

## **GLEN ELLYN POLICE PENSION FUND**

The Glen Ellyn Police Pension Fund is organized under state statute (40 ILCS 5/3-101) to provide “for the benefit of its police officers and of their surviving spouses, children, and certain other dependents”. Our Police Pension Fund is administered by a five-member Pension Board as defined by statute, and includes two citizens appointed by the Village Board, two active police officers, and one current beneficiary.

Money used to pay for the benefits of retired police officers comes from three sources:

- Active Police Officers –This is expected to generate about \$300,000 in fiscal year 2011/12. Effective in January, 2001 the contribution from police officers was increased from 9.00 percent to 9.91 percent of salary in accordance with benefit increases approved by the Illinois General Assembly which also increased required taxpayer support. Note – Police Officers do not participate or contribute to Social Security, but do pay a Medicare tax of 1.45% of salary.
- Investment Income – Income generated by the Fund’s investment holdings. The pension fund investment portfolio has a longer-term focus than that used for general Village investments.
- Village Contribution – According to calculations performed by an independent actuary, this is the amount needed to fully fund the plan (from a long-term time perspective) based on a set of interest earnings rate, salary rate increase, mortality, and other assumptions. For FY11/12, the actuarially determined contribution by the taxpayers is \$1,036,000, up 9.9% or \$93,000 from the FY10/11 contribution of \$943,000. At the completion of the actuary’s latest report (4/30/10) the Pension Fund was 66.0% of “fully funded” status.

### Retirement Benefits

The Police Pension Plan, set by State law, provides retirement benefits at age 50, with a minimum of 20 years of service, at a rate of one half the annual salary attached to the rank held on the last day of service. The annual pension increases by 2.5% of the annual salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such annual salary. Generally, upon the attainment of age 55, retired Police Officers receive an annual compounded increase in their pension of 3% each January 1<sup>st</sup>. As of January 2011, there are 31 beneficiaries receiving a monthly police pension from the Glen Ellyn Police Pension Fund at an annual cost of about \$1.37 million.