

## RETIREMENT PLAN

All RAILS employees, other than temporary employees, who are regularly scheduled to work twenty or more hours per week are enrolled in the Illinois Municipal Retirement Fund. By statute, employees contribute 4.5% of their pre-tax wages or salaries to the fund. Employers contribute at annual specified contribution rates as determined by the Illinois Municipal Retirement Fund. Plan descriptions of this program are available from Human Resources.

RAILS has adopted a Pension Management Safeguards Policy, which is presented below:

RAILS will adhere to Illinois Municipal Retirement Fund (IMRF) guidelines and will not permit end-of-career payouts in a way to pad or “spike” pensions. For example, but not by way of limitation, RAILS shall not pay out accrued but unused vacation time prior to the actual date of employment termination and shall not increase an employee’s compensation or pay a retirement bonus timed to pad or “spike” an employee’s IMRF pension.

Notwithstanding any other policy or practice to the contrary, RAILS recognizes that compensation increases paid during the final years of employment with the purpose of increasing a participant’s pension beyond the limitations of section 7-116 of the Illinois Pension Code, as amended from time to time, are not compatible with good pension plan administration and may be one cause of pension plan underfunding. Therefore, all compensation increases authorized or granted to RAILS employees in their final years of employment as defined in the Pension Code will not exceed the limitations defined by that statute for the purpose of increasing a participant’s pension beyond the limitations of 7-116. This prohibition includes, but is not limited to, payment of accrued but unused vacation, sick, or other benefit time prior to an employee’s actual date of retirement or separation, payment of a bonus at retirement, as well as granting a wage increase which exceeds the statutory limitations when not the result of a promotion or transfer to a new position.

Upon retirement from RAILS, an employee may be eligible to receive one month of additional IMRF service credit for each 20 days of accrued but unused sick leave, not to exceed one year (240 days) of additional service credit. Please visit [www.imrf.org](http://www.imrf.org) for more information.