQUEST A PENSION ESTIMATE

If you are thinking about retiring reciprocally, you should **ALWAYS request a reciprocal pension estimate from the most recent public pension system you worked for.**

Request an estimate no more than five years into the future. For Tier 1, request it no earlier than age 50. For Tier 2, request your estimate no earlier than age 60.

If IMRF was the last system you participated in, request a pension estimate from us. You can:

- Upload and send a Pension Estimate Request through Member Access, or fax or mail it to our office.
- Call an IMRF Member Service Representative at 1-800-ASK-IMRF (275-4673) and request a pension estimate. Make sure to mention that you have reciprocal service credit.

Note: You cannot calculate an accurate reciprocal pension estimate through the Member Access Pension Estimator, even if IMRF is your most recent retirement system.

If you are fully vested in each system separately, request reciprocal and independent estimates from each system

Although in most cases a reciprocal pension results in the higher pension amount, it is possible that your pension could be higher if you receive a separate, non-reciprocal pension from each system.

CONCURRENT SERVICE & RECIPROCAL PENSIONS

Under the Reciprocal Act, concurrent service occurs when you earn service in more than one retirement system for the same month. By law you can only receive one month of service credit for each calendar month, even if you have participated in more than one retirement system in that month.

If the service you are reinstating is concurrent (overlaps) with existing reciprocal service, **it may not benefit you to reinstate that service credit**.

APPLYING FOR A RECIPROCAL RETIREMENT

You must request and complete a separate retirement application from each system you have service credit with. Be sure to:

- Indicate on your application that you are applying for a reciprocal pension
- List the names of the reciprocal system(s) you have service credit with

When you retire under the Reciprocal Act, each system pays you a separate benefit. You will receive monthly benefit payments from each system, and each uses its own benefit formula to calculate your pension.

RETURNING TO WORK

Violating return to work rules for public pensions can cause you significant financial harm. You must contact each system you retire from before you consider a return to work at public pension system, to make sure you understand how this could affect you financially.