

VILLAGE OF VERNON HILLS

ORDINANCE NO. 2018-086

AN ORDINANCE AUTHORIZING APPROVAL OF EXPENDITURES FOR THE COST OF
AN IMRF ACCELERATED PAYMENT REQUIREMENT IN AMOUNT NOT TO EXCEED
\$56,610.58

THE 15th DAY OF MAY 2018

Published in pamphlet form by the Authority of the
President and Board of Trustees of the Village of
Vernon Hills, Lake County, Illinois, this
22nd Day of May 2018

AFFIDAVIT OF SERVICE

STATE OF ILLINOIS)
)
COUNTY OF LAKE)

I, MARK FLEISCHHAUER, BEING FIRST DULY APPOINTED, DEPOSES AND SAYS ON OATH THAT AS VILLAGE CLERK OF THE VILLAGE OF VERNON HILLS, HE DID CAUSE THE FOREGOING CERTIFICATE ORDINANCE NO. 2018-086 - AN ORDINANCE AUTHORIZING APPROVAL OF EXPENDITURES FOR THE COST OF AN IMRF ACCELERATED PAYMENT REQUIREMENT IN AMOUNT NOT TO EXCEED \$56,610.58 TO BE POSTED IN THE VILLAGE HALL AS REQUIRED BY LAW FROM MAY 22, 2018 TO JUNE 1, 2018.



Mark Fleischhauer
Village Clerk

SUBSCRIBED AND SWORN TO BEFORE
THIS 22ND DAY OF MAY 2018

Notary Public

VILLAGE OF VERNON HILLS

ORDINANCE NO. 2018-086

AN ORDINANCE AUTHORIZING APPROVAL OF EXPENDITURES FOR THE COST OF AN
IMRF ACCELERATED PAYMENT REQUIREMENT IN AMOUNT NOT TO EXCEED
\$56,610.58

WHEREAS, the Village of Vernon Hills, County of Lake, State of Illinois (*"the Village"*) is a duly organized and existing municipality and unit of local government created under the provisions of the laws of the State of Illinois, and is operating under the provisions of the Illinois Municipal Code; and

WHEREAS, Public Act 97-0609 was enacted in 2011 for the purpose of reforming public pensions in Illinois including changing certain funding requirements; and

WHEREAS, the Act created a requirement that certain Illinois Municipal Retirement Fund costs associated with retirements which had previously been amortized over several decades henceforth had to be paid off shortly after the determination of the actuarial costs; and

WHEREAS, during Fiscal Year 2018, costs associated with the recent retirement of the Village Manager must now be paid in accordance with Illinois Compiled Statutes; and

WHEREAS, expenditures over \$20,000 require Board of Trustees approval.

NOW THEREFORE BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF VERNON HILLS, LAKE COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 2: AUTHORIZATION & RELEASE OF PAYMENT: The Finance Director is hereby authorized to make payment to the Illinois Municipal Retirement Fund in an amount not to exceed \$56,610.58 per the attached Accelerated Payment Invoice in Exhibit A.

SECTION 3: EFFECTIVE DATE: This Ordinance shall be in full force and effect from its passage and approval.

SECTION 4: ORDINANCE NUMBER: This Ordinance shall be known as Ordinance Number 2018-086.

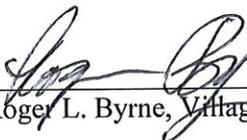
Dated the 15th of May 2018

Adopted by roll call votes as follows:

AYES: 5 - Hebda, Schultz, Marquardt, Koch, Oppenheim

NAYS: 0 - None

ABSENT AND NOT VOTING: 1 - Takaoka

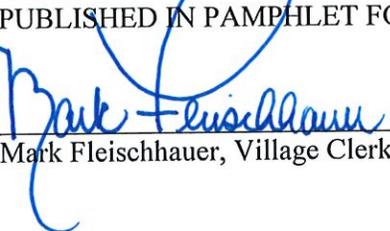


Roger L. Byrne, Village President

PASSED: 05/15/2018

APPROVED: 05/15/2018

PUBLISHED IN PAMPHLET FORM: 05/22/2018



Mark Fleischhauer, Village Clerk

ORDINANCE 2018-086
EXHIBIT A: IMRF ACCELERATED PAYMENT INVOICE



April 25, 2018

*** AP INVOICE ***

ER:05311

NICOLE K. LARSON, FINANCE DIRECTOR
VILLAGE OF VERNON HILLS
290 EVERGREEN DR
VERNON HILLS IL 60061-2904

RE: Accelerated Payment for John M. Kalmar

MID:109-1837

Dear Mrs. Larson:

Under Public Act 97-0609, employers are required to pay that portion of the present value of a pension attributable to earnings increases within the final rate of earnings period which exceed the greater of 6% or 1.5 times the increase in the CPI-urban. Such increase(s) were paid to John M. Kalmar in the following periods:

Period	Wages	Previous Period Wages
05/2014-04/2015	\$183,334.25	\$139,749.04
05/2016-04/2017	\$206,648.40	\$194,106.22
05/2017-04/2018	\$224,485.51	\$206,648.40

The Accelerated Payment (AP) amount required for this annuity because of these increases is \$56,610.58. Use the IMRF Pay Online feature (Accelerated Payment Option - option 025 if using a phone) to submit payment for this invoice.

Public Act 97-0609 allows IMRF to change the AP Invoice for several types of earnings increases. An explanation of these eligible earnings is attached. If the increase(s) that resulted in this Accelerated Payment falls under one of the eligible earnings, please complete the attached AP Exemption Request Form and return it to IMRF with the requested documentation.

Your request must be received in our office within 30 days of this notice. The amount still due after any approved exemption may be paid within 90 days with no interest or within three years with interest after the initial 90 day period.

If you have any questions, please call an IMRF Member Services Representative at 1-800-ASK-IMRF (1-800-275-4673) Monday through Friday, from 7:30 a.m. to 5:30 p.m.

Enc. IMRF Form 7.20, "Request For An Accelerated Payment Exemption", Return envelope

C400C



REQUEST FOR AN ACCELERATED PAYMENT EXEMPTION

IMRF Form 7.20 (Rev. 08/2017)

Certain types of accelerated payments result from standard business practices (for example overtime hours), and may qualify for an exemption. Accelerated payment exemptions are defined by law. If your accelerated payment meets one of the qualifying reasons below, you can apply for an exemption.

Receiving an accelerated payment exemption does not mean your employer doesn't have to pay this cost. Receiving an exemption means the cost will be paid over a longer period of time, through your employer's contribution rates.

Completing this form does not guarantee your request will be approved.

MEMBER'S LAST NAME Kalmar	FIRST NAME John	MIDDLE INITIAL M	JR., SR., II, ETC.	IMRF MEMBER ID 109-1837
EMPLOYER NAME VILLAGE OF VERNON HILLS				EMPLOYER IMRF ID 05311

To qualify for an accelerated payment (AP) exemption, you must:

- Have documentation to show the wages that caused the AP meet one of the exemptions below.
- Include **all** supporting documentation **for each wage period listed in your AP Invoice.**
- Submit this form **and** all required supporting documentation **within 30 days of the date of your AP Invoice.**

Check your qualifying exemption below:

- Overtime or Overload Hours:** Overload hours are temporary assignments outside of the member's normal responsibilities. For example, a teacher aide is temporarily given additional duties as a bus driver.
- Increase in Required Hours:** An increase in the number of hours worked. An increase in required hours does NOT include overtime or overload hours or a promotion. A change from part-time to full-time is also considered an increase in required hours.
- Standard Promotion:** A standard promotion must result in increased responsibility and workload for the member.
- Vacation Time Payout:** Payments for unused vacation time. The payments must be made in the final three months of the member's Final Rate of Earnings period to meet this exemption.
- Personnel Policies:** Your governing body must have adopted a personnel policy **before** January 1, 2012, that specifies members who began IMRF participation **after** December 31, 2011, will either **not** receive similar earnings increases, or will receive similar increases but the increases will not be paid in the IMRF earnings period.
- Collective Bargaining Agreement:** The earnings increase was paid under a contract or collective bargaining agreement entered into, amended, or renewed **before January 1, 2012.**

IMPORTANT!

You must send ALL required supporting documentation with this form at the SAME time—submit them as ONE package.

See the back of this form for a description of the documentation you must include.

CERTIFICATION BY AUTHORIZED AGENT

I certify that information for the above named member is in agreement with the governmental unit's records.

X

SIGNATURE OF AUTHORIZED AGENT*

DATE (MM/DD/YYYY)

* I understand that any person who knowingly makes any false statement or falsifies or permits to be falsified any record of the Illinois Municipal Retirement Fund in an attempt to defraud IMRF is guilty of a Class 3 felony (40 ILCS 5/1-135).

IMRF

2211 York Road, Suite 500, Oak Brook Illinois 60523-2337

Employer Only Phone: 1-800-728-7971

www.lmrf.org

REQUIRED DOCUMENTATION YOU MUST INCLUDE WITH THIS FORM

Find the exemption you checked on the front of this form and review the required documentation that you must include. If your AP Invoice covers more than one wage period, you must include the required documentation for each wage period listed on your AP Invoice. Use this page as a checklist for your required documentation.

Overtime or Overload hours

Overload hours are temporary assignments outside of the member's normal responsibilities. For example, a teacher aide is temporarily given additional duties as a bus driver.

Required documentation you must submit with this form:

1. Documentation summarizing number of overtime/overload hours and dollar value attributable to each wage period shown on the AP Invoice.

Increase in Required Hours

An increase in the number of hours worked. An increase in required hours does NOT include overtime or overload hours or a promotion. A change from part-time to full-time is also considered an increase in required hours.

Required documentation you must submit with this form:

1. Written documentation showing the member worked additional hours, AND
2. Statement explaining why the additional hours were required, AND
3. Statement explaining that the member's hourly wage:
- Did not increase over the previous 12-month period, OR
 - Did increase, but the increase did not exceed the greater of 6% or 1.5 times the increase in the CPI-urban for the same time period in the previous year, AND
4. Worksheet showing the wage increase (wages to be exempt from Accelerated Payment).

Standard Promotion

A standard promotion must result in increased responsibility and workload for the member.

Required documentation you must submit with this form:

1. Documentation showing date of the promotion, AND
2. Copies of old and new positions' job descriptions, AND
3. Narrative detailing nature of increased workload and responsibility, AND
4. Worksheet showing the wage increase (wages to be exempt from Accelerated Payment).

Vacation Time Payout

Payments for unused vacation time made to the member in the final three months of the member's Final Rate of Earnings period.

Required documentation you must submit with this form:

1. Documentation summarizing the amount of unused vacation time paid out and the amount of earnings reported for the vacation time.

Personnel Policies

For a personnel policy to qualify, it must meet two requirements:

1. Your governing body must have adopted the personnel policy before January 1, 2012.
2. The policy must specify that members who began IMRF participation after December 31, 2011 will either:
 - Not receive similar earnings increases.
 - Will receive similar increases, but the increases will not be paid in the IMRF earnings period.

The personnel policy must meet both of these requirements. If it only meets one of the above requirements, it DOES NOT qualify for an exemption.

Required documentation you must submit with this form:

1. Copy of personnel policy provision providing for the increase, including the date it became effective, AND
2. Copy of personnel policy provision showing that the earnings increase for which the exemption is claimed does not apply to employees who begin service on or after January 1, 2012, AND
3. Narrative and any other supporting documentation that will allow IMRF to better understand the nature of the payment, AND
4. Worksheet showing the wage increase (wages to be exempt from Accelerated Payment).

Collective Bargaining Agreement

This situation is not common. The earnings increase must have been paid under a contract or collective bargaining agreement that was entered into, amended, or renewed before January 1, 2012.

Required documentation you must submit with this form:

1. Contract or collective bargaining agreement, including its date of approval, amendment or renewal, AND
2. A statement by the employer which indicates the provision within the contract or agreement under which the earnings increase was paid, AND
3. Worksheet showing the wage increase (wages to be exempt from Accelerated Payment), AND
4. Any other pertinent information showing the increase meets this exemption.