Illinois Municipal Retirement Fund

Comprehensive Annual Financial Report

For the years ended December 31, 2013 and December 31, 2012

Many parts. One Vision:

To provide the highest quality retirement services to our members, their beneficiaries and employers.

2013

Illinois Municipal Retirement Fund

Comprehensive Annual Financial Report

For the years ended December 31, 2013 and December 31, 2012

IMRF Mission Statement

To efficiently and impartially develop, implement and administer programs that provide income protection to members and their beneficiaries on behalf of participating employers in a prudent manner.

Prepared By

The Finance Department of the
Illinois Municipal Retirement Fund
2211 York Road Suite 500
Oak Brook, IL 60523-2337
www.imrf.org
1-800-ASK-IMRF

Louis W. Kosiba

Executive Director

Table of Contents

Actuarial (cont.)

Statistical

2014 Board of Trustees

Natalie Copper
Employee Trustee
Evanston School
District 65

January 1, 2010 -
December 31, 2014

2014 President

John Piechocinski
Employee Trustee
Plainfield Community
Consolidated School
District 202

January 1, 2011 -
December 31, 2015

2014 Vice President

Tom Kuehne
Executive Trustee
Village of Arlington Heights

January 1, 2013 -
December 31, 2017

2014 Secretary

William Stafford
Executive Trustee
Evanston High School
District 202

January 1, 2014 -
December 31, 2014

Gwen Henry
Executive Trustee
DuPage County
Treasurer

January 1, 2011 -
December 31, 2015

Jeffrey A. Stulir
Employee Trustee
Rock Island County
Sheriff's Department

February 24, 2012 -
December 31, 2015

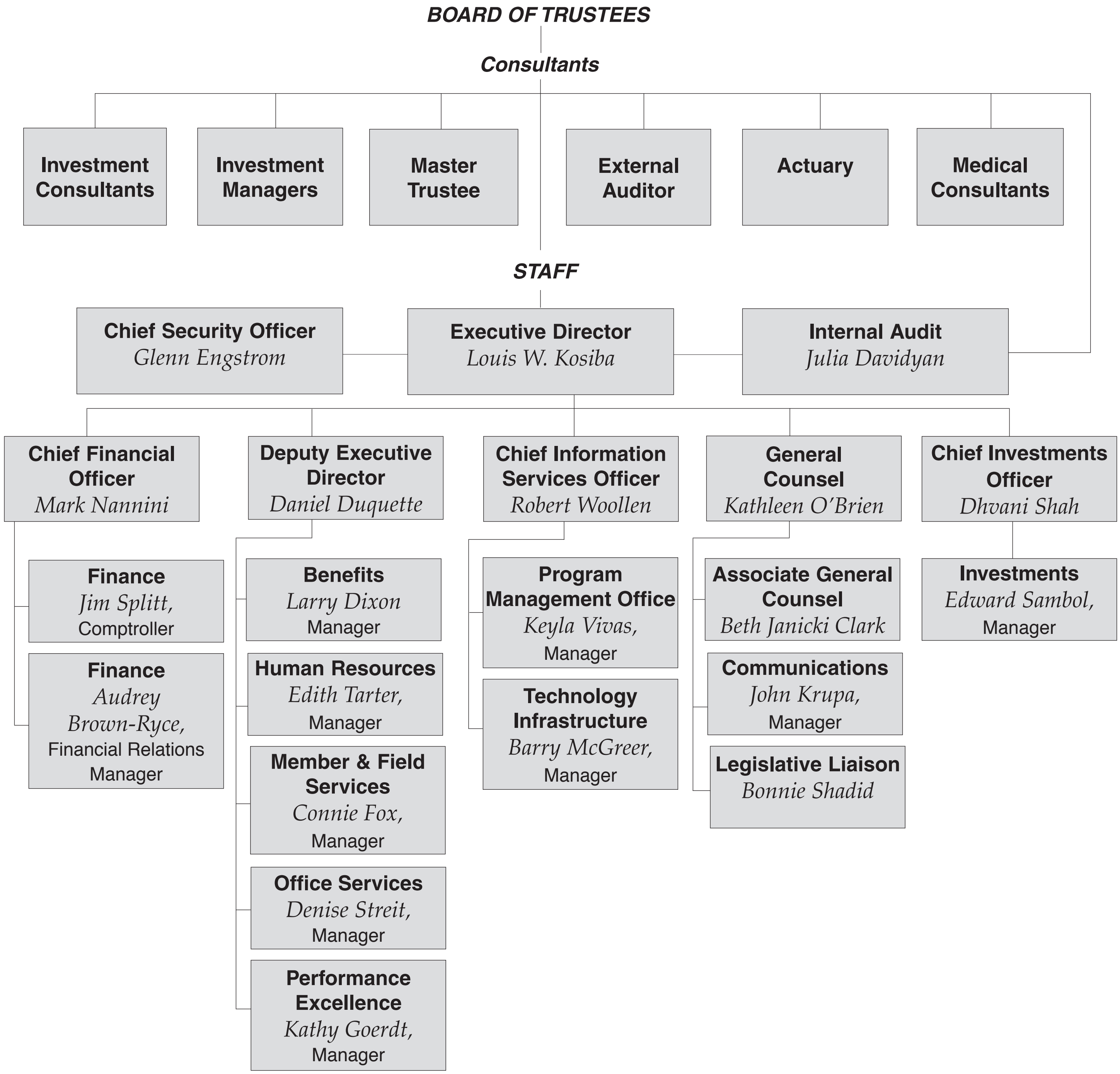
Sharon U. Thompson
Annuitant Trustee
(formerly)
Lee County

January 1, 2011 -
December 31, 2015

Sue Stanish
Executive Trustee
Naperville Park District

January 1, 2014 -
December 31, 2018

Organization Chart



Consultants - *Investment Consultants are listed on page 46*

Actuary	**Independent Auditors**	**Commercial Bank**	**Independent Fiduciary Counsel**	**Medical Consultants**
Gabriel, Roeder, Smith & Company	KPMG LLP	Northern Trust	Seyfarth Shaw Attorneys, LLP	Marianjoy Medical Group
Brian B. Murphy, F.S.A.	Kurt Gabouer	Patti Somerville-Koulouris, Senior Vice President	Lawrence Moss	Wheaton, Illinois
Mark Buis, F.S.A.	Julie Barrientos	Chicago, Illinois	Chicago, Illinois	Northwest Psychiatric, S.C.
Southfield, Michigan	Chicago, Illinois			Buffalo Grove, Illinois

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

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Illinois Municipal Retirement Fund

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

Illinois Municipal Retirement Fund

2211 York Road Suite 500 Oak Brook IL 60523-2337
Member Services Representatives 1-800-ASK-IMRF (1-800-275-4673)
www.imrf.org

May 30, 2014

Board of Trustees
Illinois Municipal Retirement Fund
Oak Brook, Illinois 60523-2337

Formal Transmittal

We are pleased to submit the Comprehensive Annual Financial Report of the Illinois Municipal Retirement Fund (IMRF) for the year ended December 31, 2013. The management of IMRF is responsible for the compilation and accuracy of the financial, investment, actuarial and statistical information contained in this report. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the fiduciary net position and changes in fiduciary net position of IMRF.

In developing and evaluating IMRF's accounting system, we consider the adequacy of internal accounting controls. We design these controls to provide reasonable assurance regarding the safekeeping of assets and the reliability of financial records. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

During 2013, IMRF employed the services of an outside certified public accountant to assist with the internal audit function. He was aided by seven full-time employees: one manager and six assistants. Beginning with 2014, the Internal Auditor will be an IMRF employee. We use a detailed internal audit program that encompasses examination of internal controls and employer compliance as well as the Fund's financial transactions and records. IMRF also engages an independent accounting firm annually to review and test internal controls over our information systems.

The internal audit function reports directly to the Executive Director and the Board of Trustees. The Board of Trustees has established an Audit Committee, consisting entirely of Board members. Annually, the Internal Audit Manager presents a report to the Audit Committee covering the results of internal audit procedures performed. The Internal Audit Manager may also meet with the committee on an as-needed basis. Again this year the Internal Audit Manager reported that IMRF's system of internal controls appears adequate and is being adhered to in the areas tested.

The Illinois Pension Code requires an annual audit of the financial statements of the Fund by independent certified public accountants selected by the Board of Trustees and approved by the State Auditor General. We satisfied this requirement and the independent accountants' unmodified report on IMRF's 2013 Financial Statements is included in this report. The independent accountants meet at least twice a year with the Audit Committee—once to report on the planned scope of their audit and a second time to report on its results.

Profile of IMRF

IMRF is the administrator of an agent multiple-employer public employee retirement system. The Illinois State Legislature established IMRF in 1939. We began operations in 1941 in order to provide retirement, death, and disability benefits to employees of local units of government in Illinois. Members, employers, and annuitants elect eight trustees who govern IMRF. IMRF is separate and apart from the Illinois state government and is not included in the state's financial statements. IMRF now serves 2,977 different employers, 173,826 participating members, and 107,732 benefit recipients. The Illinois Pension Code requires IMRF to provide its financial statements to participating employers and to any participating member who requests them.

Economic Conditions

Summary of Financial Information

The following table summarizes additions and deductions to the Fund's fiduciary net position for 2013 and 2012.

	2013 (millions)	2012 (millions)	Dollar Change	Percent Change
Additions	$6,853	$4,608	$2,245	48.7%
Deductions	1,566	1,449	117	8.1%
Net Change	$5,287	$3,159	$2,128	67.4%

The increase in Additions between 2013 and 2012 is primarily due to a $2,189 million increase in investment income. The financial markets in 2013 were up despite the continuing economic strains in Europe, the fiscal cliff, and consumer fear of slower global growth. This is similar to returns in 2012, which were plagued by uncertainty surrounding the U.S. economic recovery and the European debt crisis. This uncertainty impacted the bond markets, which resulted in IMRF posting negative returns in this category for 2013. The increase in Deductions is primarily due to increased benefit payments, caused by an increase in the number of benefit recipients from 103,929 to 107,732. For a full understanding of IMRF's financial results, the reader is urged to review the Financial Section of this report that contains the Independent Auditor's Report, Management's Discussion and Analysis, Financial Statements, and other supplemental information. Management's Discussion and Analysis provides a narrative introduction, overview, and analysis of the financial statements and complements this transmittal letter.

Funding

IMRF's actuary uses a five-year smoothed market-related value with a 20 percent corridor to determine the actuarial value of assets. The smoothing is intended to prevent extreme volatility in employer contribution rates due to short-term fluctuations in the investment markets. For the December 31, 2013 valuation, the aggregate actuarial value of assets was $30.1 billion. The aggregate actuarial liability for all IMRF employers was $34.4 billion. The aggregate actuarial funding ratio is currently 87.6 percent. The 87.6 percent funding ratio is an increase from the 2012 actuarial funding ratio of 84.3 percent. If the market value of assets is used (i.e., no actuarial smoothing), the aggregate funding ratio is 96.7 percent as of December 31, 2013, an increase from 85.9 percent as of December 31, 2012. The reason for the significant increase in the net market funding ratio is the 20.0 percent investment return in 2013. As of December 31, 2013, IMRF's market-based funding value was greater than the actuarial funding value since there were $3,120 million of unrecognized investments gains, which will be reflected in the 2014 through 2017 period in keeping with the five-year smoothing technique discussed above. The preceding ratios are for the Fund as a whole. Under the Illinois Pension Code, each employer funds the pensions for its own employees. Funding ratios for individual employers and individual plans vary widely. IMRF members can look with a sense of security to the net asset base since these assets are irrevocably committed to the payment of their pensions when they retire. The actuary has determined that the present net asset base, expected future contributions, and investment earnings thereon are sufficient to provide for full payment of future benefits under the level payroll percentage method of funding. The Actuarial Section contains the actuary's letter and further information on IMRF's funding.

Investments

The investment portfolio is a major contributor to the Fund. 2013 investment results were income of $5,583 million and represented 81.5 percent of Plan Additions for the year. In the five years—2013 through 2009—investment income represented the following percentage of Additions to fiduciary net position:

Year	Percentage of Additions
2013	81.5%
2012	73.7%
2011	(9.0)%
2010	73.1%
2009	81.8%

When comparing returns it is important to remember that as a pension fund, IMRF's investment program has a very long time horizon. Some of the longer-term results for the total fund for the period ending December 31, 2013 are:

Period	Annualized Returns
Three Years	10.7% per year
Five Years	13.8% per year
Ten Years	8.2% per year
Since January 1, 1995	9.1% per year

Currently, 88 professional investment management firms, handling 119 separate accounts, manage the investment portfolio. These firms make investment decisions under the prudent man rule authorized by Article 1 of the Illinois Pension Code and by investment policy guidelines adopted by the Board of Trustees. The Board employs an investment consultant to monitor and evaluate the investment management firms' performance, to aid in the selection of investment management firms and to assist in the development of investment policy. Our uppermost goal is to optimize the long-term total return of the Fund's investments through a policy of diversification within a parameter of prudent risk as measured on the total portfolio.

The Investment Section contains a summary of IMRF's investment portfolio, investment performance, the Investment Consultant's report, the Master Trustee's report, and a summary of the investment objectives and policies.

Current and Future Developments

a. Board of Trustees

William Stafford, Business Manager for Evanston High School District 202, was appointed by the Board to fill a vacated one-year term when Mark Nannini resigned.

Sue Stanish, Director of Finance for Naperville Park District, was elected as an Executive Trustee. Her five-year term began January 1, 2014.

b. Legislative Activity Applicable to IMRF Passed in 2013:

Public Act 98-0218 - Effective August 9, 2013
Allows preretirement withdrawals of Voluntary Additional Contributions only to the extent permitted by the IRS; makes changes to the section requiring IMRF to amortize its unfunded liabilities according to GAAP; no longer requires the Township Supervisor to be the Authorized Agent; and removes the requirement that the Board meet monthly.

Public Act 98-0389 - Effective August 16, 2013
Changes the return-to-work rules for retirees to require re-enrollment at the employer's hourly standard of actual hours worked, instead of when the position is "normally expected" to require the hourly standard.

Public Act 98-0433 - Effective August 16, 2013
Creates an exception to the current RFP requirements for investment services to no longer require the competitive bid process for contracts for follow-on funds with the same fund sponsor through closed-end funds.

Public Act 98-0439 - Effective August 16, 2013
Requires police chiefs to pay the actuarially calculated cost of the transfer to SLEP from a downstate police pension fund.

Public Act 98-0599/Senate Bill 1 (Provisions applicable to IMRF only) - Effective June 1, 2014 - Delayed pending Judicial review
(On May 14, 2014 the Seventh Judicial Circuit Court of Sangamon County ordered a temporary stay to Public Act 98-0599.)

For members who first begin participating on or after the effective date:

- No longer allows sick or vacation payouts to be included as pensionable wages;
- No longer allows unused, unpaid sick leave to be used to increase service credit; and
- Prohibits participation in IMRF for future employees of certain employers.

c. Systems Development

IMRF's major 2013 system development priorities focused on:

- Initiating the implementation phase of the modernization initiative (Horizon), including the development of comprehensive project plans, confirmation of detailed requirements, and the beginning of the solution construction.
- Preparing our core technology infrastructure to support the Horizon hardware and software.

IMRF's major 2014 system development priorities focus on:

- Continuing the implementation phase of Horizon, including the design, construction, and testing of the first release of the new system planned for 2015.
- Re-engineering business processes to achieve our Customer Service Goals, while also maintaining all internal control and efficiency objectives.
- Implementing the hardware and software to support Horizon.

d. Investment Activities

The Board of Trustees, its consultant, and IMRF staff review the investment asset allocation annually. In January 2014, the strategic targets for the asset classes used by IMRF were modified as follows:

Asset Class	Target
US Equities	38%
Non-US Equities	17%
Fixed Income	27%
Real Estate	8%
Alternative Investments	9%
Cash	1%

Major investment activities last year and through April 30, 2014 were as follows:

- Issued a redemption request from the BlackRock Granite Fund.
- Revised Statement of Investment Policy, Real Estate Statement of Investment Policy, and Investment Committee Charter.
- Presented Asset Liability Education Session to Trustees and initiated Asset Liability Modeling Study.
- Completed sector-focused (healthcare or technology) venture capital partnership search and retained Versant Venture Capital Fund V.
- Completed sector-focused lower middle-market buy out private equity fund manager search and retained two firms: Vista Foundation Fund II and Beecken Petty O'Keefe Fund IV.
- Added three new non-core real estate funds: Blackstone Real Estate Partners Asia; Blackstone Real Estate Debt Strategies Fund II; and CBRE Strategic Partners US Value Fund 7.
- Increased allocation to one existing non-core real estate manager: Torchlight Debt Opportunity Fund IV.
- Added two new core real estate funds: AEW Core Property Trust (U.S.) and CBRE U.S. Core Partners, L.P.
- Increased allocations to two existing core real estate managers: Cornerstone Patriot Fund and Invesco Core Real Estate Fund.
- Made direct allocations to five private equity partnerships: Vista Credit Opportunities Fund I; ABRY Advanced Securities Fund III; Vista Equity Partners Fund V; Lightspeed Venture Partners Fund X and Lightspeed Select Fund.

- Completed 2013 Asset Liability Modeling Study and obtained approval for new asset class targets that became effective on January 1, 2014 (see table above).
- Completed MFPDOB sector-focused middle market buyout private equity manager search and received Board approval for investments in five firms: AUA Private Equity Fund; Estancia Capital Partners; New Mainstream Capital Fund II; Valor Equity Partners III; and Vistria Fund.
- Completed Non-Core Fixed Income Manager search and received Board approval for investments in three firms: Babson Capital Global Loan Fund, Crescent Capital Management High Income Fund, and Standish Emerging Markets Debt — Opportunistic Fund; an additional allocation to MacKay Shields HY Bond account, and termination of Pyramis HY Bond account.
- Completed Non-U.S. (Europe/Latin America) Real Estate Manager Search and received board approval for investments in three firms: Ares European Fund IV; Resolution Real Estate Fund IV; and GTIS Brazil Real Estate Fund III.

e. Strategic Plan

Our Strategic Plan provides the Fund with a road map for meeting the challenges and opportunities in achieving our vision to provide the highest quality retirement services to our members, their beneficiaries, and employers in a cost-effective manner. It guides our efforts to continuously improve our service to our employers and members.

We completed the action plans that supported our 2011-2013 IMRF Strategic Plan. During 2013, we also completed our triennial Strategic Planning process that resulted in the development of our 2014-2016 IMRF Strategic Plan. The 2014-2016 IMRF Strategic Plan includes elements of the Baldrige Criteria for Performance Excellence to ensure we align our objectives, processes, and resources with our Vision. Progress towards meeting our Strategic Objectives is measured using the following five Key Results Areas on our Leadership Scorecard:

- Financial Health and Sustainability
- Investment Returns
- Customer Service and Operational Excellence
- Workforce Engagement
- Modernization Program

Baldrige recipient organizations often set their overarching strategic objectives to achieve a top decile ranking in each key area of importance to their stakeholders. IMRF is following that same path, as our Strategic Objectives challenge us to achieve top 10 percent performance for most key result areas.

f. Illinois Performance Excellence Silver Award for Progress Toward Excellence

Illinois Performance Excellence (ILPEx) is a non-profit organization that seeks to help other organizations improve their performance by embracing the *Baldrige Criteria for Excellence* and aligning their processes to become more efficient and sustainable. Organizations that pursue the Baldrige management framework can demonstrate through the ILPEx award application that they have adopted proven performance practices, principles, and strategies that nurture excellence in all aspects of their operations. In 2009, IMRF was honored with a Bronze Award signifying our commitment towards excellence. In 2012, IMRF was one of six organizations that received the 2012 ILPEx Award for Excellence, and was one of only two organizations receiving the Silver Award signifying our progress towards excellence—the highest award given in 2012. Our Silver Award further highlights IMRF as a national leader in public pension administration. The comprehensive feedback report received from ILPEx provides additional guidance regarding how we can further leverage our strengths and pursue opportunities for improvement. IMRF has submitted an application in 2014 to further validate our journey of excellence.

g. Defined Benefit Administration Benchmarking Analysis

CEM Benchmarking Inc. conducts an annual Defined Benefit Administration Benchmarking Study for public pension systems. IMRF has participated in this benchmarking program since 2001. This program provides insight into benefit administration costs, customer service levels, and industry best practices. IMRF's overall service level score was near the top decile, while our costs were below the median as compared to our peer group of 40 public systems in the United States and Canada. We will continue our participation in this benchmarking program, as it is an important part of our Continuous Process Improvement Program.

Reports to Membership

IMRF issued a variety of reports covering 2012 and 2013 activity. We provide Employer Statements every month. We begin mailing Member Statements in February. We will send a summary of the Annual Report to members and annuitants in the summer issues of *Fundamentals*. We will advise Authorized Agents in June that this report, as well as our Popular Annual Financial Report, is available on our website, *www.imrf.org*.

Awards and Acknowledgements

Awards

The GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the Illinois Municipal Retirement Fund for its Comprehensive Annual Financial Report for the year ended December 31, 2012. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. IMRF has received a Certificate of Achievement for the last 33 consecutive years (fiscal years 1980-2012). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we will be submitting it to the GFOA. IMRF also received a Certificate of Achievement for Excellence in Financial Reporting for it's popular annual financial report for the year ended December 31, 2012.

In 2013, in recognition of meeting professional standards for plan administration and funding as set forth in the Public Pension Standards, IMRF was given awards for plan funding and administration by the Public Pension Coordinating Council, a confederation of the National Association of Retirement Administrators, the National Conference on Public Employee Retirement Systems, and the National Council on Teacher Retirement.

Acknowledgements

The production of this report reflects the combined effort of the IMRF staff under the leadership of the Board of Trustees and the Executive Director, Louis W. Kosiba. The Finance Department, under the direction of Mark Nannini, compiled the report. We believe this report provides complete and reliable information for making management decisions, for determining compliance with legal provisions, and for determining responsible stewardship for the assets contributed by the members and their employers.

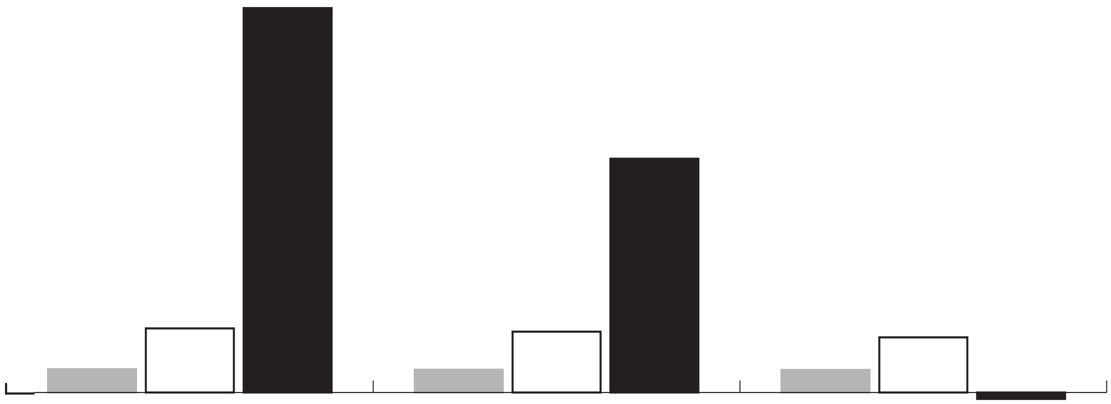
We make this report available to the Authorized Agents for all participating units of government. They form the link between IMRF and its membership. Their cooperation, for which we are thankful, contributes significantly to the success of IMRF. We hope they will find this report both informative and helpful.

Respectfully submitted,

Louis W. Kosiba
Executive Director

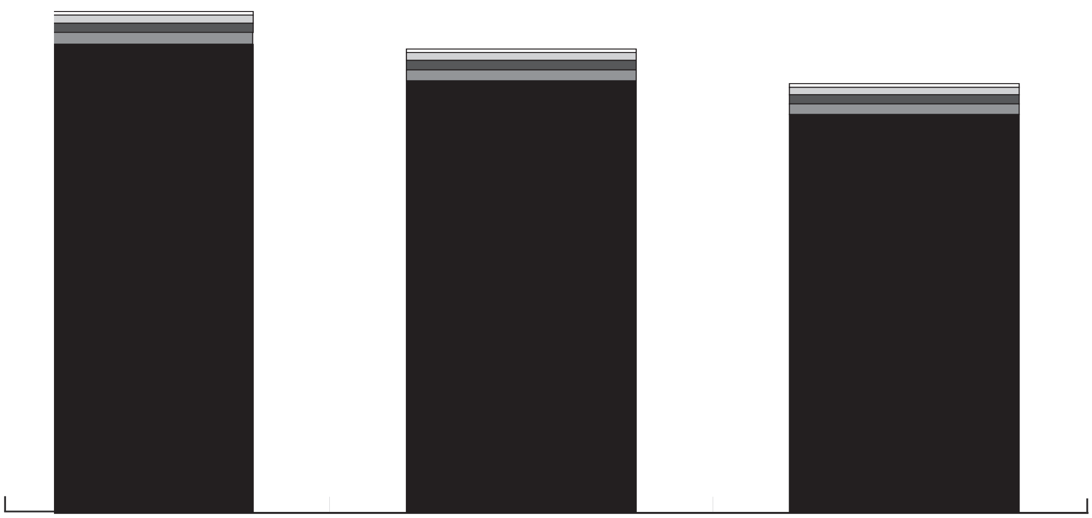
Mark Nannini
Chief Financial Officer

Revenues by Source



	2013	2012	2011
Members	$ 338,934,421	$ 330,814,542	$ 327,680,889
Employers	930,969,056	883,216,281	800,804,253
Investments	5,583,128,460	3,393,701,110	(92,920,452)
	$ 6,853,031,937	$ 4,607,731,933	$ 1,035,564,690

Expenses by Type



	2013	2012	2011
Annuities	$ 1,463,102,775	$ 1,349,091,550	$ 1,244,164,271
Refunds	36,944,214	34,142,193	32,900,105
Death	29,056,873	29,833,835	28,612,174
Administrative	25,463,299	24,508,053	23,086,712
Disability	11,214,500	10,890,086	11,629,164
	$ 1,565,781,661	$ 1,448,465,717	$ 1,340,392,426

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Financial

2013

As of December 31, 2013,

IMRF was 96.7% funded

on a market value basis.

KPMG

KPMG LLP
Aon Center
Suite 5500
200 E. Randolph Drive
Chicago, IL 60601-6436

Independent Auditors' Report

The Board of Trustees
Illinois Municipal Retirement Fund:

Report on the Financial Statements

We have audited the accompanying financial statements of the Illinois Municipal Retirement Fund (the Fund), which comprise the statements of fiduciary net position as of December 31, 2013 and 2012, and the related statements of changes in fiduciary net position for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Illinois Municipal Retirement Fund as of December 31, 2013 and 2012, and the changes in its financial position for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG

Emphasis of Matter

As discussed in note C to the financial statements, the Fund adopted Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an Amendment of GASB Statement No. 25*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis and the schedule of investment returns on pages 18–21 and 40, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedule of administrative expenses, the schedule of payments for professional services, the schedule of investment expenses, the introductory section, the investments section, the actuarial section, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of administrative expenses, the schedule of payments for professional services, and the schedule of investment expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of administrative expenses, the schedule of payments for professional services, and the schedule of investment expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introduction section, the investments section, the actuarial section, and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

KPMG LLP

Chicago, Illinois
June 10, 2014

Management's Discussion and Analysis

The following Management's Discussion and Analysis (MD&A) of the Illinois Municipal Retirement Fund's (IMRF) financial performance provides an introduction to the financial statements of IMRF for the years ended December 31, 2013 and 2012. Since the MD&A is designed to focus on current activities, resulting changes and current known facts, please read it in conjunction with the transmittal letter (pages 7-12), the financial statements, required supplementary information and supplementary information.

Required Financial Statements

IMRF, an agent multiple-employer public employee retirement system, prepares its financial statements on an accrual basis in accordance with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board. The Statement of Fiduciary Net Position includes all of IMRF's assets and liabilities, deferred inflows and outflows, and provides information about the nature and amount of investments available to satisfy the pension benefits of the Plan. All additions to and deductions and inflows and outflows from the net assets held in trust for pension benefits are accounted for in the Statement of Changes in Fiduciary Net Position. This statement measures IMRF's success over the past year in increasing the fiduciary net position available for pension benefits.

Financial Analysis of IMRF

In 2013, contributions of $1,270 million and investment income of $5,583 million exceeded deductions to fiduciary net position of $1,566 million by $5,287 million. This net increase brought the Plan's net position restricted for pensions to $33.3 billion.

Fiduciary Net Position

To begin the financial analysis, summarized comparisons of IMRF's Fiduciary Net Position for 2013 versus 2012 and 2012 versus 2011 are presented below.

Condensed Summary of Fiduciary Net Position
(In millions)

	2013	2012	Dollar Change	Percent Change
Cash and cash equivalents	$ 23	$ 36	$ (13)	(36)%
Receivables and prepaids	411	635	(224)	(35)
Investments	33,248	28,075	5,173	18
Invested securities lending cash collateral	2,731	2,685	46	2
Capital assets, net	12	5	7	140
Total assets	36,425	31,436	4,989	16
Liabilities	3,141	3,440	(296)	(9)
Net position restricted for pensions	$ 33,284	$ 27,996	$ 5,288	19%

As the previous table shows, net position restricted for pensions increased by $5,288 million (19 percent) in 2013. This increase reflects the strong investment returns in 2013.

The following table presents the investment allocation as of year-end 2013 and 2012 as compared to IMRF's target allocation.

	2013	Target	2012
Fixed income	26.0%	29.0%	30.1%
Stocks	64.6	58.0	60.3
Real estate	3.3	6.0	2.8
Alternative	3.7	6.0	4.5
Short-term	2.4	1.0	2.3

The variance in the real estate allocation is due to the fact that IMRF is in the process of rebalancing its real estate portfolio and actual investments trail commitments. IMRF is also looking to increase its allocation to alternative investment strategies. The current target allocations were reconfirmed in November 2013 and again in February 2014. IMRF continuously monitors its actual investment allocations in relation to its targets and rebalances as appropriate.

The decrease in receivables and prepaids in 2013 is largely due to the decrease in the receivable from brokers for unsettled trades at year-end due to a larger number of trades outstanding at year-end 2013 compared to 2012. The decrease in liabilities in 2013 is due primarily to the decrease in payables to brokers for unsettled trades at year-end 2013.

Condensed Summary of Fiduciary Net Position
(In millions)

	2012	2011	Dollar Change	Percent Change
Cash and cash equivalents	$ 36	$ 23	$ 13	57%
Receivables and prepaids	635	907	(272)	(30)
Investments	28,075	25,023	3,052	12
Invested securities lending cash collateral	2,685	2,673	12	--
Capital assets, net	5	5	--	--
Total assets	31,436	28,631	2,805	10
Liabilities	3,440	3,794	(354)	(9)
Net position restricted for pensions	$ 27,996	$ 24,837	$ 3,159	13%

As the previous table shows, net position restricted for pensions increased by $3,159 million (13 percent) in 2012. This increase reflects the positive investment return in 2012.

The decrease in receivables and prepaids in 2012 is largely due to the decrease in the receivables from brokers for unsettled trades at year-end due to a larger number of trades outstanding at year-end 2012 compared to 2011. The decrease in liabilities in 2012 is due primarily to the decrease in payables to brokers.

Changes in Fiduciary Net Position

Summarized comparisons of IMRF's Changes in Fiduciary Net Position for 2013 versus 2012 and 2012 versus 2011 are presented below.

Condensed Summary of Changes in Fiduciary Net Position
(In millions)

	2013	2012	Dollar Change	Percent Change
Additions				
Member contributions	$ 339	$ 331	$ 8	2%
Employer contributions	931	883	48	5
Net investment gain	5,583	3,394	2,189	64
Total additions	6,853	4,608	2,245	49
Deductions				
Benefits	1,503	1,390	113	8
Refunds	37	34	3	9
Administrative expenses	26	25	1	4
Total deductions	1,566	1,449	117	8
Increase in net position restricted for pensions	$ 5,287	$ 3,159	$ 2,128	67%

Additions

Additions needed to fund benefits are accumulated through contributions and returns on invested funds. Contributions for 2013 totaled $1,270 million which was 5 percent more than 2012. The increase in member contributions is due to a 2.3 percent increase in total employer payrolls which more than offset a .5 percent decrease in active members due to reductions in employees at IMRF sponsoring employers. The member contribution rate remained at 4.5 percent of earnings for Regular members and 7.5 percent for Sheriff's Law Enforcement Personnel (SLEP) and the optional Elected County Officials (ECO) members. Employer contributions increased 5.4 percent. This increase was driven primarily by the increase in the composite average employer contribution rate from 13.6 percent in 2012 to 14.1 percent in 2013. For rate-setting purposes there is a two-year lag between the date that data is used to compute employer contribution rates and the effective date of those rates.

Investment returns for 2013 were 20.0 percent, significantly more than the 13.5 percent return in 2012. The $5,583 million investment gain in 2013 represents a $2,189 million change from the $3,394 million gain in 2012. IMRF's 2013 total investment portfolio return was up largely due to a strengthening of the housing recovery and rising consumer and business spending in the United States. This was aided by a global growth in manufacturing activity.

In 2013, IMRF had net appreciation in the value of investments of $5,130 million, a $2,302 million change from the $2,828 million of appreciation recorded in 2012. Interest, dividends and equity fund income totaled $528 million, a decrease from the $629 million in 2012. Securities lending income net of related expenses was $14.8 million for 2013, an increase of $1.1 million from 2012. Direct investment expenses increased to $89.5 million in 2013 from $76.6 million in 2012 and reflect the increase in the number of money managers and an increase in the amount of the investment portfolio managed by active managers.

The total rate of return for the portfolio in 2013 was 20.0 percent compared to 13.5 percent in 2012. IMRF's U.S. stock portfolio returned 37.3 percent compared to 33.5 percent for the Dow Jones Total Stock Market Index. The fixed income portfolio returned a negative .8 percent compared to a negative 2.0 percent for the Barclays Aggregate Bond Index. Our international stock portfolio returned 19.9 percent compared to 15.3 percent for the MSCI All-Country World Free ex-US Index. The real estate portfolio returned 10.6 percent compared to 11 percent for the NCREIF Property Index. The alternative investment portfolio returned 13.3 percent.

Deductions

The expenses paid by IMRF include benefit payments, refunds, and administrative expenses. Expenses for 2013 totaled $1,566 million, an increase of $117 million over 2012. The increase in benefit payments to members and beneficiaries resulted primarily from growth in the number of annuitants to 106,997 in 2013 from 103,929 in 2012 as well as an increase in the amount of the average benefit.

When comparing returns it is important to remember that as a pension fund, IMRF's investment program has a very long time horizon. See the Investment section for details of some of the longer term results.

IMRF's money-weighted rate of return for the periods ending:

Period	Return
December 31, 2013	20.15%
December 31, 2012	13.81%

Condensed Summary of Changes in Fiduciary Net Position
(In millions)

	2012	2011	Dollar Change	Percent Change
Additions				
Member contributions	$ 331	$ 327	$ 4	1 %
Employer contributions	883	801	82	10
Net investment gain (loss)	3,394	(93)	3,487	NM
Total additions	4,608	1,035	3,573	345
Deductions				
Benefits	1,390	1,284	106	8
Refunds	34	33	1	3
Administrative expenses	25	23	2	9
Total deductions	1,449	1,340	109	8
Net increase (decrease) in net position restricted for pensions	$3,159	$ (305)	$ 3,464	NM %

*NM: *Not meaningful*

Additions

Additions needed to fund benefits are accumulated through contributions and returns on invested funds. Contributions for 2012 totaled $1,214 million which was 7.6 percent more than 2011. The slight increase in member contributions is due to a 1 percent increase in total employer payrolls which more than offset a .6 percent decrease in active members due to reductions in employees at IMRF sponsoring employers. The member contribution rate remained at 4.5 percent of earnings for Regular members and 7.5 percent for Sheriff's Law Enforcement Personnel (SLEP) and the optional Elected County Officials (ECO) members. Employer contributions increased 4 percent. This increase was driven primarily by the increase in the composite average employer contribution rate from 12.45 percent in 2011 to 13.6 percent in 2012. The 2011 rates reflect the impact of the 24.3% return in 2009 which helped to mitigate the dramatic investment losses that were incurred in 2008. For rate-setting purposes there is a two-year lag between the date that data is used to compute employer contribution rates and the effective date of those rates.

Investment returns for 2012 were 13.5 percent, significantly more than the negative .5 percent return in 2011. The $3,394 million investment gain in 2012 represents a $3,487.5 million change from the $93 million loss in 2011. IMRF's 2011 total investment portfolio return was negatively impacted by the volatility caused by shifts between optimism in the U.S. economic recovery and fear of a recession as well as the concern over European debt.

In 2012, IMRF had net appreciation in the value of investments of $2,828 million, a $3,407 million change from the $579 million of appreciation recorded in 2011. Interest, dividends and equity fund income totaled $629 million, an increase from the $549 million in 2011. Securities lending income net of related expenses was $13.7 million for 2012, an increase of $2.9 million from 2011. Direct investment expenses increased to $76.6 million in 2012 from $74 million in 2011 and reflect the increase in the number of money managers and an increase in the amount of the investment portfolio managed by active managers.

Deductions

The expenses paid by IMRF include benefit payments, refunds, and administrative expenses. Expenses for 2012 totaled $1,449 million, an increase of $109 million over 2011. The increase in benefit payments to members and beneficiaries resulted primarily from growth in the number of annuitants to 103,929 in 2012 from 99,684 in 2011 as well as an increase in the amount of the average benefit.

Statements of Fiduciary Net Position

	As of December 31	
	2013	**2012**
Assets		
Cash and cash equivalents	$ 23,113,600	$ 35,762,906
Receivables and prepaid expenses		
Contributions	78,803,130	69,648,898
Investment income	45,780,338	75,909,471
Receivables from brokers for unsettled trades	175,589,245	388,853,721
Prepaid expenses	110,911,489	100,893,271
Total receivables and prepaid expenses	411,084,202	635,305,361
Investments, at fair value		
Fixed income	8,642,608,260	8,444,909,320
Stocks	21,473,593,888	16,910,065,179
Short-term investments	789,695,320	659,607,445
Real estate	1,081,881,308	804,025,903
Alternative investments	1,260,215,917	1,256,794,618
Total investments	33,247,994,693	28,075,402,465
Invested securities lending cash collateral	2,730,710,325	2,685,208,454
Capital assets		
Equipment, at cost	18,989,597	10,803,051
Accumulated depreciation	(7,072,823)	(5,665,849)
Total capital assets	11,916,774	5,137,202
Total assets	36,424,819,594	31,436,816,388
Liabilities		
Accrued expenses and benefits payable	35,201,484	29,153,937
Securities lending cash collateral	2,730,710,325	2,685,208,454
Payables to brokers for unsettled trades	375,330,246	726,126,734
Total liabilities	3,141,242,055	3,440,489,125
Net position restricted for pensions	$33,283,577,539	$27,996,327,263

The accompanying notes are an integral part of the financial statements.

Statements of Changes in Fiduciary Net Position

	Years Ended December 31	
	2013	**2012**
Additions		
Contributions		
Members for retirement coverage	$ 338,934,421	$ 330,814,542
Employers for benefit plan coverage	930,969,056	883,216,281
Total contributions	1,269,903,477	1,214,030,823
Investment Income		
From investing activities		
Interest	260,804,013	287,427,488
Dividends	228,514,937	239,292,407
Equity fund income, net	38,606,826	101,952,961
Net appreciation in fair value of investments	5,129,840,983	2,827,957,959
Investment activity gain	5,657,766,759	3,456,630,815
Less: Direct investment expense	(89,474,716)	(76,594,798)
Net investment activity gain	5,568,292,043	3,380,036,017
From security lending activity		
Securities lending income	16,474,446	15,169,855
Securities lending management fees and borrower rebates	(1,646,484)	(1,516,799)
Net security lending activity income	14,827,962	13,653,056
Total investment gain	5,583,120,005	3,393,689,073
Other	8,455	12,037
Total additions	6,853,031,937	4,607,731,933
Deductions		
Annuities	1,463,102,775	1,349,091,550
Disability benefits	11,214,500	10,890,086
Death benefits	29,056,873	29,833,835
Refunds	36,944,214	34,142,193
Administrative expenses	25,463,299	24,508,053
Total deductions	1,565,781,661	1,448,465,717
Net increase	5,287,250,276	3,159,266,216
Net position restricted for pensions		
Beginning of year	27,996,327,263	24,837,061,047
End of year	$33,283,577,539	$27,996,327,263

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

December 31, 2013 and 2012

A. Plan Description

The Illinois Municipal Retirement Fund (IMRF or the "Fund") is the administrator of an agent multiple-employer public employee retirement system. The Illinois State Legislature established IMRF to provide employees of local governments and school districts a sound and efficient retirement system. Members, employers and annuitants elect eight trustees who govern IMRF. Four Executive Trustees are elected by employers, three Employee Trustees are elected by members, and one Annuitant Trustee is elected by annuitants. Any IMRF member who has eight years of service credit as of December 31 of the election year is eligible to be nominated to serve as a trustee. State law authorizes the Board to make investments, pay benefits, set employer contribution rates, hire staff and consultants, and perform all necessary functions to carry out the provisions of the Illinois Pension Code. Benefit and contribution provisions are established by state law and may be amended only by the Illinois General Assembly. IMRF is administered in accordance with Illinois statutes. The statutes do not provide for termination of the plan under any circumstances.

IMRF is separate and apart from the Illinois state government and is not included in the state's financial statements. However, the Illinois Pension Code designates the State Treasurer ex-officio treasurer of IMRF and requires the Auditor General to approve appointment of independent public accountants.

1. Employers	**2013**	**2012**
Participating employers	2,977	2,969

The Illinois Pension Code specifies the units of government required to participate in IMRF and the units that may elect to join. Participation by the following units of government is mandatory:

- All counties except Cook,
- All school districts except Chicago and,
- All cities, villages and incorporated towns with a population over 5,000, other than Chicago, which do not provide Social Security or equivalent coverage for their employees before they reach a population of 5,000.

Other units of government with general taxing powers, such as townships and special districts, may elect to join. Participating instrumentalities, which include units of government without general taxing powers and not-for-profit organizations, associations, or cooperatives authorized by state statute, may participate. They must meet financial stability requirements. Units that elect to join the system may not under any circumstances terminate their participating employer status as long as they are in existence.

2. Members	**2013**	**2012**
Inactive		
Retirees and beneficiaries currently receiving benefits	107,732	103,929
Terminated members entitled to benefits but not yet receiving them	12,717	12,175
Terminated members—non-vested	105,317	103,179
Active		
Current members:		
Non-vested	82,380	83,745
Vested	91,446	91,026
Total current members	173,826	174,771
Grand Total	399,592	394,054

Employers must enroll employees in IMRF if the employees' positions meet the qualifications for IMRF membership. There are some exceptions. City hospital employees and elected officials have the option to participate. IMRF does not cover individuals in certificated teaching positions covered by the Illinois Teachers' Retirement System. Also, IMRF does not generally cover individuals performing police or fire protection duties for employers with local police and fire pension funds. Certain police chiefs may choose to participate as Sheriff's Law Enforcement Personnel (SLEP) members.

3. *Contributions*

The member contribution rates are determined as a percentage of payroll—4.5 percent for Regular members, 7.5 percent for SLEP members and Elected County Officials Plan (ECO) members—and are set by statute. The statutes require each participating employer to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. Employer contributions for disability benefits, death benefits and the supplemental retirement benefits are pooled. 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. Costs of administering the plan are financed by investment income. Contributions are based on employer payrolls and are due on the tenth of the month following the month of payment pursuant to the authority vested in the IMRF Board by the Illinois Pension Code.

4. *Benefit Provisions*

Benefits are established by statute and may only be changed by the General Assembly. The benefit provisions in effect on the member's date of participation determine a member's minimum benefit, while the benefit provisions in effect on the member's date of termination determine a member's maximum benefit. The following is a summary of the IMRF benefit provisions as of December 31, 2013 and 2012. The ECO plan was created by statute in 1997 and was revised in 2000. In 2010 the General Assembly passed legislation, which became Public Acts 96-0889 and 96-1495. These acts created a second tier within the Regular, SLEP and ECO plans for members joining IMRF after December 31, 2010 with no prior qualifying service. On August 8, 2011, Public Act 97-0273 closed the ECO plan to new participants. A more extensive description of the plan can be found in the Actuarial Section.

Refunds

Members who terminate their IMRF participation may withdraw their contributions and forfeit future retirement benefits.

Retirement Plan

Plan	Regular Tier 1	Regular Tier 2	SLEP Tier 1	SLEP Tier 2	Original ECO	Revised ECO Tier 1	Revised ECO Tier 2
Vesting	8 years	10 years	20 years	10 years	8 years	8 years in each elected position	8 years in each elected position; 10 years in total
Minimum age for unreduced benefit	35+ years of service: 55, otherwise 60	35+ years of service: 62, otherwise 67	50 with 20+ years of service	55 with 10+ years of service	Sheriffs with 20 years of SLEP service: 50, otherwise 55	Sheriffs with 20 years of SLEP service: 50, otherwise 55	67
Final rate of earnings	Highest consecutive 48 months in the last 10 years	Highest consecutive 96 months in the last 10 years; pensionable earnings initially capped at $106,800 increasing annually by 3% or 1/2 of CPI, whichever is less	Highest consecutive 48 months in the last 10 years	Highest consecutive 96 months in the last 10 years; pensionable earnings initially capped at $106,800 increasing annually by 3% or 1/2 of CPI, whichever is less	Annual salary on the last day of ECO participation	Highest consecutive 48 months in the last 10 years for each elected position	Highest consecutive 96 months in the last 10 years; pensionable earnings initially capped at $106,800 increasing annually by 3% or 1/2 of CPI, whichever is less
Survivor benefits	Annuity for eligible spouse	Annuity for eligible spouse	Annuity for eligible spouse	Annuity for eligible spouse	Annuity for eligible spouse and unmarried children under 18	Annuity for eligible spouse and unmarried children under 18	Annuity for eligible spouse and unmarried children under 18
Post-retirement increase	3% of original amount	3% or 1/2 of CPI, whichever is less of original amount	3% of original amount	3% or 1/2 of CPI, whichever is less of original amount	3% of original amount	3% of original amount	3% or 1/2 of CPI, whichever is less of original amount
Early retirement	At age 55, discount based on age and service	At age 62, discount based on age and service	None	At age 50, discount based on age and service	None	None	At age 62, discount based on age and service

IMRF employers may offer an early retirement incentive (ERI) for active members who have 20 or more years of service and are age 50 (57 for Tier 2 members) or older. The program is optional with employers and may not be offered until the liability for any previous ERI is paid.

Supplemental Retirement Benefit

Retirees and surviving spouses who have been receiving benefits for at least one year receive a supplemental retirement benefit in July. The total supplemental benefit pool in each year is equal to 0.62 percent of the participating payroll for the previous year. An individual receives a pro-rata share of the total pool based upon the ratio of his individual benefits to the total benefits paid to all IMRF recipients.

Death Benefits

An eligible spouse of a deceased retired member receives a one-time death benefit of $3,000 plus a monthly pension equal to one-half (66-2/3 percent for ECO retirees and Tier 2 members) of the member's pension. The beneficiaries of a participating member who had at least one year of service receive a lump sum death benefit equal to one year's earnings (limited to the pensionable earnings cap for Tier 2 members) plus the member's contributions with interest. Death benefits paid upon the death of an inactive member vary depending on the member's age and service.

Disability

Members who have at least one year of service and meet the disability medical requirements will receive a benefit of up to 50 percent of the average monthly earnings in the 12 months preceding disability. Disabled ECO members receive a disability benefit equal to the benefit they would receive upon retirement. IMRF reduces the benefit by Social Security or workers' compensation awards. Members paid disability continue to receive pension service credit and death benefit protection.

5. ***IMRF as Employer***

IMRF as an employer provides pension, disability and death benefits for all of its full-time employees. These expenses, along with all administrative expenses, are financed through fees collected by the Fund.

Members	**2013**	**2012**
Retirees and beneficiaries currently receiving benefits	123	104
Terminated members entitled to benefits but not yet receiving them	21	16
Terminated members—non-vested	28	29
Current members:		
Non-vested	74	66
Vested	108	110
Total current members	182	176
Grand Total	354	325

Trend Information

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2013	$1,511,513	100%	$0
12/31/2012	1,359,252	100	0
12/31/2011	1,336,652	100	0

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2013	$30,154,067	$36,739,504	$6,585,437	82.1%	$12,471,233	52.8%
12/31/2012	26,576,041	34,609,171	8,033,130	76.8	11,860,837	67.7
12/31/2011	26,883,265	34,881,567	7,998,302	77.1	11,955,742	66.9

B. Summary of Significant Accounting Policies

1. *Reporting Entity*

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of a primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as:

(1) The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

(2) The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government.

Based upon these criteria, IMRF has no component units and IMRF is not a component unit of any other entity.

2. *Basis of Accounting*

IMRF prepares its financial statements using the accrual basis of accounting. It recognizes member and employer contributions as revenues in the month member earnings are paid in accordance with the provisions of the Illinois Pension Code. Benefits and refunds are recognized as expenses when payable. Expenses are recorded when the corresponding liabilities are incurred regardless of when payment is made.

3. *Use of Estimates*

The preparation of IMRF's financial statements in conformity with U.S. generally accepted accounting principles requires management to make significant estimates and assumptions that affect the reported amounts and fiduciary net position at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in IMRF fiduciary net position during the reporting period and, when applicable, disclosures of the contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

4. *Risks and Uncertainties*

IMRF invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the amounts reported in the Statement of Fiduciary Net Position.

5. *Income Taxes*

IMRF is exempt from federal and state income taxes and has received a favorable determination from the Internal Revenue Service under Code section 401(a).

6. *Method Used to Value Investments*

IMRF reports investments at fair value. Fair value for stocks is determined by using the closing price listed on the national securities exchanges as of December 31. Fair value for fixed income securities is determined principally by using quoted market prices provided by independent pricing services. For commingled funds, the net asset value is determined and certified by the commingled fund manager as of December 31. Alternative investments, which include private equity and absolute return funds, are valued based on amounts established by fund managers which are subject to annual audit. Fair values for directly owned real estate investments are determined by appraisals. Fair value for the majority of derivative instruments is determined principally by using quoted market prices provided by independent pricing services. Remaining derivative instruments are priced by the Northern Trust Company by obtaining prices from a variety of internal and external sources.

C. New Accounting Pronouncements

In March, 2012, GASB issued Statement No. 65, "Items Previously Reported as Assets and Liabilities". This statement identifies items that were previously identified as assets and liabilities that should now be reported as deferred inflows and outflows of resources or inflows and outflows of resources. In adopting GASB Statement No. 65 for its December 31, 2013 statements, IMRF is not required to reclassify any assets or liabilities as deferred inflows or outflows of resources or inflows or outflows of resources.

In June, 2012, GASB issued Statement No. 67, "Financial Reporting for Pension Plans — an amendment of GASB Statement No. 25". The object of this statement is to improve the usefulness of pension information included in the general purpose external financial reports of governmental pension plans for making decisions and assessing accountability. IMRF had adopted GASB Statement No. 67 for its December 31, 2013 financial statements. The implementation resulted in the elimination of certain actuarial disclosures related to IMRF's funding status as a whole, and the addition of disclosures related to the composition of the Board of Trustees, IMRF's reserves, and the money-weighted rate of return on IMRF's investments.

D. Deposits and Investment Risk Disclosures

1. *Deposits*

Custodial credit risk for deposits is the risk that, in the event of a financial institution failure, IMRF's deposits may not be returned. All non-investment related bank balances at year-end are insured or collateralized with securities held by the Illinois State Treasurer or agents in the name of the State Treasurer. The Illinois State Treasurer is ex-officio Treasurer of IMRF. Cash held in the investment-related bank account is neither insured nor collateralized for amounts in excess of $250,000. These deposits are not required to be collateralized by statute and there is no related deposit policy for custodial risk.

These assets are under the custody of the Northern Trust Company. The Northern Trust Company has an AA Long Term Deposit/Debt rating by Standards & Poor and an A1 rating by Moody.

Carrying amounts at December 31:	**2013**	**2012**
Cash	$ 23,113,600	$ 35,762,906
Bank balances at December 31:		
Total	$15,442,788	$ 9,075,538
Amount exposed to custodial credit risk	$ 675,633	$ 721,464

2. *Investment Policies, Asset Allocation and Money Weighted Rate of Return*

The Illinois Pension Code prescribes the "prudent man rule" as IMRF's investment authority, effective August 25, 1982. This rule requires IMRF to make investments with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an entity of like character with like aims. Within the "prudent man" framework, the Board of Trustees adopts investment guidelines for IMRF investment managers which are included within their respective Investment Management agreements.

IMRF's policy in regard to the allocation of invested assets is established and may be amended by the Board. It is the policy of the Board of Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation as of December 31, 2013.

Asset Class	Target
Fixed Income	29.0%
Stocks	58.0
Real estate	6.0
Alternative	6.0
Short-term	1.0

For the year ended December 31, 2013, the annual money-weighted rate of return on pension plan investments, net of pension investment expenses, was 20.15 percent. For the year ended December 31, 2012 it was 13.81 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

The Investment Section contains a summary of these guidelines. By statute all investments are held in the name of the Illinois Municipal Retirement Fund or in the name of a nominee created for the express purpose of securities registration.

3. *Investment Summary*

The following table presents a summary of the Fund's investments by type at December 31, 2013, and 2012.

	2013	2012
U.S. government & agency fixed income	$ 2,545,232,131	$ 3,444,553,399
U.S. corporate fixed income	2,858,082,449	2,895,289,719
U.S. fixed income funds	2,645,901,812	1,401,840,959
Foreign fixed income securities	593,391,868	703,225,243
U.S. equities	10,447,276,594	7,919,621,813
U.S. stock funds	4,508,900,134	3,338,516,611
Foreign equities	3,552,997,589	3,219,768,708
Foreign stock funds	2,964,419,571	2,432,158,047
Foreign currency forward contracts	2,182,680	(1,733,146)
Pooled short-term investment funds	785,672,131	665,948,799
Real estate	1,081,881,308	804,025,903
Private equity	757,458,243	676,118,128
Absolute return funds	502,757,674	580,676,490
Swaps	(383,053)	1,110,803
Options	2,633,414	(7,734,471)
Other	(409,852)	2,015,460
Total investments at fair value	$33,247,994,693	$28,075,402,465

Short-term securities include commercial paper or notes having a maturity of less than 90 days. Pooled short-term investment funds are commingled funds managed by Northern Trust. Under the terms of the investment agreement for these funds, Northern Trust may invest in a variety of short-term investment securities. Alternative investments include commingled funds and separate accounts that invest in private equity and absolute return funds.

There are no individual investments held by IMRF that represent five percent or more of the Fund's fiduciary net position at year-end. As of December 31, 2013, IMRF had $1,377,271,202 invested in the MFB NT Collective Aggregate Bond Index Fund, $1,268,630,610 in the BlackRock US Debt Index Fund, $2,762,584,902 in the NT Collective U.S. Marketcap Equity Index Fund and $2,440,962,809 in the NT Collective EAFE Index Fund. As of December 31, 2012, IMRF had $1,407,471,842 invested in the NT Collective Aggregate Bond Index Fund, $2,111,305,928 in NT Collective US Marketcap Equity Index Fund, and $1,909,599,431 in the NT Collective EAFE Index Fund.

4. *Custodial Credit Risk for Investments*

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, IMRF will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. As of December 31, the following investments were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Fund's name.

	2013	2012
Investments in foreign currency	$48,743,297	$12,063,993

5. *Concentration of Credit Risk Debt Securities*

The debt security portfolios are managed by professional investment management firms. These investment management firms are required to maintain diversified portfolios. Each investment manager must comply with risk management guidelines individually assigned to them as part of their Investment Management Agreement.

The total debt securities portfolio is managed using the following general guidelines adopted by the IMRF Board of Trustees:

A. Bonds, notes or other obligations of indebtedness issued or guaranteed by the U.S. government, its agencies or instrumentalities are permissible investments and may be held without restriction.

B. The average credit quality of the total portfolio must be investment grade.

C. Debt obligations of any single U.S. corporation shall generally be limited to a maximum of 5 percent of the total portfolio at market value.

D. Generally, no more than 30 percent of a manager's assets at market value may be invested in securities rated below investment grade at the time of purchase. Investment managers using high yield disciplines will not be subject to this restriction.

E. Debt obligations of any U.S. industry shall generally be limited to a maximum of 25 percent of the total portfolio at market value.

F. Bonds or other debt obligations of foreign countries and corporations payable in U.S. and in non-U.S. funds are authorized but, in general, will not exceed 15 percent of the portfolio.

Quality Rating	**2013**	**2012**
Corporate and International		
AAA	$ 194,266,270	$ 242,755,423
AA	242,657,622	335,401,406
A	658,912,006	721,485,577
BBB	992,970,493	868,028,453
BB	653,267,555	537,980,359
B	434,468,459	514,824,695
CCC	133,349,650	120,662,214
CC	4,349,930	7,302,221
C	5,668,429	1,441,710
D	8,462,385	7,893,299
Not Rated and Other	19,675,022	217,279,468
Government and Agencies		
AAA	874,325,716	--
AA	984,166,134	2,595,613,215
A	17,147,898	26,467,214
BBB	139,509	1,606,282
B	2,486,185	--
Not Rated and Other	770,393,185	844,326,825

Quality Rating (continued)	2013	2012
U.S. Fixed Income Fund	2,645,901,812	1,401,840,959
	$8,642,608,260	$8,444,909,320

The U.S. Fixed Income Fund had an average credit quality rating of AA for 2013 and A for 2012.

6. *Interest Rate Risk*

The Illinois Municipal Retirement Fund manages its exposure to fair value losses arising from interest rate risk by diversifying the debt securities portfolio and maintaining the debt securities portfolio at an effective duration range between 80 and 120 percent of the benchmark index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. The effective duration measures the sensitivity of market price to parallel shifts in the yield curve. The Illinois Municipal Retirement Fund benchmarks its debt security portfolio to the Barclays Aggregate Bond Index. At December 31, 2013 and 2012, the effective duration of the Barclays Aggregate Bond Index was 5.15 and 5.06, respectively. At the same points in time, the effective duration of the Illinois Municipal Retirement Fund debt securities portfolio was 4.69 and 4.21, respectively.

Investment	2013 Fair Value	Effective Weighted Duration Rate	2012 Fair Value	Effective Weighted Duration Weight
U.S. Corporate	$ 2,858,082,449	4.06	$ 2,895,289,719	4.68
U.S. Government & Agencies	2,545,232,131	5.20	3,444,553,399	3.53
Fixed Income Fund	2,645,901,812	5.10	1,401,840,959	4.62
International	593,391,868	3.69	703,225,243	4.80
Total	$ 8,642,608,260	4.69	$ 8,444,909,320	4.21

7. *Foreign Currency Risk*

The international portfolio is constructed on the principles of diversification, quality, growth and value. Country exposure is limited to 25 percent or two times the benchmark weighting at fair value. Risk of loss arises from changes in currency exchange rates. International managers may also engage in transactions to hedge currency at their discretion. Currency trading may not be used for speculative purposes. The following represent IMRF's holdings by currency in international equity and fixed income securities.

	2013	2012
Foreign Equities		
Australian dollar	$ 70,967,993	$ 46,151,936
Brazilian real	36,621,779	59,149,031
British pound sterling	601,363,226	473,164,186
Canadian dollar	121,025,157	101,607,724
Chilean peso	9,961,354	9,245,922
Columbian peso	958,706	3,771,543
Czech koruna	5,753,076	5,426,662
Danish krone	25,153,403	26,070,452
Euro	919,680,002	766,418,658
Hong Kong dollar	221,334,542	164,735,149
Hungarian forint	--	2,123,648
Indian rupee	60,928,548	40,772,774
Indonesian rupiah	11,457,590	18,086,634
Japanese yen	632,743,857	475,510,513
Kenyan shilling	795,546	--
Malaysian ringgit	4,259,391	524,631

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Foreign Equities (continued)	2013	2012
Mexican peso	8,766,033	23,920,079
New Israeli shekel	8,738,880	7,095,860
New Taiwan dollar	33,564,051	32,176,381
New Zealand dollar	10,524,059	2,935,981
Nigerian naira	936,138	1,388,457
Norwegian krone	60,236,534	47,075,102
Philippine peso	3,658,406	5,918,930
Polish zloty	5,212,428	10,728,781
Singapore dollar	34,095,670	43,081,627
South African rand	35,802,931	41,774,011
South Korean won	114,827,241	96,583,719
Swedish krona	98,256,062	62,589,694
Swiss franc	188,537,862	130,555,867
Thai baht	10,754,365	22,761,266
Turkish lira	33,863,384	40,913,965
United Arab Emirates dirham	1,334,581	--
United States dollar	3,145,304,365	2,889,667,572
	6,517,417,160	5,651,926,755
Foreign Fixed Income		
Brazilian real	8,237,191	--
British pound sterling	--	380,655
Euro	5,854,623	3,329,148
Malaysian ringgit	--	3,791,863
Mexican peso	20,708,022	15,879,314
United States dollar	558,592,032	679,844,263
	593,391,868	703,225,243
	$7,110,809,028	$6,355,151,998

E. Securities Lending Program

The IMRF securities lending program is authorized by the IMRF Board of Trustees. IMRF lends securities (both equity and fixed income) to securities firms on a temporary basis through its agent, Northern Trust. There are no restrictions on the amount of securities that may be lent. IMRF receives fees for all loans and retains the right to all interest and dividend payments while the securities are on loan. All securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued, subject to de minimus rules, at 102 percent of the market value of the securities plus any accrued interest (105 percent for non-U.S. securities). As the market value of the securities loaned changes, the borrower must adjust the collateral accordingly. IMRF or the borrower has the right to close the loan at any time. The average term of overall loans was 125 days as of December 31, 2013, and 116 days as of December 31, 2012. When the loan closes, the borrower returns the securities loaned to IMRF, and IMRF returns the associated collateral to the borrower. IMRF cannot pledge or sell the non-cash collateral unless the borrower fails to return the securities borrowed.

Northern Trust pools all collateral received from securities lending transactions and invests any cash collateral. IMRF holds a prorated share of the collateral provided by the borrowers of its securities. The cash collateral is shown on IMRF's financial statements. Cash collateral is invested in a short-term investment pool, which had an interest sensitivity of 39 days as of December 31, 2013, and which had an interest sensitivity of 45 days as of December 31, 2012. Cash collateral may also be invested separately in "term loans," in which case the investments match the term of the loan. These loans can be terminated on demand by either lender or borrower.

Indemnification pertains to the situation in which a client's securities are not returned due to the insolvency of a borrower and Northern Trust has failed to live up to its contractual responsibilities relating to the lending of those securities. Northern Trust's responsibilities include performing appropriate borrower and collateral investment credit analyses, demanding adequate types and levels of collateral and complying with applicable Department of Labor and Federal Financial Institutions Examination Council regulations concerning securities lending. During 2013 and 2012, there were no violations of legal or contractual provisions and no borrower or lending agent default losses to the securities lending agent. There are no dividends or coupon payments owing on the securities lent. IMRF had no credit risk as a result of its securities lending program as the collateral held exceeded the market value of the securities lent.

Securities lent are included in the Statements of Fiduciary Net Position. The market value of collateral received includes cash collateral of $2,730,710,325 and $2,685,208,454 at December 31, 2013 and 2012, respectively.

Loans outstanding as of	**December 31, 2013**	**December 31, 2012**
Market value of securities loaned	$ 2,683,849,172	$ 2,675,541,551
Market value of collateral received	$ 2,747,365,631	$ 2,725,750,557

F. Derivatives

IMRF's investment managers may enter into derivative transactions as permitted by their guidelines. A derivative financial instrument is an investment whose payoff depends upon the value of an underlying such as bond or stock prices, a market index, or commodity prices. Derivative financial instruments involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. IMRF's investment managers seek to control this risk through counterparty credit evaluations and approvals, counterparty credit limits and exposure monitoring procedures. Market risk is the possibility that a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. Senior investment management approves these limits and the risk positions of the investment managers are reviewed on a periodic basis to monitor compliance with the limits. IMRF does not purchase derivatives with borrowed funds.

During the year, IMRF's derivative investments included foreign currency forward contracts, financial futures, options and swaps. Foreign currency forward contracts are used to hedge against the currency risk in IMRF's foreign stock and fixed income security portfolios. The remaining derivative financial instruments are used to improve yield, adjust the duration of the fixed income portfolio, or to hedge changes in interest rates.

Foreign currency forward contracts are agreements to buy or sell a specific amount of a specific currency at a specified delivery or maturity date for an agreed upon price. As the fair value of the underlying currency varies from the original contract price, IMRF records an unrealized gain or loss. The counterparties to the foreign currency forward contracts are banks which are rated A or above by rating agencies. The fair value of forward currency contracts outstanding at December 31, 2013 and 2012 is as follows:

Fair Value as of	**December 31, 2013**	**December 31, 2012**
Pending Foreign Exchange Purchases		
Australian dollar	$ 9,760,950	$ 5,812,245
Brazilian real	--	5,429,839
British pound sterling	52,423,536	19,690,038
Canadian dollar	32,509,622	28,580,559
Danish krone	43,635,043	29,836,066
Euro	16,361,206	8,100,381
Hong Kong dollar	229,333	105,303
Japanese yen	7,696,404	6,816,828
New Israeli shekel	981,790	2,486,362
New Zealand dollar	35,807,952	28,391,583
Norwegian krone	1,422,147	--
Singapore dollar	456,458	5,303,346
South African rand	--	58,808
Swedish krona	433,109	86,043

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Fair Value (continued) as of	December 31, 2013	December 31, 2012
Swiss franc	20,538,955	4,396,858
United States dollar	286,543,986	237,984,039
Total purchases	$ 508,800,491	$ 383,078,298
Pending Foreign Exchange Sales		
Australian dollar	$ (23,089,778)	$ (11,408,748)
British pound sterling	(1,512,671)	(13,463,879)
Canadian dollar	(4,513,778)	(3,325,219)
Danish krone	(50,354)	(80,880)
Euro	(134,302,707)	(130,039,510)
Hong Kong dollar	(10,182,871)	(10,404,429)
Japanese yen	(67,557,689)	(25,295,796)
New Israeli shekel	(4,167,730)	(4,099,552)
New Zealand dollar	(2,149,875)	(6,563,623)
Norwegian krone	(4,319,611)	(2,227,387)
Phillippine peso	(5,244)	--
Singapore dollar	(1,010,419)	(474,673)
Swedish krona	(28,511,626)	(16,001,136)
Swiss franc	(3,515,917)	(18,127,965)
Thai baht	(186,896)	(79,044)
Turkish lira	(361,141)	--
United States dollar	(221,179,504)	(143,219,603)
Total sales	$(506,617,811)	$(384,811,444)
Net Unrealized Gain (Loss)	$2,182,680	$ (1,733,146)

Financial futures are similar to forward contracts, except futures contracts are standardized and traded on organized exchanges. As the market value of the underlying hedging assets vary from the original contract price, a gain or loss is recognized and is settled through the clearinghouse. Financial futures represent an off-balance sheet obligation as there are no balance sheet assets or liabilities associated with those contracts. The contractual amounts of future contracts outstanding at December 31, 2013 and 2012 are as follows:

Contractual Amount as of	December 31, 2013		December 31, 2012	
	Amount	Number of Contracts	Amount	Number of Contracts
Fixed income derivatives futures sold	$ 29,524,000	148	$154,932,602	1,160
Fixed income derivatives futures purchased	212,836,594	1,697	220,808,828	1,264
Fixed income futures sold	212,836,594	1,697	220,808,828	790
Fixed income futures purchased	29,524,000	148	154,932,602	1,081
Equity derivatives futures purchased	$ 11,046,600	120	$ 13,703,965	193
Equity derivatives offsets futures sold	11,046,600	120	13,703,965	--
Cash and cash equivalent derivatives futures sold	$ --	--	$ 53,379,125	215
Cash and cash equivalent futures purchased	--	--	53,379,125	215
Cash and cash equivalent derivatives futures purchased	--	--	53,508,125	215
Cash and cash equivalent derivatives offsets futures sold	--	--	53,508,125	215

Contractual amounts, which represent the fair value of the underlying assets of the derivative contracts, are often used to express the volume of these positions. Such amounts do not reflect the extent to which positions may offset one another or the potential risk, which is generally a lesser amount.

Financial options are agreements that give one party the right, but not the obligation, to buy or sell a specific amount of an asset for a specified price, called the strike price, on or before a specified expiration date. As a writer of financial options, IMRF receives a premium at the outset of the agreement and bears the risk of an unfavorable change in the price of the assets underlying the option. Gains and losses on options are determined based on fair values and are recorded in the Statement of Changes in Fiduciary Net Position. The fair value of financial options outstanding at year-end December 31, 2013 and 2012 is as follows:

Fair Value as of	**December 31, 2013**		**December 31, 2012**	
	Amount	**Notional Value**	**Amount**	**Notational Value**
Financial put options	$ 2,068,392	$ 119,700,123	$ 289,609	$ 411,815,244
Financial call options	$ 565,022	$ 52,650,000	$ (8,024,080)	$ 246,600,316

Interest rate swaps are agreements between two or more parties to exchange sets of cash flows over a period of time. In the most common type of interest rate swap arrangement, one party agrees to pay fixed interest payments on designated dates to a counterparty who, in turn, agrees to make return interest payments that float with some reference rate. In addition to interest rate swaps, one of IMRF's investment managers utilizes credit default swaps which add liquidity to individual credits and protect specific positions. Gains and losses on swaps are determined based on fair values and are recorded in the Statement of Changes in Fiduciary Net Position. The fair value of swaps outstanding at December 31, 2013 and 2012 is as follows:

Fair Value as of	**December 31, 2013**	**December 31, 2012**
Swaps, (loss) gain	$ (383,053)	$ 1,110,803

As of December 31, 2013

Type of Swap	**Notional Value**	**Fair Value**	**Counterparty Credit Rating**
Credit Default Swap	$ 18,826,797	$ 647,503	A
Credit Default Swap	1,755,000	(3,370)	A
Credit Default Swap	23,075,000	(930,527)	NR*
Interest Rate Swap	476,080,000	1,472,355	NR*
Interest Rate Swap	216,680,000	(1,569,014)	NR*
Total	$ 736,416,797	$ (383,053)	

As of December 31, 2012

Type of Swap	**Notional Value**	**Fair Value**	**Counterparty Credit Rating**
Credit Default Swap	$ 43,170,580	$ 886,619	A
Credit Default Swap	12,447,000	(248,757)	A
Interest Rate Swap	306,060,000	2,039,498	A
Interest Rate Swap	171,000,000	(1,566,557)	A
Total	$ 532,677,580	$ 1,110,803	

*NR = not rated

G. Future Investment Commitments

At December 31, 2013 and 2012, IMRF had future commitments for additional contributions to real estate and alternative investment managers totaling $1,067,183,369 and $881,578,216, respectively.

H. Postemployment Benefits Other Than Pensions

1. Plan Description

IMRF, as an employer, administers a single-employer defined benefit healthcare plan (“Retiree Health Plan”) under the provisions of ILCS Chapter 215, Article 5, Section 367j. As required by the statutes, the Retiree Health Plan provides lifetime health and dental care insurance for eligible retirees and their spouses through IMRF’s group health insurance plan, which covers both active and retired members. Currently 22 retirees are in the plan and 185 active employees could be eligible at retirement. Benefit subsidy provisions have been established by IMRF’s Board of Trustees that cover a percentage of the retiree’s insurance premiums from the date of retirement to the date the retiree becomes eligible for Medicare. The amount of the subsidy varies based upon the retiree’s years of service with IMRF. These benefit subsidy provisions can be modified or terminated at the sole discretion of the IMRF Board. Except for any eligible subsidy, retirees must pay the entire blended insurance premium for their coverage.

2. Funding Policy

The contribution requirements of plan members and IMRF are established by IMRF’s Board of Trustees within the provisions of the Illinois statutes. The required contribution is based on projected pay-as-you-go financing requirements. For 2013 and 2012, IMRF contributed $1,906,930 and $1,801,392, respectively, to the plan for current premiums, including a $51,959 subsidy in 2013 and a $52,182 subsidy in 2012 for retiree health and dental care premiums (78.6 percent and 78.8 percent of total premiums for each year). Plan members receiving benefits contributed $519,774 in 2013 and $483,631 in 2012, or 21.4 percent and 21.2 percent of the total premiums for each year, through their required contributions of between $53 and $452 per month based upon their coverage.

3. Annual OPEB Cost and Net OPEB Obligation

IMRF’s annual other postemployment benefit (OPEB) expense is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of IMRF’s annual OPEB cost, the amount actually contributed to the plan, and changes in IMRF’s net OPEB obligation to the Retiree Health Plan:

	2013	2012	2011
Annual required contribution	$ 170,011	$ 173,526	$ 193,027
Interest on net OPEB obligation	59,283	54,344	46,390
Adjustment to annual required contribution	(42,376)	(38,846)	(33,160)
Annual OPEB expense	186,918	189,024	206,257
Contributions made	(132,485)	(123,181)	(100,196)
Increase in net OPEB obligation	54,433	65,843	106,061
Net OPEB obligation - beginning of year	790,436	724,593	618,532
Net OPEB obligation - end of year	$ 844,869	$ 790,436	$ 724,593

In 2013, 2012 and 2011, IMRF contributed 78 percent, 71 percent and 52 percent, respectively, of the annual required OPEB contribution to the plan.

4. Actuarial Valuation Information

Actuarial Valuation December 31	Actuarial Accrued Liability (AAL)	Actuarial Assets	Actuarial Assets as a Percentage of AAL	Unfunded Actuarial Liability (UAAL) (a)	Actuarial Covered Payroll (b)	UAAL as a Percentage of Covered Payroll (a/b)
2013	$1,760,380	$0	0%	$1,760,380	$13,465,676	13.1%
2012	1,770,498	0	0	1,770,498	12,319,670	14.4
2011	1,785,973	0	0	1,785,973	12,574,344	14.2

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. IMRF does not intend to fund the plan.

5. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan member to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the December 31, 2013 actuarial valuation, the individual entry age actuarial cost method was used. The actuarial assumptions included a 7.5 percent investment rate of return which is based upon the employer's assumed return on its assets and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 4 percent after nine years. Both rates include a 4 percent inflation assumption. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over an open 30-year period.

I. Reserves

IMRF maintains several reserves as required by the Illinois Pension Code and Board policy. All reserves are fully funded with the exception of some individual employer retirement reserves. These reserves do not equal the present value of expected retirement benefits for all employers. In 2013 the present value of expected retirement benefits exceeded the retirement reserves for all employers combined by $1,072,997,934. In 2012 the present value of expected retirement benefits exceeded the retirement reserves for all employers combined by $4,606,916,836. These reserves are explained in the Illinois Pension Code Section 7; 202 through 208.

	2013	2012
1. Member Contribution Reserve		
Balance at December 31	$ 6,039,015,031	$ 5,705,657,084
2. Annuity Reserve		
Balance at December 31	$ 15,751,643,026	$ 14,501,354,249
3. Employer Reserves		
Balance at December 31		
Retirement contribution reserve	$ 11,410,645,919	$ 7,760,485,197
Earnings and experience reserve	52,413,109	(643,846)
Supplemental retirement benefit	1,356,688	711,860
Pooled death benefit reserve	15,073,934	13,241,991
Pooled disability benefit reserve	13,429,831	15,520,728
	$ 11,492,919,481	$ 7,789,315,930

J. Other Notes

1. *Prepaid Expenses*

Balance at December 31	2013	2012
Prepaid administrative expenses	$ 1,590,708	$ 951,233
January 1 benefits charged to bank account in December	109,320,772	99,942,038
	$ 110,911,480	$ 100,893,271

2. *Capital Assets*

Capital assets are recorded at their cost at the time of acquisition. Depreciation and amortization are computed using the straight-line method over the estimated useful life of the related asset. The estimated useful lives are 1) furniture: ten years, 2) equipment: five to eight years 3) internally-developed software: six years and 4) automobiles: four years.

Year ended December 31	2013	2012
Equipment, furniture, automobiles and internally-developed software		
Beginning balance in service	$ 10,536,681	$ 8,639,933
Additions	584,190	2,574,686
Deletions	(70,689)	(677,938)
Ending balance in service	11,050,182	10,536,681
Software under development	7,939,415	266,370
Total ending balance	18,989,597	10,803,051
Accumulated depreciation and amortization		
Beginning balance	5,665,849	5,004,381
Additions	1,477,663	1,290,102
Deletions	(70,689)	(628,634)
Ending balance	7,072,823	5,665,849
Capital assets, net	$ 11,916,774	$ 5,137,202

3. *Compensated Absences*

Annual vacation leave is earned by all employees. Upon termination, employees are eligible to receive compensation for their accrued annual leave balances. At December 31, 2013, a liability existed for accumulated annual leave calculated at the employee's December 31, 2013 pay rate in the amount of $765,814. Employees who have been continuously employed by IMRF for at least five years prior to the date of their retirement, resignation or death will receive payment for their accumulated sick leave balance with such payment not to exceed the sum of ninety days of the employee's annual compensation. For employees who have not been employed for five continuous years, an accrued liability is calculated assuming the likelihood that they will meet the five-year threshold in the future. At December 31, 2013, a liability existed for accumulated and accrued sick leave, calculated at the employee's December 31, 2013 pay rate in the amount of $2,455,002. The total leave liability of $3,220,816 and $3,136,481 as of December 31, 2013, and 2012, respectively, is reflected on the Statement of Fiduciary Net Position in accrued expenses and benefits payable.

4. *Lease Agreements*

The Fund leases its headquarters facilities at the Drake Oak Brook Plaza under an agreement with the building's management. In 2010 the Fund entered into a new agreement covering the period June 1, 2011, through October 31, 2016. The lease contains an abatement clause. The Fund will amortize the abated rent, operating expenses, and real estate taxes over the period covered by the agreement. Total rental expense for 2013 and 2012 was $979,874 and $899,055, respectively. In 2012, the Fund entered into a new agreement with the building's management to lease additional space at the Drake Oak

Brook Plaza covering the period January 15, 2013 through October 31, 2016. This lease also contains an abatement clause. The Fund will amortize the abated rent, operating expenses, and real estate taxes over the period covered by the agreement.

The Fund also leases office space in Springfield for its Regional Counseling Center. In 2011 the Fund entered into a new agreement covering the period November 1, 2011, through October 31, 2016. Total rental expense for 2013 and 2012 was $33,110 and $33,000, respectively.

The minimum commitments for the remainder of these leases are as follows:

2014	$ 1,182,304
2015	1,217,436
2016	1,042,274

5. ***Risk Management***

IMRF carries commercial, business, fiduciary liability and automobile liability insurance coverage provided by private insurance carriers. These policies limit the risk of loss from torts; theft of, damage to and destruction of assets; errors and omission; injuries to employees; and natural disasters. There have been no material insurance claims filed or paid during the last three years.

The Fund is also exposed to investment risk. This risk is limited by diversification of the portfolio, establishment and monitoring of investment policies and guidelines and monitoring of investment performance. In addition, investment consultants and fiduciary counsel monitor the Fund's activities and advise the Board of Trustees.

6. ***Contingencies***

IMRF is a defendant in a number of lawsuits that, in management's opinion, will not have a material effect on the financial statements.

*Required Supplementary Information**

Schedule of Money Weighted Rate of Returns

The money-weighted rate of return is presented to provide information regarding IMRF's investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

	2013	2012
Annual money-weighted rate of return, net of investment expenses	20.15%	13.81%

(Ten year trend not available.)

**Unaudited; see accompanying independent auditor's report.*

Supplementary Information

Schedule of Administrative Expenses

	2013	2012
Personal services	$16,358,405	$16,070,464
Supplies	434,872	414,324
Professional services	1,435,949	1,374,696
Occupancy and utilities	1,924,027	1,730,885
Postage and delivery	1,052,761	1,028,983
Equipment service and rental	1,053,833	975,680
Expendable equipment	256,728	195,345
Miscellaneous	1,469,061	1,427,574
Depreciation	1,477,663	1,290,102
Total	$25,463,299	$24,508,053

Schedule of Payments for Professional Services

	2013	2012
Modernization consulting	$ 60,384	$ 300,300
Actuary	358,285	290,324
Internal auditing	262,526	263,894
External auditor	129,265	125,500
Medical consultant	125,025	102,000
Public relations consultant	82,309	84,430
IT consultants	264,854	71,033
Legislative lobbying consultant	68,160	67,200
Compensation and benefits consultant	15,000	30,529
Legal services	28,094	25,127
Other consulting	11,850	10,050
Tax consultant	30,197	4,309
Total	$ 1,435,949	$ 1,374,696

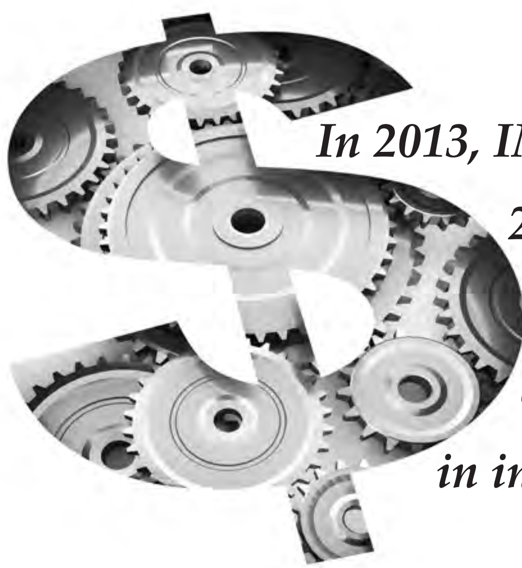
Schedule of Investment Expenses

	2013	2012
Investment manager fees	$87,837,029	$75,073,163
Master trustee fees	255,000	250,000
Investment consultants	982,886	894,373
Investment legal fees	324,929	283,292
Miscellaneous	74,872	93,970
Total	$89,474,716	$76,594,798

A schedule of investment related fees can be found in the Investment Section.

Investments

2013



In 2013, IMRF achieved a 20.0% Annual Rate of Return, earning $5.6 billion in investment income.

Callan

Callan Associates Inc.
1660 Wynkoop Street
Suite 950
Denver, CO 80202

Main 303.861.1900
Fax 303.832.8230

www.callan.com

March 21, 2014

The Board of Trustees
The Executive Director
Illinois Municipal Retirement Fund
2211 York Road, Suite 500
Oak Brook, IL 60523

Dear Trustees and Executive Director:

Callan Associates is pleased to report the results of the Illinois Municipal Retirement Fund (IMRF) investment program for calendar year 2013.

Strong capital market returns in 2012 were followed by spectacular returns for equities and risk assets in 2013. U.S. GDP growth improved over the course of the year, employment picked up and consumer confidence rose as housing prices recovered. The U.S. equity market, as measured by the Dow Jones U.S. Total Stock Market Index, surged 33.5%. The international equity markets, as measured by the MSCI All Country World ex-U.S. Index, lagged those in the U.S. but still gained a respectable 15.3%. Treasury yields rose during the year leading to the first negative return for the Barclays Capital Aggregate Index (-2.0%) since 1999.

The Illinois Municipal Retirement Fund reported assets of $33.15 billion as of December 31, 2013. This represented an increase of approximately $5.25 billion from December 31, 2012.

The Total Fund returned 20.0% net of fees in 2013, outperforming the Total Fund Benchmark by 4.1%. The Total Fund Benchmark is composed of the individual asset class benchmarks weighted in the same proportion as the target asset class allocations[1]. On a gross of fee basis, the Total Fund ranked in the 14th percentile of Callan's Large Public Fund Sponsor Database for the one-year period, and in the top 15th and 5th percentile for the trailing five and ten year periods, respectively. The Fund's robust absolute and relative performance was a result of strong returns from domestic and international equity. Active management was additive for all public asset classes for the year.

The domestic equity portfolio, with a current target allocation of 38%, returned 37.3% net of fees for the year ended December 31, 2013. This return exceeded the Dow Jones U.S. Total Stock Market Index by 3.8%. IMRF's Domestic Equity portfolio, gross of fees, ranked 4th percentile compared to other public fund domestic equity portfolios.

The Euro Zone appeared to turn the corner having emerged from a recession in the latter half of the year. Developed markets outside of the United States, represented by the All Country World ex-U.S. Index, gained 15.3% with Europe and Japan both posting strong returns. International small cap did better, rising 19.7%. Emerging market equities suffered as Federal Reserve talk of tapering quantitative easing resulted in capital outflows. The MSCI Emerging Markets Index, with a loss of 2.3%, was the only major global equity market to post a negative return for the year.

The IMRF international equity portfolio increased 19.9% net of fees over the one-year period outperforming the MSCI All-Country World ex-U.S. Index by 4.6%. The gross of fee return of 20.2% ranked in the 31st percentile compared to Public Fund International Equity peers. This asset class, which has a current target

[1] As of December 31, 2013, the Total Fund Benchmark consisted of 38% DJ U.S. Total Stock Market Index, 29% Barclays Capital Aggregate Bond Index, 20% MSCI AC World ex-U.S. Index, 6% NFI-ODCE +1%, 6% of the Alternatives Custom Benchmark of 9%, and 1% of the Citigroup 90-Day T-Bill Index.

Callan

Illinois Municipal Retirement Fund
March 21, 2014 2

allocation of 20%, is broadly invested and includes a dedicated allocation to small cap stocks and emerging markets.

In a rising interest rate environment, the Fund's fixed income portfolio lost 0.8% net of fees. This return was ahead of the Barclays Capital Aggregate Bond Index by 1.3%. The gross of fee return of -0.6% ranked in the 40th percentile compared to peers. The fixed income portfolio has a current target allocation of 29% and was well diversified including dedicated investments in high yield securities and core plus type strategies.

Investment measurements and comparisons have been made using standard performance evaluation methods and results are presented in a manner consistent with the investment industry. Rates of return were determined using a time-weighted return calculation.

Sincerely,

Janet C. Becker-Wold

Janet C. Becker-Wold, CFA
Senior Vice President

Northern Trust

March 13, 2014

Board of Trustees and Executive Director
Illinois Municipal Retirement Fund
2211 York Road
Oak Brook, IL 60523-2337

To the Board of Trustees and the Executive Director

The Northern Trust Company as Master Trustee has provided detailed financial reports of all investments, receipts, disbursements, purchases and sales of securities and other transactions pertinent to the Fund for the period January 1, 2013, through December 31, 2013. Also, a statement of assets together with their fair market value was provided, showing the properties held as of December 31, 2013. The Northern Trust Company certifies that the statements contained therein are fairly presented and are true and accurate.

In addition to the custody of the assets, The Northern Trust Company provided and will continue to provide the following services as Master Trustee:

1. Receive and hold all amounts paid to the Trust Fund by the Board of Trustees.

2. Accept and deliver securities in accordance with the instructions of appointed Investment Managers.

3. Collect dividends and registered interest payments.

4. Collect matured or called securities and coupons.

5. Securities Lending.

6. Invest cash balances held from time to time in the individual investment management accounts in short term, cash equivalent securities.

7. Exercise rights of ownership in accordance with pre-described jurisdiction of stock subscriptions and conversion rights.

8. Hold securities in the name of the Master Trust or nominee form.

9. Employ agents with the consent of the Board of Trustees.

10. Provide disbursement and security fail float income.

11. Checking Accounts.

12. On-line Trust and Banking reporting.

THE NORTHERN TRUST COMPANY

By: Patricia Somerville-Koulouris

Patricia Somerville-Koulouris
Senior Vice President

Investment Consultants

Master Trustee

The Northern Trust Company
Patricia Somerville-Koulouris
Chicago, Illinois

Performance Evaluation

Callan Associates, Inc.
Janet Becker-Wold, Principal
Denver, Colorado

Investment Consultant

Callan Associates, Inc.
Janet Becker-Wold, Principal
Denver, Colorado

Investment Managers

Abbott Capital Management, LLC
New York, New York

ABRY Partners
Boston, Massachusetts

AEW Capital Management, L.P.
Boston, Massachusetts

Affinity Investment Advisors
Irvine, California

Almanac Realty Investors
New York, New York

Ambassador Capital Management
Detroit, Michigan

Apex Capital Management, Inc.
Dayton, Ohio

Ariel Investments, LLC
Chicago, Illinois

Arrowstreet Capital, L.P.
Cambridge, Massachusetts

Ativo Capital Management, LLC
Chicago, Illinois

Aurora Investment Management
Chicago, Illinois

Beecken Petty O'Keefe & Company LLC
Chicago, Illinois

BlackRock Financial Management, Inc.
New York, New York

The Blackstone Group, L.P.
New York, New York

BMO Asset Management U.S.
Chicago, Illinois

Brandes Investment Partners, L.P.
San Diego, California

Brown Capital Management, Inc.
Baltimore, Maryland

CBRE Global Investors
Los Angeles, California

Channing Capital Management, LLC
Chicago, Illinois

Concerto Asset Management, LLC
Charlotte, North Carolina

Cornerstone Real Estate Advisers, LLC
Hartford, Connecticut

Cozad/Westchester Agricultural Asset Management
Champaign, Illinois

Dimensional Fund Advisors
Santa Monica, California

Dodge & Cox Investment Managers
San Francisco, California

Dune Capital Management, L.P.
New York, New York

EARNEST Partners, LLC
Atlanta, Georgia

EnCap Investments, L.P.
Houston, Texas

Forest Investment Associates
Atlanta, Georgia

Fortaleza Asset Management, Inc.
Chicago, Illinois

Franklin Templeton Real Estate Advisors
New York, New York

Frontier Capital Management Co.
Boston, Massachusetts

Garcia Hamilton & Associates, L.P.
Houston, Texas

Genesis Asset Managers International, Ltd.
London, England

GlobeFlex Capital, L.P.
San Diego, California

Herndon Capital Management, LLC
Atlanta, Georgia

High Pointe Capital Management, LLC
Chicago, Illinois

Holland Capital Management
Chicago, Illinois

ICV Partners
New York, New York

Invesco Real Estate
Dallas, Texas

Investment Counselors of Maryland, LLC
Baltimore, Maryland

LaSalle Investment Management
Chicago, Illinois

Lazard Asset Management
New York, New York

Lightspeed Venture Partners
Menlo Park, California

LM Capital Group, LLC
San Diego, California

Lombardia Capital Partners, LLC
Pasadena, California

Longfellow Investment Management Co.
Boston, Massachusetts

LSV Asset Management
Chicago, Illinois

MacKay Shields, LLC
New York, New York

Mayfield Fund
Menlo Park, California

Mondrian Investment Partners Limited
London, England

Muller & Monroe Asset Management, LLC
Chicago, Illinois

New Century Advisors, LLC
Bethesda, Maryland

Northern Trust Investments, Inc.
Chicago, Illinois

Pantheon Ventures, Inc.
San Francisco, California

Phocas Financial Corporation
Alameda, California

Piedmont Investment Advisors, LLC
Durham, North Carolina

Profit Investment Management
Silver Spring, Maryland

Progress Investment Management Company
San Francisco, California

Pugh Capital Management
Seattle, Washington

Pyramis Global Advisors
Boston, Massachusetts

Redwood Investments, LLC
Newton, Massachusetts

Rockwood Capital, LLC
White Plains, New York

Sands Capital Management, LLC
Arlington, Virginia

Security Capital Markets Group, Inc.
Santa Fe, New Mexico

Starwood Capital Group
Greenwich, Connecticut

TA Associates Realty
Boston, Massachusetts

Taplin, Canida & Habacht
Miami, Florida

Templeton Investment Counsel, LLC
Fort Lauderdale, Florida

Torchlight Investors
New York, New York

Versant Venture Management, LLC
Menlo Park, California

Vision Capital Management, Inc.
Portland, Oregon

Vista Equity Partners, LLC
Austin, Texas

Wall Street Associates
La Jolla, California

Western Asset Management Company
Pasadena, California

William Blair & Company
Chicago, Illinois

Investment Policies

The Board of Trustees, operating within the prudent man framework, has adopted the following investment objectives and guidelines. The objectives and guidelines presented here are intended to be summarizations. Specific contractual objectives and guidelines are in effect for individual investment managers.

A. Investment Objectives

1. To diversify the investment portfolio so as to optimize investment returns.

2. To set investment and actuarial policies that assure the adequate accumulation of assets and maintain a reasonable funded status.

3. To achieve rates of return greater than the current actuarial investment assumption of 7.5 percent.

4. To achieve rates of return consistent with expectations for each asset class used, without significantly changing the expected risk profile of the asset class or the investment portfolio.

5. To achieve in U.S. equities a total return that exceeds the total return of the Dow Jones U.S. Total Stock Market Index.

6. To achieve in international equities a total return that exceeds the total return of the Morgan Stanley Capital International All Country World Index Ex-US (MSCI ACWI-Ex U.S.).

7. To achieve in fixed income securities a total return that exceeds the total return of the Barclays Aggregate Bond Index.

8. To achieve in equity real estate investments a return that exceeds the National Council of Real Estate Investment Fiduciaries (NCREIF) Open-End Diversified Core gross of fees (ODCE) Index over a rolling three-year period.

9. To achieve in alternative investments an annualized return of 9 percent.

10. To achieve in internally managed short-term securities relative performance better than 3-month U.S. Treasury Bills.

B. Proxy Voting Guidelines

The Board of Trustees of the Illinois Municipal Retirement Fund (IMRF) recognizes its fiduciary responsibility to prudently manage the assets of the Fund. The assets include common stock in many different companies and, as a shareowner, the Board also owns proxy voting rights. The Board acknowledges that it not only has a right to vote proxies, but also a duty to vote them. Proxies have economic value and, therefore, the Board has the duty to prudently oversee the management of them as it does all other Fund assets.

The Board shall vote proxies in accordance with the exclusive benefit rule which requires the Board to act solely in the economic interest of the Fund's members and beneficiaries.

Generally, proxies related to corporate governance shall be voted in favor of shareholder-sponsored proposals requiring corporate boards to act in the best interests of shareholders. Proxies related to director, executive, and employee compensation shall be voted in favor of compensation plans that motivate directors, executives, and employees to achieve high performance for the long-term benefits of all shareowners. Proxies related to takeover defenses shall be voted in favor of proposals allowing shareholders to vote on poison pills and golden parachutes. Proxies related to capital structure issues shall be voted in favor of proposals requiring shareowner approval for reasonable share increases needed for business purposes. Proxies related to mergers, acquisitions, and corporate restructuring will be voted on a case-by-case basis. Proxies related to routine management issues shall generally be voted in accordance with management's view on such issues. In keeping with the Board's fiduciary duty to act solely in the economic interest of the Fund, and because empirical evidence is inconclusive about whether all social and political proposals enhance shareowner value, IMRF will abstain from voting on such proposals.

C. Domestic Equity Investment Guidelines

1. Generally, no individual security shall comprise more than 5 percent of the total portfolio at market value.

2. The total portfolio shall generally not hold more than 5 percent of the outstanding shares of any one company.

3. Holdings of any one issuer, at the time of purchase, shall generally be limited to not more than 15 percent of a manager's portfolio market value.

4. Sector exposure in the total portfolio shall generally not differ by more than 5 percentage points from the sector exposure of the Dow Jones U.S. Total Stock Market Index.

5. Domestic equity managers must invest in equity securities that are listed on principal U.S. exchanges or traded over the counter. ADRs of foreign companies are permissible.

D. International Equity Investment Guidelines

1. Generally, no individual security shall comprise more than 6 percent of the total portfolio at market value.

2. The total portfolio shall generally not hold more than 5 percent of the outstanding shares of any one company.

3. Holdings of any one issuer, at the time of purchase, shall generally be limited to a maximum of 8 percent of a manager's portfolio market value.

4. Sector exposure in the portfolio shall not exceed the higher of 25 percent or two times the benchmark weighting at market value.

5. Country exposure in the portfolio shall not exceed the higher of 25 percent or two times the benchmark weighting at market value.

6. International equity managers shall generally invest in equity securities of companies domiciled outside of the U.S. They may be allowed to invest in U.S. domiciled companies that operate primarily outside the U.S.

7. International equity managers may engage in various transactions to manage currency. Forward contracts, futures and options may be used for currency management purposes. Currency trading may not be used for speculative purposes unless otherwise specified in individual manager guidelines.

E. Fixed Income Investment Guidelines

1. Bonds, notes or other obligations of indebtedness issued or guaranteed by the U.S. government, its agencies or instrumentalities may be held without restriction.

2. The average credit quality of the total portfolio will be investment grade.

3. Debt obligations of any single U.S. corporation shall generally be limited to a maximum of 5 percent of the total fixed income portfolio at market value.

4. Generally, no more than 30 percent of an investment manager's assets at market value may be invested in securities rated below investment grade at the time of purchase. Investment managers outside of core and core plus mandates are not subject to this restriction.

5. Bonds or other debt obligations of foreign countries and corporations payable in U.S. and in non-U.S. funds are authorized, but in general will not exceed 15 percent of the total fixed income portfolio.

6. Individual manager portfolios shall have an effective duration between 18-120 percent of the index for mandates benchmarked against the Barclays Capital Aggregate Index or the Merrill Lynch High Yield Cash Pay Index.

7. The use of swaps, exchange-traded financial futures, exchange-traded options on financial futures, and over-the-counter options are subject to individual manager guidelines. Managers are not permitted to utilize these transactions for speculative purposes. Leverage is not allowed except as permitted for rolling mortgage pass-through securities.

8. No assets shall be committed to short sale contracts.

F. Equity Real Estate Investment Guidelines

The primary role of the global real estate program is to provide diversification benefits to the total Fund through low correlations with other portfolio asset classes. The secondary role is to generate income and provide protection against inflation.

1. The maximum commitment to any private real estate manager shall be 40 percent of the total real estate portfolio value plus unfunded commitments at the time of due diligence.

2. IMRF will seek property type diversification at the total private real estate portfolio level and any single private real estate investment may not be fully diversified. Investments may include office, retail, industrial, multi-family, and other non-traditional categories such as hotels, self-storage, data centers, student housing, land, and other property types.

3. IMRF will seek geographic and economic diversification at the total private real estate portfolio level. Any given investment may not be diversified on a stand-alone basis. Although IMRF may invest in strategies where investments are located outside of the U.S., exposure to these dedicated strategies is limited to 20 percent of the total real estate portfolio value plus unfunded commitments at the time of due diligence.

4. IMRF's long-term strategic target to core real estate investments is 60 percent with a minimum of 50 percent.

5. Modest amounts of leverage may be used as a means of enhancing the overall risk adjusted returns. Leverage at the total real estate portfolio level will be kept below 50 percent loan to value.

6. Publicly traded real estate securities will not exceed 20 percent of the total real estate portfolio plus unfunded commitments at the time of due diligence.

7. The majority of real estate investments will consist of equity ownership in commercial real estate. Managers whose sole strategy is to invest in non-equity or debt strategies will not exceed 25 percent of the total real estate portfolio plus unfunded commitments at the time of due diligence.

G. Alternative Investment Guidelines

The Alternative Investment Portfolio will consist of venture capital, buyout, mezzanine, special situation, timber, agriculture, and absolute return investments. The investments will be made to generate long-term returns in a diversified manner. The investments will generally be made through limited partnership structures in which IMRF commits a fixed amount that the General Partner will invest over several years. The partnership structure may cover periods of 10 years or more. IMRF understands and recognizes that the alternative asset class will not be structured in a way to provide short-term cash flow needs for the Fund.

Exposure to dedicated non-U.S. strategies will be limited to 30 percent of the total alternative investments portfolio value plus unfunded commitments at the time of due diligence.

The maximum commitment to any direct alternative manager shall be 40 percent of the total alternative investments portfolio value plus unfunded commitments at the time of due diligence.

H. Short-Term Investment Guidelines

Permissible short-term investments are U.S. Treasury Bills and Notes, high-grade commercial paper, repurchase agreements, banker's acceptances, and certificates of deposit. Commercial paper investments shall be made in instruments rated "A-2" or "P-2" or better as defined by a recognized rating service. Comparable ratings are required for banker's acceptances and certificates of deposit. No more than $50 million of current market value shall be invested in the securities of any one issuer, with the exception of the U.S. government and its agencies. Idle cash balances swept by the custodian bank shall be invested in a constant $1 Net Asset Value vehicle. The objective is to generate current income that is consistent with preservation of capital and maintenance of liquidity.

Returns by Asset Class

Periods ending December 31

	2013	2012	2011	2010	2009	Annualized 3 Yrs	5 Yrs	10 Yrs
Total Fund								
Time-Weighted Returns								
IMRF - Gross of Fees	20.26%	13.77%	(0.29)%	13.60%	24.52%	10.93%	14.07%	8.17%
IMRF - Net of Fees	19.99	13.51	(0.50)	13.36	24.28	10.68	13.82	--
CPI (Inflation)	1.50	1.74	2.96	1.50	2.72	2.07	2.08	2.37
Equities - U.S.								
IMRF - Gross of Fees	37.64%	17.39%	(0.74)%	18.92%	31.39%	17.05%	20.17%	8.87%
IMRF - Net of Fees	37.33	17.09	(0.99)	18.63	31.12	16.77	19.88	--
Dow Jones U.S. Total Stock Market Index	33.46	16.38	1.08	17.51	28.58	16.23	18.85	8.09
Russell 2000	38.82	16.35	(4.18)	26.85	27.17	15.67	20.08	9.07
Equities - International								
IMRF - Gross of Fees	20.24%	19.11%	(12.27)%	12.98%	39.51%	7.91%	14.64%	8.45%
IMRF - Net of Fees	19.86	18.70	(12.50)	12.68	39.07	7.57	14.30	--
MSCI ACWI Ex-U.S.	15.29	16.83	(13.71)	11.15	41.45	5.14	12.81	7.57
MSCI EAFE	22.78	17.32	(12.14)	7.75	31.78	8.17	12.44	6.91
Fixed Income								
IMRF - Gross of Fees	(0.59)%	7.41%	7.60%	8.59%	15.34%	4.74%	7.55%	5.49%
IMRF - Net of Fees	(0.75)	7.22	7.44	8.43	15.21	4.57	7.39	--
Barclays Aggregate	(2.02)	4.21	7.84	6.54	5.93	3.26	4.44	4.55
Barclays Government/Credit	(2.35)	4.82	8.74	6.59	4.52	3.63	4.40	4.52
Merrill Lynch High Yield	7.38	15.43	4.50	15.24	56.28	9.01	18.46	8.38
Real Estate								
IMRF - Net of Fees	10.60%	12.28%	12.29%	6.03%	(24.52)%	11.76%	2.34%	6.07%
Real Estate Benchmark	14.96	11.54	15.26	14.11	(15.86)	13.91	7.25	--
NCREIF Property Index	10.98	10.55	14.26	13.11	(16.86)	11.92	5.68	8.63
Alternative Investments								
IMRF - Gross of Fees	13.61%	4.74%	5.05%	9.76%	(0.81)%	8.23%	6.66%	8.61%
IMRF - Net of Fees	13.33	4.44	4.84	9.50	(1.24)	7.99	6.37	--
Cash & Cash Equivalents								
IMRF	0.11%	0.23%	0.24%	0.26%	(7.27)%	0.19%	(1.33)%	0.50%
U.S. Treasury Bills	0.07	0.11	0.10	0.13	0.10	0.10	0.12	1.68

These investment results are calculated and presented using standard performance evaluation methods in a manner consistent with the investment industry in general and public pension funds in particular. Rates of return were determined using a modified time-weighted return calculation.

With the exception of real estate, asset class net of fee returns for periods longer than five years ending December 31, 2013 are not available.

Schedule I

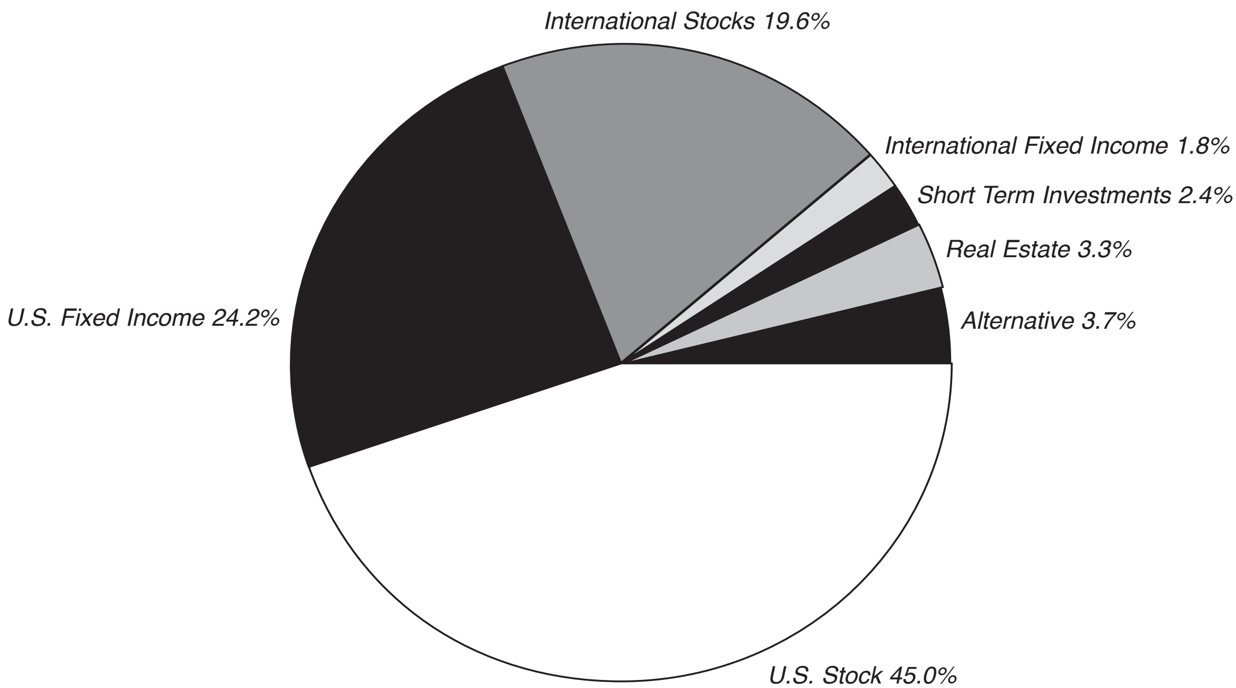
Investment Portfolio Summary

In Millions of Dollars

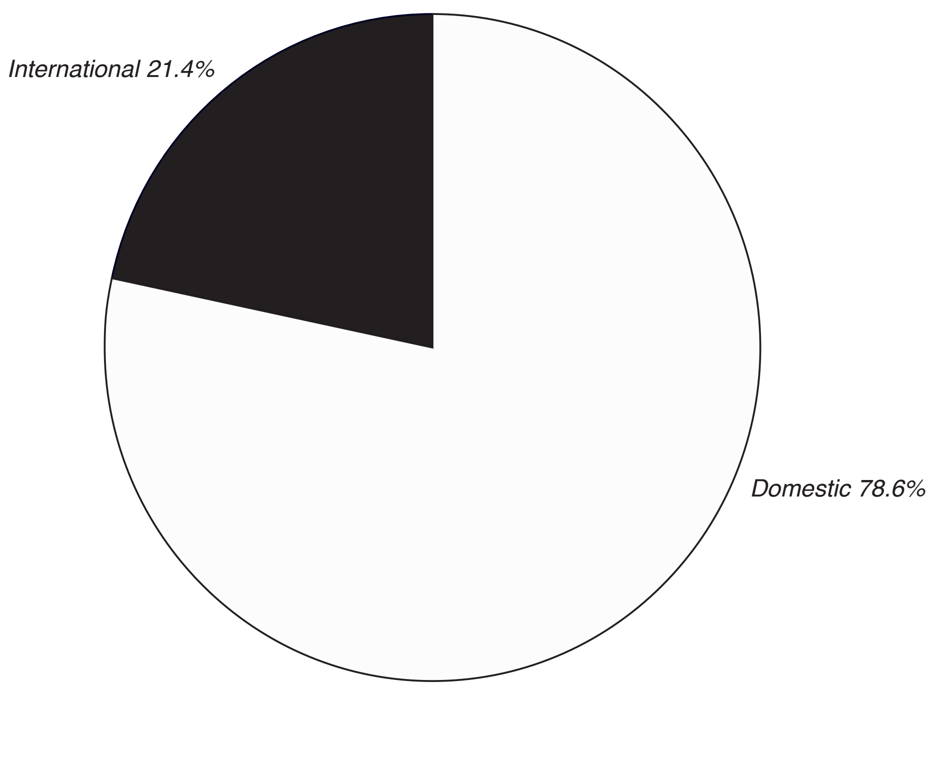
	As of December 31, 2013		As of December 31, 2012	
	Fair Value	Percent of Total Fair Value	Fair Value	Percent of Total Fair Value
Fixed Income				
Government & Agencies	$ 2,545.2	7.6%	$ 3,444.6	12.3%
Corporate	2,858.1	8.6	2,895.3	10.3
Index Funds	2,645.9	8.0	1,401.8	5.0
Foreign	593.4	1.8	703.2	2.5
	8,642.6	26.0	8,444.9	30.1
Stocks				
U.S. Common & Preferred	10,447.3	31.4	7,919.6	28.2
U.S. Stock Funds	4,508.9	13.6	3,338.5	11.9
Foreign Common & Preferred	3,553.0	10.7	3,219.8	11.5
Foreign Stock Funds	2,964.4	8.9	2,432.2	8.7
	21,473.6	64.6	16,910.1	60.3
Real Estate				
Commingled Funds	821.6	2.5	561.2	2.0
Directly Owned	260.3	0.8	242.8	0.8
	1,081.9	3.3	804.0	2.8
Alternative Investments				
Commingled Funds	1,036.7	3.0	1,063.0	3.8
Timber and Agricultural	223.5	0.7	193.8	0.7
	1,260.2	3.7	1,256.8	4.5
Short-Term Investments	789.7	2.4	659.6	2.3
Total Portfolio	$33,248.0	100.0%	$28,075.4	100.0%

Investment Portfolio as of December 31, 2013

Allocation by Asset Class



Total Investments by Region



Schedule II

Asset Allocation

Last Five Years

	Fair Value as a Percent of Portfolio				
	2013	2012	2011	2010	2009
Fixed Income					
U.S. Government & Agencies	7.6%	12.3%	12.7%	10.4%	8.7%
Corporate	8.6	10.3	10.3	10.5	11.4
Index Fund	8.0	5.0	5.4	6.8	7.5
Foreign	1.8	2.5	2.5	2.4	2.8
	26.0	30.1	30.9	30.1	30.4
Stocks					
U.S. Common & Preferred	31.4	28.2	27.8	26.5	26.1
U.S. Stock Funds	13.6	11.9	11.6	13.6	12.6
Foreign Common & Preferred	10.7	11.5	11.5	12.1	11.7
Foreign Stock Funds	8.9	8.7	7.9	9.7	10.3
	64.6	60.3	58.8	61.9	60.7
Real Estate					
Commingled Funds	2.5	2.0	2.0	1.0	1.1
Directly Owned	0.8	0.8	0.9	0.8	0.7
	3.3	2.8	2.9	1.8	1.8
Alternative Investments					
Commingled Funds	3.0	3.8	3.3	3.2	3.5
Timber and Agricultural	0.7	0.7	0.7	0.6	0.6
	3.7	4.5	4.0	3.8	4.1
Short-Term Investments	2.4	2.3	3.4	2.4	3.0
Total Portfolio	100.0%	100.0%	100.0%	100.0%	100.0%

Ten Largest Fixed Income Investment Holdings as of 12/31/2013

Excludes Commingled Funds and Short-Term Investments

	Market Value	Percent of Total Invested Market
U.S. Treasury Notes .625% *Due 11/30/2017*	$ 98,313,500	0.30%
U.S. Treasury Bonds .25% *Due 11/30/2015*	60,090,062	0.18
U.S. Treasury Bonds 1.00% *Due 11/30/2019*	44,622,875	0.13
U.S. Treasury Bonds .25% *Due 12/31/2015*	42,407,067	0.13
U.S. Treasury Notes .25% *Due 11/15/2021*	37,319,112	0.11
U.S. Treasury Bonds 3.5% *Due 5/15/2020*	30,207,184	0.09
U.S. Treasury Bonds 3.75% *Due 11/15/2018*	30,179,105	0.09
U.S. Treasury Notes 1.75% *Due 10/31/2018*	29,428,188	0.09
U.S. Treasury Notes 2.0% *Due 2/15/2023*	27,551,383	0.08
FNMA 3.0% *15 Years*	26,635,259	0.08
	$426,753,735	1.28%

Ten Largest Equity Investment Holdings as of 12/31/2013

Excludes Commingled Funds

	Market Value	Percent of Total Invested Market
Google, Inc.	$ 205,817,271	0.62%
Visa, Inc.	169,561,913	0.51
Amazon, Inc.	157,330,631	0.47
Salesforce, Inc.	125,299,142	0.38
ADR Baidu, Inc.	119,530,001	0.36
Priceline.com, Inc.	116,410,056	0.35
Facebook, Inc.	110,577,950	0.33
Qualcomm, Inc.	105,470,163	0.32
Chiplotle Mexican Grill, Inc.	97,871,978	0.29
Exxon Mobil Corp.	92,686,414	0.28
	$1,300,555,519	3.91%

A complete listing of investments is available upon request.

Schedule of 2013 Domestic Brokerage Commissions

In order of commissions received

Broker Name	Total Shares	Commission	Per Share
Merrill Lynch Pierce Fenner & Smith	30,304,703	$ 485,417	$ 0.02
Loop Capital Markets	16,256,811	253,778	0.02
Instinet	7,262,401	252,300	0.03
JonesTrading Institutional Services	7,874,850	220,348	0.03
Credit Suisse First Boston Corporation	8,360,590	193,461	0.02
Cabrera Capital Markets, Inc.	6,102,868	182,311	0.03
BNY ESI Securities Co.	6,207,428	181,619	0.03
Cheevers and Company, Inc.	7,134,542	176,854	0.02
Cantor Fitzgerald & Co.	5,639,413	160,427	0.03
Goldman Sachs & Company	4,421,536	149,932	0.03
Goldman Executing & Clearing	3,895,683	144,609	0.04
Bear Stearns 57079	4,905,805	144,350	0.03
Morgan Stanley & Co., Inc. New York	5,787,294	140,408	0.02
Liquidnet, Inc.	5,634,986	125,062	0.02
Stifel Nicolaus and Company	3,189,057	121,010	0.04
CL King & Associates	3,035,419	120,218	0.04
Williams Capital Group, L.P.	4,299,621	119,289	0.03
Drexel Hamilton, LLC	4,108,646	116,745	0.03
Citigroup Global Markets, Inc./Smith Barney	5,158,599	114,236	0.02
Blaylock and Company, Inc.	3,108,409	113,668	0.04
M Ramsey King Securities	2,744,270	106,533	0.04
Investment Technology Group, Inc.	5,499,703	103,085	0.02
Stephens, Inc.	2,726,479	99,686	0.04
Vandham Securities Corp.	2,492,474	98,950	0.04
Baypoint Trading, LLC	4,694,854	97,915	0.02
Raymond James	2,390,907	91,792	0.04
Piper Jaffray, Inc.	2,995,146	90,270	0.03
Robert W. Baird & Company, Inc. Milwaukee USA	2,264,115	86,517	0.04
Jefferies & Company	2,219,213	86,085	0.04
William Blair & Co.	2,229,466	81,339	0.04
Other Brokers	107,464,125	2,216,637	0.02
Total	280,409,413	$ 6,674,851	$ 0.02

Schedule of 2013 International Brokerage Commissions

In order of commissions received

Broker Name	Total Shares	Commission	Per Share
G-Trade Services, LLC	45,933,171	$ 377,240	$ 0.01
UBS AG London Branch	38,003,321	301,385	0.01
Goldman Sachs & Co.	38,101,096	233,295	0.01
Instinet Europe Limited	28,991,439	216,703	0.01
Merrill Lynch International Limited	16,913,936	121,521	0.01
UBS Securities Asia Limited	42,107,391	114,672	0.00
Cabrera Capital Markets, LLC	4,396,064	107,901	0.02
Deutsche Bank Securities, Inc.	10,615,405	102,416	0.01
Investment Technology Group, Ltd.	13,359,401	102,166	0.01
CLSA Singapore Pte, Ltd.	16,373,221	96,989	0.01
Credit Suisse Securities (USA), LLC	23,507,433	96,208	0.00
Pershing, LLC	16,305,734	94,147	0.01
Direct Access Partners, LLC	5,112,411	91,465	0.02
Morgan Stanley & Co., LLC	16,217,842	86,134	0.01
J.P. Morgan Clearing Corp.	30,871,732	85,689	0.00
J.P. Morgan Securities, PLC	9,882,300	76,271	0.01
MacQuarie Bank Limited	38,470,692	74,186	0.00
Citigroup Global Markets, Inc.	12,009,888	73,006	0.01
Goldman Sachs International	8,285,417	60,404	0.01
Barclays Capital	4,138,402	58,044	0.01
BNP Paribas Securities (Asia), Ltd.	4,152,879	53,706	0.01
Credit Suisse Securities (Europe), Ltd.	5,730,459	50,775	0.01
J.P. Morgan Securities (Asia Pacific)	19,666,973	46,477	0.00
North South Capital, LLC	1,685,919	45,491	0.03
M. Ramsey King Securities, Inc.	1,340,200	45,090	0.03
Societe Generale London Branch	6,937,886	40,367	0.01
Citigroup Global Markets Limited	5,398,881	37,728	0.01
ITG Australia Limited	4,067,069	35,428	0.01
UBS AG Stamford Branch	4,333,772	33,925	0.01
Jefferies and Company, Inc.	3,510,685	33,332	0.01
Other Brokers	224,250,182	1,268,249	0.01
Total	700,671,201	$ 4,260,410	$ 0.01

Commissions in U.S. dollar terms.

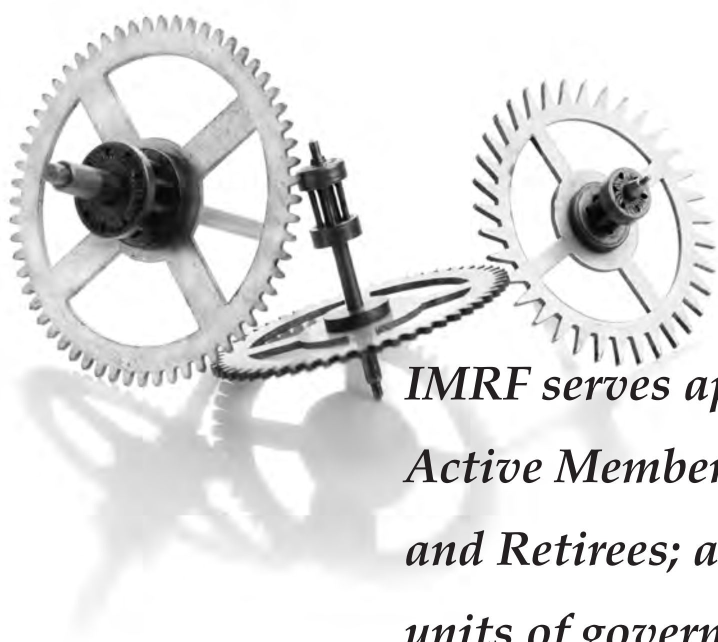
Schedule of Investment Fees

	2013 Fees	2013 Assets under management at year end (in thousands)*	Basis Points	2012 Fees	2012 Assets under management at year end (in thousands)*	Basis Points
Investment manager fees						
Fixed income managers	$ 11,204,295	$ 7,892,565	14	$ 11,443,530	$ 7,470,274	15
Stock managers	34,588,816	14,870,975	23	28,667,025	11,547,763	25
International managers	21,834,648	7,995,109	27	18,629,511	6,774,933	28
Real estate managers	11,710,153	1,083,440	108	9,855,613	803,423	123
Alternative investment managers	8,499,117	1,252,621	68	6,477,484	1,316,126	49
	$ 87,837,029	$ 33,094,710		$ 75,073,163	$ 27,912,519	
Other investment fees						
Master trustee fees	$ 255,000			$ 250,000		
Investment consulting fees	982,886			894,373		
Total investment fees	89,074,915			76,217,536		
Non-fee investment expenses	399,801			377,262		
Total direct investment expenses	$89,474,716			$76,594,798		
Securities lending fees						
Management fees and borrower rebates	$ 1,646,484			$ 1,516,799		

**Assets under management include accrued investment income and unsettled trades.*

Actuarial

2013



IMRF serves approximately 400,000 Active Members, Inactive Members, and Retirees; and almost 3,000 local units of goverment.

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May 9, 2014

Board of Trustees
Illinois Municipal Retirement Fund
2211 York Road, Suite 500
Oak Brook, Illinois 60523-2337

Dear Board Members:

The basic financial objective of the Illinois Municipal Retirement Fund (IMRF) is to establish and receive contributions which:

- when expressed in terms of percents of active member payroll will remain approximately level from generation to generation, and
- when combined with present assets and future investment returns will be sufficient to meet the financial obligations of IMRF employers to present and future retirees and beneficiaries.

The purpose of the valuation was to determine contribution rates for the 2015 calendar year and to provide actuarial information in connection with applicable Governmental Accounting Standards Board Statements. The valuation should not be relied upon for any other purpose. The valuation process develops contribution rates that are sufficient to fund the plan's normal cost (i.e., the costs assigned by the valuation method to the year of service about to be rendered), as well as to fund unfunded actuarial accrued liabilities as a level percent of active member payroll. The valuations were completed based upon population data, asset data, and plan provisions in effect on December 31, 2013.

The valuation was based upon information, furnished by the plan's administrative staff, concerning Retirement System benefits, financial transactions, and individual members, terminated members, retirees and beneficiaries. We checked the data for internal and year to year consistency, but did not otherwise audit the data. As a result, we do not assume responsibility for the accuracy or completeness of the data provided.

Assets used for the purpose of developing contribution rates are valued on a market related basis that recognizes each year's difference between actual and assumed investment return over a closed five-year period.

Actuarial valuations are based upon assumptions regarding future activity in specific risk areas including the rates of investment return and payroll growth, eligibility for the various classes of benefits, and longevity among retired lives. The Board adopts these assumptions after considering the advice of the actuary and other professionals. The assumptions and the methods comply with the requirements of the Governmental Accounting Standards Board. Each actuarial valuation takes into account all prior differences between actual and assumed experience in each risk area and adjusts the contribution rates as needed. The December 31, 2013 valuations were based upon assumptions that were recommended in connection with a study of experience covering the 2008-2010 period. The next experience study will

Board of Trustees
May 9, 2014
Page 2

cover the period from January 1, 2011 to December 31, 2013. Future actuarial measurements may differ significantly from those presented in the valuations due to such factors as experience differing from that anticipated by actuarial assumptions, changes in plan provision, actuarial assumptions/methods or applicable law. Due to the limited scope of the assignment, we did not perform an analysis of the potential range of future measurements.

Based upon the results of the December 31, 2013 valuation, we are pleased to report to the Board that the Illinois Municipal Retirement Fund is meeting its basic financial objective and continues to operate in accordance with actuarial principles of level percent of payroll financing. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

The actuaries submitting this statement are Members of the American Academy of Actuaries (MAAA), and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Respectfully submitted,

Brian B. Murphy

Brian B. Murphy, FSA, EA, MAAA

Mark Buis

Mark Buis, FSA, EA, MAAA

BBM/MB:ah

Gabriel Roeder Smith & Company

Illinois Municipal Retirement Fund
Brief Summary of Actuarial Assumptions Used in 2013 Valuations
(Adopted as of December 31, 2010, except as noted below)

Investment Return	7.5% per annum, compounded annually, net of expenses (effective December 31, 1991), including a wage inflation component of 4.0%.
Payroll Growth	4.00% per annum, compounded annually. Membership is assumed to remain constant.
Retirement Rates	Rates varying by age and sex. See table below for sample values.
Mortality for Actives and Annuitants	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. Male rates were multiplied by 120% and female rates were multiplied by 92%. The active tables were further modified to reflect IMRF experience. Among the active members, 80% of males and 70% of females were assumed to be married.
Disability	Graduated rates by age. See table below for sample values.
Separation and Salary Increases	Graduated rates by age and service. See table below for sample values.
Asset Valuation Method	Market Related Value that reflects five-year averaging of investment gains and losses, subject to a 20% corridor.
Liability Valuation Method	For GASB 67 and 68, the Entry Age Actuarial Cost Method is applied on an individual basis. For the purposes of determining contribution rates, the Entry Age Actuarial Cost Method is applied on an aggregate basis. Gains and Losses become part of unfunded liabilities.

	Sample Probabilities				
	Active Mortality		Disability		Pay Increase Next Year
Age	Male	Female	Male	Female	(6+ Yrs. of Service)
20	0.02%	0.01%	0.01%	0.00%	6.0%
30	0.03%	0.01%	0.01%	0.00%	5.7%
40	0.06%	0.02%	0.03%	0.01%	4.9%
50	0.10%	0.05%	0.07%	0.03%	4.6%
60	0.34%	0.18%	0.14%	0.09%	4.4%
65	0.67%	0.35%	0.15%	0.11%	4.4%

	Separation			Retirement (Tier 1)					
	Regular (8+ Yrs. Serv.)		SLEP	Reduced Early		Normal Unreduced		SLEP Service	
Age	Male	Female	(7+ Yrs.)	Male	Female	Male	Female	(< 32 Yrs.)	(32+ Yrs.)
30	4.1%	6.1%	3.2%	- %	-%	- %	- %	- %	-%
35	3.3%	4.9%	2.1%	-	-	-	-	-	-
40	2.7%	3.9%	1.7%	-	-	-	-	-	-
45	2.3%	3.2%	1.7%	-	-	-	-	-	-
50	2.0%	2.7%	1.7%	-	-	-	-	23.0%	40.0%
55	-	-	-	7.25%	5.75%	33.0%	27.0%	23.0%	40.0%
60	-	-	-	-	-	12.0%	10.0%	8.0%	40.0%
65	-	-	-	-	-	25.0%	23.0%	23.0%	40.0%
70	-	-	-	-	-	20.0%	18.0%	100.0%	100.0%

5/9/2014 Gabriel Roeder Smith & Company

Funded Status and Funding Progress

As of December 31, 2013, the most recent actuarial valuation date, the plan on an aggregate basis was 87.6 percent funded on an actuarial basis. The actuarial accrued liability for benefits was $34.4 billion, and the actuarial value of assets was $30.1 billion, resulting in an unfunded actuarial accrued liability (UAAL) of $4.3 billion. The covered payroll (annual payroll of active employees covered by the plan) was $6.6 billion, and the ratio of the UAAL to the covered payroll was 64.7 percent.

The schedule of funding progress presents multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Additional information as of the latest actuarial valuation follows:

Valuation date .... December 31, 2013
Actuarial cost method .... Entry age normal
Amortization method .... Level percent of payroll for Regular and SLEP; level dollars for ECO
Amortization period .... Taxing bodies: closed, 28 years
Entities over 120 percent funded on a market basis: varies by funding status
Non-taxing bodies: open, 10 years
Asset valuation method .... Five-year smoothed market related with a 20 percent corridor

Actuarial assumptions:

Investment rate of return .... 7.5 percent
Projected salary increases .... 4.4 to 16.0 percent
Assumed wage inflation rate .... 4.0 percent
Group size growth rate .... 0.0 percent
Assumed payroll growth rate .... 4.0 percent
Post-retirement increase .... Tier 1 - 3.0 percent—simple;
Tier 2 - 3.0 percent—simple or 1/2 increase in CPI, whichever is less
Mortality table .... For non-disabled lives, the RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA for males multiplied by 120 percent and for females multiplied by 92 percent; for disabled lives the mortality rates are the rates applicable to non-disabled lives set forward 10 years.

Table I
Schedule of Funding Progress
Last ten years

Actuarial Valuation Date December 31	Aggregate Actuarial Liabilities (AAL) Total AAL Entry Age (a)	Actuarial Assets (b)	Actuarial Assets as a % of AAL (b/a)	Unfunded Actuarial Liabilities (UAL) Total UAL (a-b)	Member Payroll (c)	UAL as a % of Member Payroll [(a-b)/c]
2004	$ 19,424,667,016	$ 18,315,987,910	94.3%	$ 1,108,679,106	$ 5,161,127,432	21.5%
2005*#	20,815,060,842	19,698,401,285	94.6	1,116,659,557	5,374,585,943	20.8
2006	22,488,185,031	21,427,139,356	95.3	1,061,045,675	5,630,683,054	18.8
2007	24,221,543,716	23,274,361,198	96.1	947,182,518	5,931,443,117	16.0
2008*	25,611,199,349	21,601,053,512	84.3	4,010,145,837	6,259,283,197	64.1
2009	27,345,113,216	22,754,803,784	83.2	4,590,309,432	6,461,696,602	71.0
2010	29,129,228,239	24,251,136,889	83.3	4,878,091,350	6,391,164,701	76.3
2011*	30,962,815,428	25,711,287,584	83.0	5,251,527,844	6,431,296,235	81.7
2012	32,603,244,099	27,491,809,785	84.3	5,111,434,314	6,496,076,569	78.7
2013	34,356,575,473	30,083,042,548	87.6	4,273,532,925	6,602,479,436	64.7

* After assumption change.
\# After benefit change.
This data was provided by the actuary.

Table II
Schedule of Employer Contributions
Last ten years

Year Ended December 31	Normal Contributions	Amortization of Unfunded Actuarial Liability	Death & Disability Benefit Contributions	Supplemental Retirement Benefit Contributions	Total Contributions	Percentage Contributed
2004	$ 391,809,922	$ 12,367,839	$ 19,617,440	$ 32,402,897	$ 456,198,098	100%
2005	408,644,037	80,574,252	20,407,466	33,637,720	543,263,475	100
2006	429,460,710	112,993,136	25,166,224	35,155,725	602,775,795	100
2007	440,054,100	97,121,315	26,551,837	37,094,883	600,822,135	100
2008	463,833,388	106,266,646	21,844,517	39,202,925	631,147,476	100
2009	478,760,517	119,391,054	21,417,551	40,830,286	660,399,408	100
2010	483,792,012	225,268,536	20,582,277	40,499,453	770,142,278	91
2011	486,731,753	254,898,222	18,654,559	40,519,719	800,804,253	95
2012	503,108,449	317,890,978	21,340,072	40,876,782	883,216,281	98
2013	512,289,897	356,734,526	20,344,350	41,600,283	930,969,056	99

Table III
Solvency Test
Last ten years

Calendar Year	Aggregate Actuarial Liabilities For (1) Active Member Contributions	(2) Annuitants	(3) Active Members (Employer-Financed Portion)	Actuarial Assets	Portion of Actuarial Liabilities Covered by Assets (1)	(2)	(3)
2004	$ 3,423,785,725	$ 7,332,542,340	$ 8,668,338,951	$ 18,315,987,910	100.0%	100.0%	87.2%
2005	3,688,148,208	7,966,135,229	9,160,777,415	19,698,401,285	100.0	100.0	87.8
2006	3,960,880,175	8,652,328,762	9,874,976,094	21,427,139,356	100.0	100.0	89.3
2007	4,248,399,825	9,400,832,984	10,572,310,907	23,274,361,198	100.0	100.0	91.0
2008	4,573,736,116	10,025,599,295	11,011,863,938	21,601,053,512	100.0	100.0	63.6
2009	4,893,022,745	10,903,323,478	11,548,766,993	22,754,803,784	100.0	100.0	60.3
2010	5,153,902,881	12,121,959,266	11,853,366,092	24,251,136,889	100.0	100.0	58.8
2011	5,417,822,062	13,388,018,799	12,156,974,567	25,711,287,584	100.0	100.0	56.8
2012	5,705,336,025	14,482,560,758	12,415,347,316	27,491,809,785	100.0	100.0	58.8
2013	5,957,217,332	15,753,071,341	12,646,286,800	30,083,042,548	100.0	100.0	66.2

Total obligation and actuarial value of assets calculated by the actuary.

Table IV
Participating Member Statistics
Last ten years

Calendar Year	Total Salaries	Percent Increase (Decrease) in Total Salaries	Average Annual Salary	Percent Increase in Average Salary	Number of Participating Members	Average Attained Age	Average Years of Service
2004	$ 5,161,127,432	4.4%	$ 30,899	4.0%	168,536	46.0	9.0
2005	5,374,585,943	4.1	31,640	2.4	170,928	46.3	9.1
2006	5,630,683,054	4.8	32,535	2.8	174,008	46.5	9.1
2007	5,931,443,117	5.3	33,607	3.3	177,783	46.6	9.5
2008	6,259,283,197	5.5	34,655	3.1	181,678	46.8	9.6
2009	6,461,696,602	3.2	35,771	3.2	181,380	47.1	9.8
2010	6,391,164,701	(1.1)	36,277	1.4	176,703	47.5	10.3
2011	6,431,296,235	0.6	36,701	1.2	175,844	47.7	10.4
2012	6,496,076,569	1.0	37,252	1.5	174,771	47.8	10.6
2013	6,602,479,436	1.6	38,059	2.2	173,481	47.9	10.7

Source for salaries, average annual salary, attained age and service is in the actuary report.

Table V
Schedule of Adds and Removals from Rolls
Last ten years

Schedule of Retirees and Beneficiaries Added to and Removed from Rolls

	Added to Rolls		Removed from Rolls		End of Year Rolls			
Calendar Year	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits	Average Annual Benefit	% Change in Average Benefit
2004	5,542	$ 77,466,919	3,075	$ 18,886,006	78,242	$ 675,628,615	$ 8,635	6.0%
2005	5,768	76,887,679	3,291	20,705,563	80,719	731,810,731	9,066	5.0
2006	5,885	85,515,147	3,219	21,441,076	83,385	795,884,802	9,545	5.3
2007	6,218	91,831,041	3,241	22,262,632	86,362	865,453,211	10,021	5.0
2008	6,000	94,526,796	3,408	23,956,030	88,954	936,023,977	10,523	5.0
2009	6,422	106,361,549	3,318	26,218,141	92,058	1,016,167,385	11,038	4.9
2010	7,518	131,651,729	3,509	28,512,198	96,067	1,119,306,916	11,651	5.6
2011	7,733	130,378,649	5,200	35,101,362	98,600	1,214,584,203	12,318	5.7
2012	7,912	137,928,914	3,736	37,015,540	102,776	1,315,497,577	12,800	3.9
2013	8,855	154,660,608	3,899	39,647,440	107,732	1,430,511,045	13,278	3.7

Schedule of Disabilitants Added to and Removed from Rolls

	Added to Rolls		Removed from Rolls		End of Year Rolls			
Calendar Year	Number	Annual Benefits	Number	Annual Benefits	Number	Annual Benefits	Average Annual Benefit	% Change in Average Benefit
2004	2,533	$ 27,551,323	2,487	$ 27,084,088	1,386	$ 10,773,041	$ 7,773	1.1%
2005	2,474	28,100,189	2,471	27,180,978	1,389	11,692,252	8,418	8.3
2006	2,339	27,529,685	2,409	28,024,170	1,319	11,197,767	8,490	0.9
2007	2,354	27,188,433	2,348	27,006,030	1,325	11,380,170	8,589	1.2
2008	2,313	28,754,216	2,422	29,343,494	1,216	10,790,892	8,874	3.3
2009	2,349	28,136,992	2,325	28,024,488	1,240	10,903,396	8,793	(0.9)
2010	2,407	29,913,347	2,433	29,158,561	1,214	11,658,182	9,603	9.2
2011	2,338	27,038,672	2,468	28,452,864	1,084	10,243,990	9,450	(1.6)
2012	2,207	25,996,458	2,138	25,600,824	1,153	10,639,624	9,228	(2.3)
2013	2,166	26,589,417	2,237	26,682,159	1,082	10,546,882	9,748	5.6

Table VI
Average Employer Contribution Rates
Latest five years

Calendar Year	Normal Cost	Prior Service Cost	Disability and Death	Supplemental Retirement Benefit	Total
Regular members					
2011+	7.58%	2.99%	0.28%	0.62%	11.47%
2012+	7.58	3.57	0.32	0.62	12.09
2013*+	7.77	3.99	0.30	0.62	12.68
2014^	7.64	4.04	0.28	0.62	12.58
2015	7.51	3.28	0.28	0.62	11.69
Sheriff's Law Enforcement Personnel members (SLEP)					
2011+	11.97%	8.80%	0.29%	0.62%	21.68%
2012+	12.01	9.35	0.33	0.62	22.31
2013*+	12.74	9.64	0.31	0.62	23.31
2014^	12.61	9.68	0.29	0.62	23.20
2015	12.42	7.24	0.29	2.38	22.33
Elected County Official members (ECO)					
2011+	17.20%	24.04%	0.29%	0.62%	42.15%
2012+	17.22	26.44	0.33	0.62	44.61
2013*+	17.63	26.81	0.31	0.62	45.37
2014^v	17.59	56.02	0.29	0.62	74.52
2015	17.73	51.73	0.29	0.62	70.37

* *Assumptions changed due to experience study.*
+ *Includes impact of optional phase-in plan.*
^ *Prior to impact of optional phase-in plan.*
v *Change in amortization of prior service cost.*

Table VII
Participating Member Contribution Rates
Last ten years

Calendar	Regular IMRF			Sheriff's Law Enforcement Personnel				Elected County Officials			
Year	Normal	Survivor	Total	Normal	Survivor	SLEP	Total	Normal	Survivor	ECO	Total
2004	3.75%	0.75%	4.50%	3.75%	0.75%	2.00%	6.50%	3.75%	0.75%	3.00%	7.50%
2005	3.75	0.75	4.50	3.75	0.75	2.00	6.50	3.75	0.75	3.00	7.50
2006	3.75	0.75	4.50	3.75	0.75	3.00*	7.50	3.75	0.75	3.00	7.50
2007	3.75	0.75	4.50	3.75	0.75	3.00	7.50	3.75	0.75	3.00	7.50
2008	3.75	0.75	4.50	3.75	0.75	3.00	7.50	3.75	0.75	3.00	7.50
2009	3.75	0.75	4.50	3.75	0.75	3.00	7.50	3.75	0.75	3.00	7.50
2010	3.75	0.75	4.50	3.75	0.75	3.00	7.50	3.75	0.75	3.00	7.50
2011	3.75	0.75	4.50	3.75	0.75	3.00	7.50	3.75	0.75	3.00	7.50
2012	3.75	0.75	4.50	3.75	0.75	3.00	7.50	3.75	0.75	3.00	7.50
2013	3.75	0.75	4.50	3.75	0.75	3.00	7.50	3.75	0.75	3.00	7.50

* *The SLEP enhancement percentage changed from 2.00% to 3.00% on June 1, 2006.*

Actuarial Balance Sheet

	Amount at December 31	
	2013	2012
Sources of Funds		
Actuarial value of assets	$ 30,083,042,548	$ 27,491,809,785
Actuarial present value of future contributions:		
Member	2,669,361,421	2,638,149,318
Employer Normal Costs	4,407,254,852	4,448,823,463
Under Funded Actuarial Accrued Liability	4,273,532,925	5,111,434,314
Total Sources	$ 41,433,191,746	$ 39,690,216,880
Uses of Funds		
Retired members and beneficiaries	$ 15,753,071,341	$ 14,482,560,758
Inactive members	3,090,442,090	2,965,098,448
Active members	22,559,665,017	22,214,184,646
Death and disability benefits	30,013,298	28,373,028
Total Uses	$ 41,433,191,746	$ 39,690,216,880

Analysis of Under Funded Actuarial Liability

	Amount at December 31	
	2013	2012
Under funded liability beginning of year	$ 5,111,434,314	$ 5,251,527,844
Assumed net (payments) during year	(304,110,359)	(285,736,416)
Assumed interest (7.5 percent)	372,090,882	383,278,615
Expected under funded liability	$ 5,179,414,837	$ 5,349,070,043
Decrease due to investment performance	(811,460,409)	(71,019,991)
Decrease due to other sources	(94,421,503)	(166,615,738)
Under funded liability end of year	$ 4,273,532,925	$ 5,111,434,314

Derivation of Experience Gain (Loss)

Type of Risk Area

Risks Related to Assumptions	**2013**	**2012**
	(in millions)	
Economic Risk Areas		
Investment Return	$ 811.5	$ 71.0
Pay Increases	141.5	230.2
Demographic Risk Areas		
Service Retirements	(11.6)	2.0
Early Retirements	(2.8)	(3.0)
Vested Deferred Retirements	(22.7)	(24.7)
Death and Survivor Benefits	3.2	6.5
Disability Benefits	15.7	20.8
Terminated with Refund	45.1	23.8
Risks Not Related to Assumptions (1)	(74.0)	(89.0)
Total Gain During Year	$ 905.9	$ 237.6

Regular actuarial valuations give information about the composite change in unfunded actuarial accrued liabilities—whether or not the liabilities are increasing or decreasing, and by how much. The objective of a gain and loss analysis is to determine the portion of the change in actuarial condition (unfunded actuarial accrued liabilities) attributable to each risk area. The fact that actual experience differs from assumed experience is to be expected—the future cannot be predicted with 100 percent precision. The economic risk areas (particularly investment return and pay increases) are volatile. It is assumed that gains and losses will be in balance over a period of years, but sizable year to year fluctuations are common.

(1) This is primarily due to rehires of former employees and actual reserve transfers for retirees being higher than the estimated reserve transfers.

Summary of Benefits

This is a brief plan description of IMRF benefits. Additional conditions and restrictions may apply. A complete description is found in Article 7 of the Illinois Pension Code.

General

IMRF serves 2,977 employers including cities, villages, counties, school districts, townships and various special districts, such as parks, forest preserves and sanitary districts. Each employer contributes to separate accounts to provide future retirement benefits for its own employees.

Employees of these employers are required to participate if they work in an IMRF qualified position. An IMRF qualified position is one that is expected to equal or exceed the employer's annual hourly standard; the standard is either 600 or 1,000 hours a year.

IMRF has three benefit plans. The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs and selected police chiefs. Forest preserve districts may adopt the SLEP plan for their law enforcement personnel. Counties could adopt the Elected County Official (ECO) plan for their elected officials prior to August 8, 2011. The ECO plan was closed to new participants after that date. After a county adopted the ECO plan, participation was optional for the elected officials of that county. All remaining employees belong to the Regular plan.

On April 14, 2010, Public Act 96-0889 was signed by the Governor of Illinois. This law, which became effective January 1, 2011, created a second tier for Regular and Elected County Official plan members who are initially hired on or after that date. On December 30, 2010, Public Act 96-1495 was signed by the Governor of Illinois. This law, which became effective January 1, 2011, created a second tier for SLEP plan members who are initially hired on or after that date.

Both the employee (member) and the employer contribute toward retirement benefits. Members contribute a percentage of their salary as established by the Pension Code. The percentage depends on the plan in which the member participates. Regular members contribute 4.5 percent. SLEP and ECO members contribute 7.5 percent. Members also have the option of making voluntary after-tax contributions up to 10 percent of their salary. Employer contribution rates are actuarially calculated annually for each employer. (Beginning in 2010, employers were given the option to select a contribution rate less than the actuarial required contribution rate if the current year's actuarial required contribution rate was more than 10 percent higher than the prior year's rate.) Employers pay most of the cost for member and survivor pensions and all of the cost for supplemental retirement, death and disability benefits.

Vesting

Tier 1

Members are vested for pension benefits when they have at least eight years of qualifying service credit. SLEP members are vested for a SLEP pension when they have at least 20 years of SLEP service credit. SLEP members with more than eight years of service but less than 20 years of SLEP service will receive a Regular pension. Revised ECO members (those who joined the ECO plan after January 25, 2000) are vested with eight or more years of ECO service credit in the same elected county position. Revised ECO members with eight years of service, but less than eight years in the same elected county office, will receive a Regular pension.

Tier 2

Members are vested for pension benefits when they have at least ten years of qualifying service credit. SLEP members are vested for a SLEP pension when they have at least ten years of SLEP service credit. ECO members (those who joined the ECO plan after January 1, 2011, and before August 8, 2011) are vested with ten or more years of total service credit with at least eight years in the same elected county position. ECO members with at least ten years of total service credit, but less than eight years of service in the same elected county office, will receive a Regular pension.

Refunds

Non-vested members who stop working for an IMRF employer can receive a lump sum refund of their IMRF member contributions. Vested members can receive a lump sum refund of their IMRF member contributions if they stop working for an IMRF employer prior to age 55, or 62 for Tier 2 members. Vested members age 55 or older (62 or older for Tier 2 Members) may receive separation refunds if the member rolls over the refund into another defined benefit retirement plan for the purpose of purchasing service credit.

Members who retire without an eligible spouse (married to or in a civil union with the member at least one year before the member terminates IMRF participation) may receive a refund of their surviving spouse contributions with interest or an annuity.

If, upon a member's death, all of the member contributions with interest were not paid as a refund or pension to either the member or his or her spouse, the beneficiary will receive any balance in the member's account.

Pension Calculations

A Regular IMRF pension is:

- 1-2/3 percent of the final rate of earnings for each of the first 15 years of service credit, plus
- 2 percent for each year of service credit in excess of 15 years.

The maximum pension at retirement cannot exceed 75 percent of the final rate of earnings.

A SLEP pension is:

- 2-1/2 percent of the final rate of earnings for each year of service.

The maximum pension at retirement cannot exceed 80 percent (75 percent for Tier 2) of the final rate of earnings.

An ECO pension is:

- 3 percent of the final rate of earnings for each of the first eight years of service, plus
- 4 percent for each year of service between eight and 12 years of service, plus
- 5 percent for years of service credit over 12.

The maximum pension at retirement cannot exceed 80 percent of the final rate of earnings.

A money purchase minimum pension is provided if it exceeds the normal formula amount. The money purchase minimum is the amount that may be purchased by 2.4 times the member's applicable accumulated contributions, including interest thereon.

A reversionary pension option is provided to members at retirement. This option permits the member to revert a portion of his pension to one other person. This election is irrevocable.

An IMRF pension is paid for life.

Final Rate of Earnings

Tier 1

The final rate of earnings for Regular and SLEP members is the highest total earnings during any 48 consecutive months within the last 10 years of IMRF service, divided by 48, or the total lifetime earnings divided by the total lifetime number of months of service. The final rate of earnings for ECO members is the annual salary of the ECO member on the day he or she retires. For Revised ECO members, the final rate of earnings is the highest total earnings during any 48 consecutive months within the last 10 years of IMRF service, divided by 48 for each office held.

Tier 2

The final rate of earnings for Regular and SLEP members is the highest total earnings during any 96 consecutive months within the last 10 years of IMRF service, divided by 96, or the total lifetime earnings divided by the total lifetime number of months of service, whichever is higher. For ECO members who joined the plan after January 1, 2011 and before August 8, 2011, the final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of IMRF service, divided by 96 for each office held. Pensionable earnings are initially capped at $106,800, which will increase annually beginning in 2012 by three percent or one-half of the increase of the Consumer Price Index, whichever is less. The pensionable earnings cap for 2013 was $109,971. For Tier 2 SLEP members, overtime compensation is excluded from pensionable earnings.

Retirement Eligibility

Tier 1

Normal retirement for an unreduced pension is:

- Age 60 with eight or more years of service or 35 or more years of service at age 55,
- Age 50 with 20 or more years of SLEP service for members with SLEP service,
- Age 55 with eight or more years of service for members with ECO service, or
- Age 55 with eight or more years of service in the same elected county office for members with Revised ECO service.

Regular members may retire as early as age 55 with a reduced pension. The reduction is the lesser of:

- one-fourth percent for each month the member is under age 60, or
- one-fourth percent for each month of service less than 35 years.

Tier 2

Normal retirement for an unreduced pension is:

- Age 67 with ten or more years of service or 35 or more years of service at age 62,
- Age 55 with ten or more years of SLEP service for members with SLEP service, or
- Age 67 with eight or more years of service in the same elected county office for members with ECO service (ten years total service).

Regular members may retire as early as age 62 with a reduced pension. The reduction is the lesser of:

- one-half percent for each month the member is under age 67, or
- one-half percent for each month of service less than 35 years.

SLEP members may retire as early as age 50 with a reduced pension. The reduction is one-half percent for each month the member is under age 55.

Service Credit

Service credit is the total time under IMRF, stated in years and fractions. Service is credited monthly while the member is working, receiving IMRF disability benefits or on IMRF's Benefit Protection Leave. For revised ECO members, the ECO benefit formula is limited to service in an elected office.

Members may qualify for a maximum of one year of additional service credit for unused, unpaid sick leave accumulated with the last employer. Members who retire from a school district may utilize unused sick leave from all school district employers. This additional service credit applies only for members leaving employment for retirement. The service credit is earned at the rate of one month for every 20 days of unused, unpaid sick leave or fraction thereof.

IMRF is a participating plan under the Reciprocal Act, as are all other Illinois public pension systems, except local police and fire pension plans. Under the Reciprocal Act, service credit of at least one year may be considered together at the date of retirement or death for the purpose of determining eligibility for and amount of benefits. However, for teacher aides who meet certain criteria, service credit of less than one year may be considered in determining benefits under the Reciprocal Act.

Post-retirement Increases

Tier 1

Members in all plans receive an annual three percent increase based upon the original amount of the annuity. The increase for the first year is prorated for the number of months the member was retired.

Tier 2

Members in all plans receive an annual increase based upon the original amount of the annuity of three percent or one-half of the increase in the Consumer Price Index, whichever is less. For Regular and ECO members, the annual increases do not begin until the retiree reaches the age of 67 or after 12 months of retirement, whichever is later. For SLEP members the increases begin at age 60 or after 12 months of retirement, whichever is later.

Early Retirement Incentive (ERI)

IMRF employers may offer an Early Retirement Incentive (ERI) program to their employees who are over 50 (57 for Tier 2 Regular and ECO members) years of age and who have at least 20 years of service credit. Eligible members may purchase up to five years of service credit and age. Employers must pay off the additional ERI liability within 10 years. Subsequent ERI programs may be offered by an employer after the liability for the previous ERI program is paid. Effective December 31, 2013, ERI programs will be limited to being offered once every five years.

Supplemental Retirement Benefits

Each July, IMRF provides a supplemental benefit payment to IMRF retirees and surviving spouses who have received IMRF pension payments for the preceding 12 months. The supplemental benefit payment amount will vary depending on the dollar amount to be distributed and the dollar amount of the benefits of persons eligible.

Disability Benefits

Regular and SLEP members are eligible for a maximum of 30 months of temporary disability benefits if they:

- Have at least 12 consecutive months of service credit since being enrolled in IMRF,
- Have at least nine months of service credit in the 12 months immediately prior to becoming disabled,
- Are unable to perform the duties of any position which might reasonably be assigned by the IMRF employer because of any illness, injury or other physical or mental condition, and
- Are not receiving any earnings from any IMRF employer.

Regular and SLEP members are eligible for total and permanent disability benefits until they become eligible for full Social Security Old Age benefits if they:

- Have exhausted their temporary disability benefits,
- Have a medical condition which did not pre-exist their IMRF participation or they have five years of IMRF participation without being on temporary disability, and
- Are unable to work in any gainful activity for any employer.

The monthly disability benefit payment is equal to 50 percent of the average monthly earnings based on the 12 months prior to the month the member became disabled.

ECO members are eligible for ECO disability benefits if they:

- Have at least 12 consecutive months of service credit since being enrolled in IMRF,
- Are in an elected county office at the time the disability occurred,
- Are making ECO contributions at the time the disability occurred,
- Are unable to reasonably perform the duties of their offices,
- Have resigned their offices, and
- Have two licensed physicians approved by IMRF certify that the ECO member is permanently disabled.

The monthly ECO disability benefit is equal to the greater of:

- 50 percent of the annualized salary payable on the last day of ECO participation divided by 12 or,
- The retirement benefit earned to date.

Disability benefits under all plans are offset by Social Security or workers' compensation benefits. If disabled members receive Social Security disability and/or workers' compensation benefits, IMRF pays the difference between those benefits and 50 percent of the member's average monthly earnings. However, IMRF will always pay a minimum monthly benefit of $10. Members on disability earn pension service credit as if they were working.

Death Benefits

Beneficiaries of active members who have more than one year of service or whose deaths are job-related are entitled to lump sum IMRF death benefits. If the member was not vested or vested without an eligible spouse, the death benefit is equal to one year's earnings (limited to pensionable earnings cap for Tier 2 members) plus any balance in the member's account. Eligible spouses of deceased vested active members may choose the lump sum or a monthly surviving spouse pension.

Beneficiaries of inactive non-vested members receive a lump sum payment of any balance in the member's account including interest. If the beneficiary is an eligible spouse of an inactive vested member age 55 or older, the spouse may choose between the lump sum payment or a death benefit of $3,000 plus a monthly surviving spouse pension. Beneficiaries of retired members receive a $3,000 death benefit. Eligible spouses also receive a surviving spouse pension.

Surviving Spouse Pension

For Regular and SLEP members, a surviving spouse's monthly pension is one-half (66-2/3 percent for Tier 2) of the member's pension.

For ECO members, a surviving spouse's monthly pension is 66-2/3 percent of the member's pension. This pension is payable once the surviving spouse becomes 50 years old. If the spouse is caring for the member's minor, unmarried children, the spouse will receive (age 50 requirement does not apply):

- A monthly pension equal to 30 percent of the ECO member's salary at time of death, plus
- 10 percent of the ECO member's salary at time of death for each minor, unmarried child. The maximum total monthly benefit payable to spouse and children cannot exceed 50 percent of the ECO member's salary at time of death, or
- A monthly pension equal to 66-2/3 percent of the pension the member had earned.

Surviving spouse pensions under all plans are increased each January 1. The increase is based on the original amount of the pension. The increase for the first year is prorated for the number of months the surviving spouse or the member received a pension. For Tier 1, the annual increase is three percent. For Tier 2, the annual increase is three percent or one-half the increase in the Consumer Price Index, whichever is less.

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Statistical

2013

The tables in this section provide Financial, Operating and Demographic, and Benefit Payment information.

Financial Tables

Operating and Demographic Tables

Benefit Payment Tables

The average member who retired in 2013 was 63 years old, retired after 20 years of public service, and is receiving an annual pension of approximately $1,600 a month.

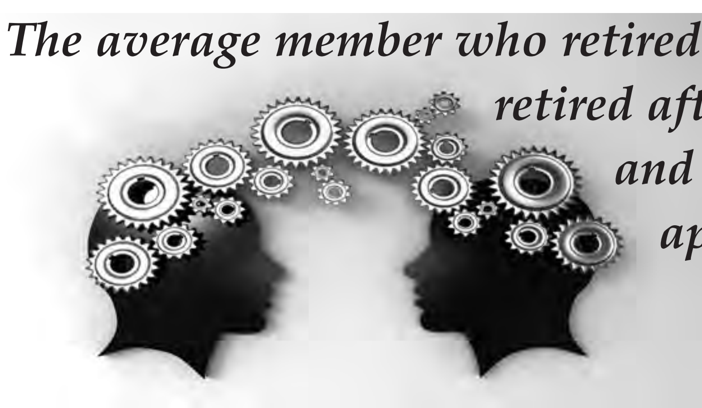

Table VIII
Changes in Fiduciary Net Position
Last ten years

Additions

Calendar Year	Investment Earnings Net of Direct Investment Expense	Employer Contributions: Dollars	Employer Contributions: Percent of Annual Covered Payroll	Member Contributions	Other	Total Additions
2004	$ 2,010,704,974	$ 456,198,098	8.84%	$ 259,505,532	$ 5,494	$ 2,726,414,098
2005	1,607,733,405	543,263,475	10.11	265,568,534	5,190	2,416,570,604
2006	2,667,700,578	602,775,795	10.71	280,997,170	6,315	3,551,479,858
2007	1,799,391,405	600,822,135	10.13	296,690,070	6,049	2,696,909,659
2008	(6,096,480,733)	631,147,476	10.08	314,019,939	18,722	(5,151,294,596)
2009	4,423,550,741	660,399,408	10.22	324,070,795	9,148	5,408,030,092
2010	2,976,549,317	770,142,278	12.05	324,901,985	7,032	4,071,600,612
2011	(92,930,304)	800,804,253	12.45	327,680,889	9,852	1,035,564,690
2012	3,393,689,073	883,216,281	13.60	330,814,542	12,037	4,607,731,933
2013	5,583,120,005	930,969,056	14.10	338,934,421	8,455	6,853,031,937

Deductions

Calendar Year	Benefits	Refunds	Administrative Expenses	Total Deductions	Change in Fiduciary Net Position
2004	$ 733,376,801	$ 31,156,292	$ 19,405,567	$ 783,938,660	$ 1,942,475,438
2005	791,333,700	32,120,791	19,650,440	843,104,931	1,573,465,673
2006	856,205,596	40,095,036	20,339,190	916,639,822	2,634,840,036
2007	924,005,832	36,206,951	20,811,398	981,024,181	1,715,885,478
2008	997,492,141	31,926,120	20,727,536	1,050,145,797	(6,201,440,393)
2009	1,077,852,453	27,426,079	21,967,308	1,127,245,840	4,280,784,252
2010	1,178,030,534	32,201,577	22,318,493	1,232,550,604	2,839,050,008
2011	1,284,405,609	32,900,105	23,086,712	1,340,392,426	(304,827,736)
2012	1,389,815,471	34,142,193	24,508,053	1,448,465,717	3,159,266,216
2013	1,503,374,148	36,944,214	25,463,299	1,565,781,661	5,287,250,276

Table IX
Benefit Expense by Type
Last ten years

Calendar Year	DEATH Supplemental	DEATH Refund	DEATH Burial	DEATH Residual	DISABILITY Permanent	DISABILITY Temporary
2004	$ 9,929,302	$ 7,319,032	$ 6,881,926	$ 515,537	$ 3,440,867	$ 7,377,055
2005	9,389,674	7,096,253	7,182,437	997,874	3,746,535	7,553,159
2006	9,874,057	7,565,398	7,464,813	708,466	3,857,144	7,795,207
2007	8,428,232	8,757,533	7,255,736	692,275	3,887,168	7,705,263
2008	10,416,827	7,971,900	7,334,749	765,241	4,113,550	7,195,656
2009	8,486,871	9,096,938	7,813,566	961,645	4,211,002	6,649,144
2010	10,313,306	8,547,634	7,726,161	1,439,264	4,286,549	7,205,576
2011	9,664,027	9,184,487	8,435,071	1,328,589	4,157,671	7,471,493
2012	10,377,472	9,641,181	8,103,523	1,711,659	3,878,005	7,012,081
2013	9,681,776	9,155,295	8,369,090	1,850,712	3,949,374	7,265,126

Calendar Year	ANNUITIES Retirement	ANNUITIES Surviving Spouse	ANNUITIES Beneficiary	ANNUITIES Supplemental	REFUNDS Separation	REFUNDS Other	Total
2004	$ 619,816,366	$ 44,426,578	$ 1,073,847	$ 32,596,291	$ 29,802,863	$ 1,353,429	$ 764,533,093
2005	673,325,914	47,245,463	1,206,562	33,589,829	30,952,680	1,168,111	823,454,491
2006	732,090,146	50,788,527	1,325,633	34,736,205	32,707,901	7,387,135	896,300,632
2007	794,767,293	54,255,986	1,477,778	36,778,568	34,110,636	2,096,315	960,212,783
2008	861,528,538	57,647,849	1,581,010	38,936,821	28,287,188	3,638,932	1,029,418,261
2009	936,104,649	61,615,626	1,751,952	41,161,060	25,974,794	1,451,285	1,105,278,532
2010	1,027,761,178	66,174,661	1,962,756	42,613,449	30,440,247	1,761,330	1,210,232,111
2011	1,130,473,927	71,188,507	2,208,709	40,293,128	31,515,077	1,385,028	1,317,305,714
2012	1,229,614,161	76,545,359	2,455,082	40,476,948	31,482,985	2,659,208	1,423,957,664
2013	1,337,638,438	81,839,499	2,669,383	40,955,455	33,987,457	2,956,757	1,540,318,362

Table X
Net Cash Flow from Contributions After Benefits
Last ten years

Calendar Year	Employer Contributions	Member Contributions	Total Contributions	Total Benefit Payments	Net Cash Flow
2004	$ 456,198,098	$ 259,505,532	$ 715,703,630	$ 764,533,093	$ (48,829,463)
2005	543,263,475	265,568,534	808,832,009	823,454,491	(14,622,482)
2006	602,775,795	280,997,170	883,772,965	896,300,632	(12,527,667)
2007	600,822,135	296,690,070	897,512,205	960,212,783	(62,700,578)
2008	631,147,476	314,019,939	945,167,415	1,029,418,261	(84,250,846)
2009	660,399,408	324,070,795	984,470,203	1,105,278,532	(120,808,329)
2010	770,142,278	324,901,985	1,095,044,263	1,210,232,111	(115,187,848)
2011	800,804,253	327,680,889	1,128,485,142	1,317,305,714	(188,820,572)
2012	883,216,281	330,814,542	1,214,030,823	1,423,957,664	(209,926,841)
2013	930,969,056	338,934,421	1,269,903,477	1,540,318,362	(270,414,885)

Net Cash Flow
Last ten years

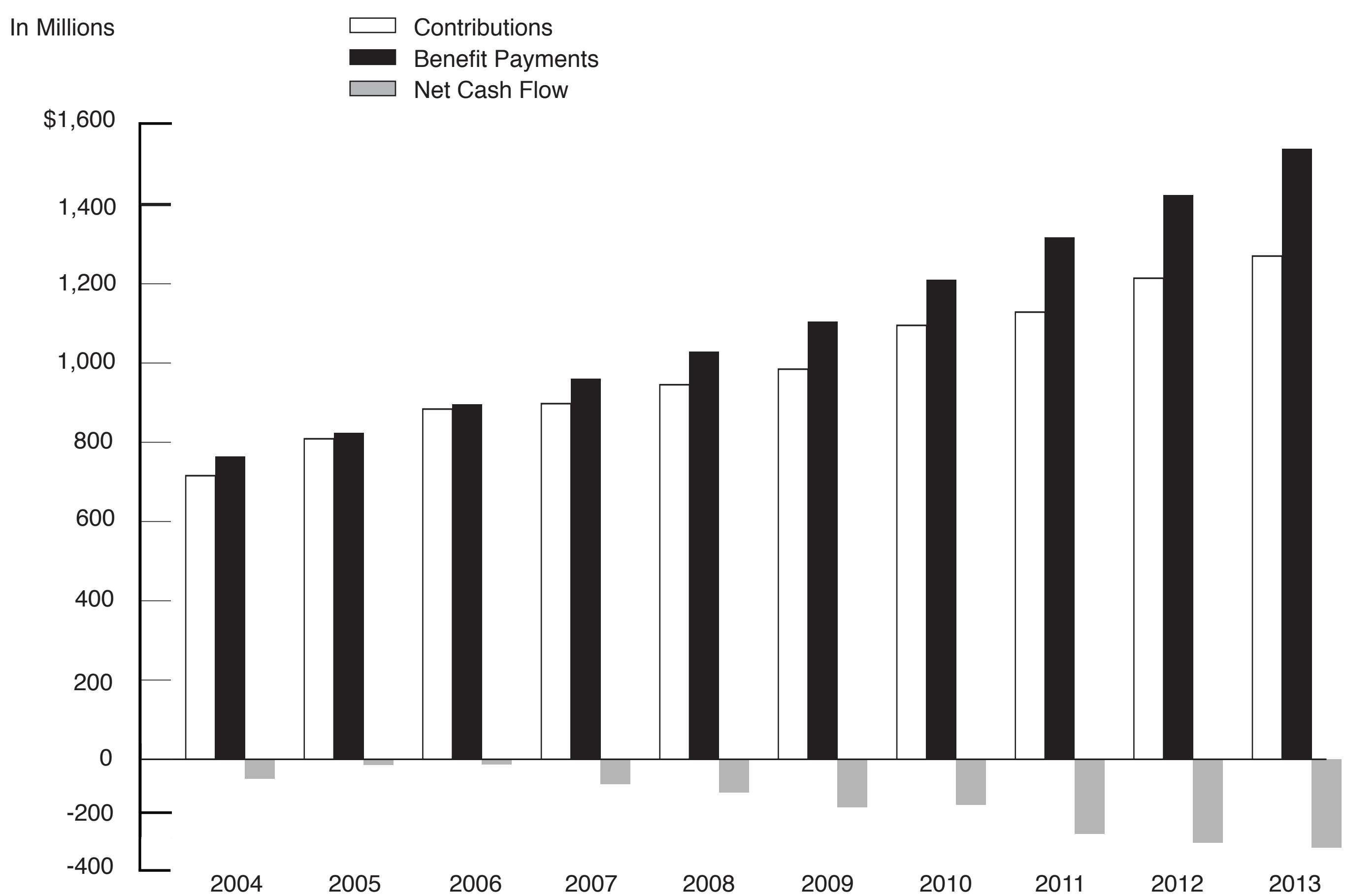

Table XI
Operating Statistics - Number of Initial Benefit Payments
Last ten years

Calendar Year	Annuity	Disability	Death	Refund	Total
2004	4,555	2,716	2,693	11,999	21,963
2005	4,868	2,474	2,971	11,677	21,990
2006	4,887	2,339	3,029	11,639	21,894
2007	5,283	2,354	2,975	12,487	23,099
2008	5,081	2,313	3,033	10,469	20,896
2009	5,467	2,349	3,149	10,593	21,558
2010	6,541	2,407	3,141	10,219	22,308
2011	6,751	2,338	3,308	10,001	22,398
2012	6,845	2,207	3,288	9,864	22,204
2013	7,791	2,166	3,228	10,530	23,715

Table XII
Number of Employees
Last ten years

Calendar Year	Administration	Internal Audit	Human Resources	Finance	Investments	Legal	Communications	Member Services	Benefits	Information Services	Program Management	Office Services	Total
2004	3	1	4	33	10	4	5	24	25	43	--	25	177
2005	3	1	4	32	10	4	5	24	25	44	--	24	176
2006	3	1	4	30	11	3	5	23	27	43	--	26	176
2007	3	1	4	31	11	4	6	24	27	43	--	26	180
2008	4	1	4	30	11	4	6	25	27	42	--	22	176
2009	4	1	4	31	11	4	6	26	26	41	--	22	176
2010	4	1	4	30	11	4	6	26	27	39	--	22	174
2011	4	4	4	27	10	4	7	26	28	34	6	22	176
2012	4	4	4	28	9	4	7	28	28	34	4	22	176
2013	4	7	3	29	10	4	6	30	28	35	5	21	182

Table XIII
Number of Actively Participating Employers
Last ten years

Calendar Year End	Cities	Villages	Counties	School Districts	Townships	Other	Total
2004	252	389	101	877	463	801	2,883
2005	253	395	101	871	463	813	2,896
2006	255	398	101	870	467	818	2,909
2007	255	403	101	867	472	828	2,926
2008	256	406	101	864	474	839	2,940
2009	256	407	101	865	477	844	2,950
2010	257	410	101	864	477	854	2,963
2011	257	411	101	862	479	854	2,964
2012	258	411	101	859	479	861	2,969
2013	258	413	101	858	480	867	2,977

Table XIV
Principal Participating Employers
Current year and nine years ago

	2013			2004		
Employer	Active Members	Rank	Percentage of Total Active Members	Active Members	Rank	Percentage of Total Active Members
DuPage County	3,014	1	1.73%	3,184	1	1.90%
Lake County	2,646	2	1.52	2,897	2	1.72
Will County	2,390	3	1.37	2,091	3	1.24
Union School District 46	1,997	4	1.15	1,735	5	1.03
Rockford School District 205	1,816	5	1.04	1,738	4	1.03
Winnebago County	1,725	6	0.99	1,594	6	0.95
McHenry County	1,373	7	0.79	940	10	0.56
Kane County	1,333	8	0.77	1,366	7	0.81
Peoria School District 150	1,287	9	0.74	1,209	9	0.72
Palatine School District 211	1,243	10	0.72	--	--	--
City of Springfield	--	-	--	1,315	8	0.78
	18,824		10.82%	18,069		10.74%

Table XV
Number of Actively Participating Members
Last ten years

Calendar Year End	Male Participants	Female Participants	Total
2004	62,611	105,925	168,536
2005	63,323	107,605	170,928
2006	64,136	109,872	174,008
2007	65,355	112,428	177,783
2008	66,802	114,876	181,678
2009	66,640	114,740	181,380
2010	65,543	111,160	176,703
2011	65,332	110,512	175,844
2012	64,918	109,853	174,771
2013	64,889	108,937	173,826

Table XVI
Participating Members' Length of Service
Last ten years

Calendar Year	Total Active Members	Under 1 Year	1 to 7 Years	8 to 14 Years	15 Years and Over	Percent Vested
2004	168,536	17,225	78,499	35,765	37,047	43.2%
2005	170,928	18,723	76,768	36,735	38,702	44.1
2006	174,008	19,245	76,290	38,781	39,692	45.1
2007	177,783	20,670	75,311	41,889	39,913	46.0
2008	181,678	19,543	76,607	44,487	41,041	47.1
2009	181,380	14,950	77,606	46,749	42,075	49.0
2010	176,703	12,928	73,980	46,906	42,889	50.8
2011	175,844	15,158	70,518	46,459	43,709	51.3
2012	174,771	15,994	67,735	45,777	45,265	52.1
2013	173,825	16,990	65,389	45,062	46,384	52.6

Table XVII
Active Members by Age

	All Plans			Sheriff's Law Enforcement Personnel			Elected County Officials		
Ages	Male	Female	Total	Male	Female	Total	Male	Female	Total
Under 20	166	174	340	--	--	--	--	--	--
20 to 29	7,847	9,807	17,654	456	66	522	2	--	2
30 to 39	12,099	15,875	27,974	1,104	200	1,304	13	2	15
40 to 49	14,941	27,766	42,707	1,369	208	1,577	32	16	48
50 to 54	10,042	20,062	30,104	360	78	438	46	9	55
55 to 59	9,290	18,549	27,839	210	31	241	51	25	76
60 to 69	8,895	15,185	24,080	140	22	162	57	23	80
70 and Over	1,609	1,519	3,128	7	1	8	19	5	24
Total	64,889	108,937	173,826	3,646	606	4,252	220	80	300

Table XVIII
Annuitants by Age

	Retirees			Surviving Spouses			Beneficiaries		
Ages	Male	Female	Total	Male	Female	Total	Male	Female	Total
Under 55	250	67	317	19	131	150	76	145	221
55 to 59	3,504	4,911	8,415	34	238	272	23	56	79
60 to 64	6,230	11,132	17,362	103	408	511	15	45	60
65 to 69	6,745	14,013	20,758	263	735	998	21	52	73
70 to 74	4,521	11,483	16,004	397	1,140	1,537	10	35	45
75 to 79	5,044	8,550	13,594	594	1,504	2,098	6	43	49
80 to 84	2,831	6,262	9,093	721	1,786	2,507	6	21	27
85 to 89	1,787	4,314	6,101	615	1,668	2,283	3	16	19
90 to 94	651	2,044	2,695	297	1,033	1,330	1	13	14
95 to 99	102	507	609	90	291	381	--	1	1
100 and over	14	53	67	7	55	62	--	--	--
Total	31,679	63,336	95,015	3,140	8,989	12,129	161	427	588

Table XIX
Average Initial Benefit Payment Amounts
Last ten years

	Single Sum Payments		Recurring Payments	
Calendar Year	**Separation Refunds**	**Lump Sum Death Benefit**	**Annual Disability (1)**	**Annual Retirement (2)**
2004	$ 2,445	$ 29,022	$ 14,946	$ 14,118
2005	2,656	26,524	15,396	13,145
2006	2,814	35,014	15,860	12,864
2007	2,704	28,926	16,341	14,152
2008	2,758	29,352	17,238	15,219
2009	2,459	28,763	17,359	16,200
2010	2,987	30,817	17,830	17,014
2011	3,154	30,592	17,958	16,490
2012	3,218	34,500	18,475	15,718
2013	3,229	34,853	18,897	15,781

(1) Prior to Social Security and workers' compensation offsets.
(2) Includes voluntary additional benefits.

Average Benefit Payment Amounts

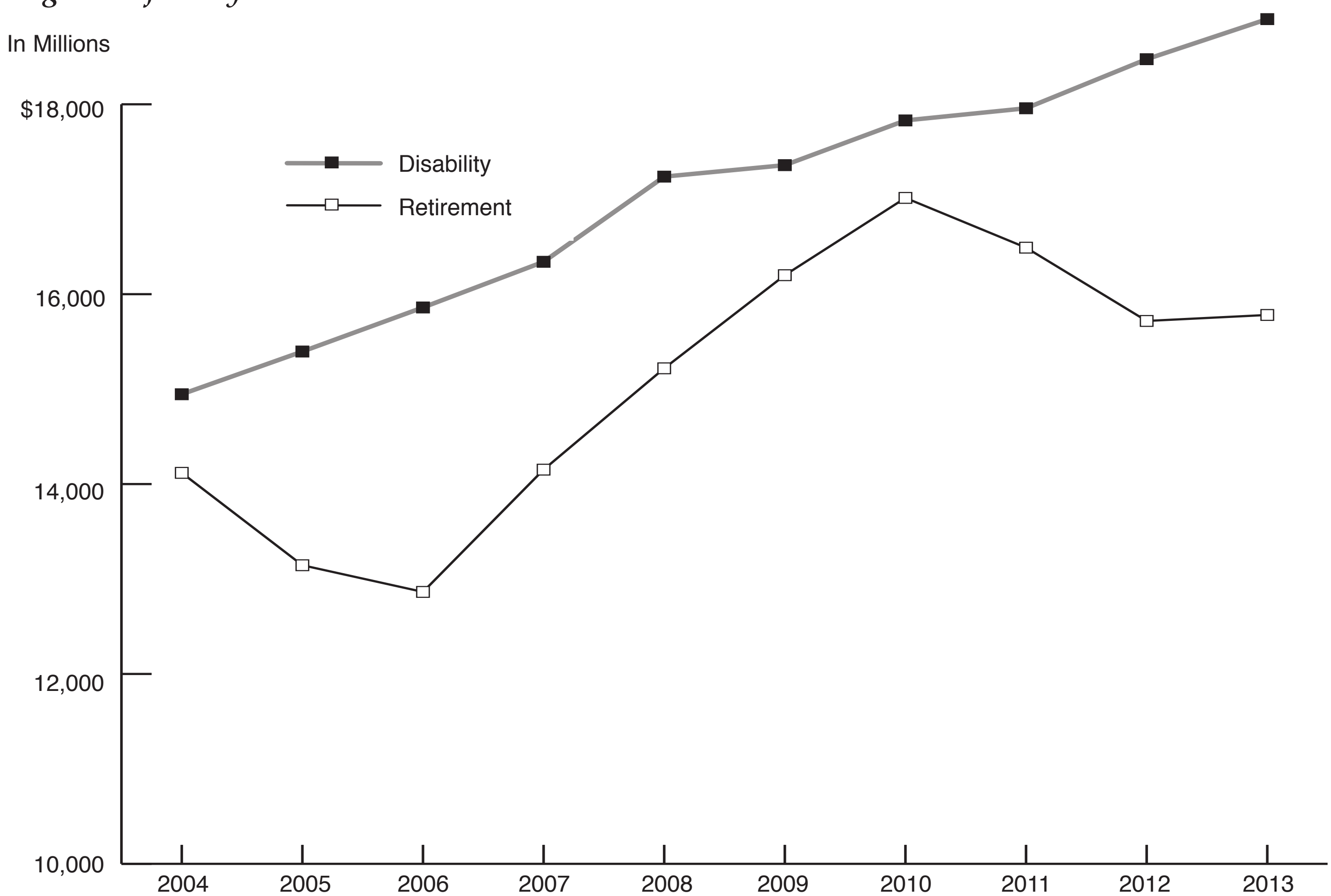

Table XX
Analysis of Initial Retirement Benefits - Regular Plan
Last Ten Years

	Years of Credited Service							
	8-9	10-14	15-19	20-24	25-29	30-34	35+	Total
2004								
Avg Monthly Annuity	$293	$433	$719	$1,077	$1,567	$2,236	$3,251	$1,147
Avg Monthly FRE	$2,099	$2,185	$2,533	$2,816	$3,266	$3,841	$4,665	$2,866
Number of Retirees	410	715	676	461	559	367	261	3,449
2005								
Avg Monthly Annuity	$289	$452	$728	$1,104	$1,545	$2,158	$3,000	$1,063
Avg Monthly FRE	$2,074	$2,293	$2,537	$2,913	$3,225	$3,747	$4,308	$2,807
Number of Retirees	473	781	748	590	544	348	221	3,705
2006								
Avg Monthly Annuity	$293	$477	$768	$1,212	$1,523	$2,393	$3,605	$1,137
Avg Monthly FRE	$2,094	$2,407	$2,676	$3,218	$3,209	$4,135	$5,165	$2,984
Number of Retirees	500	764	754	608	537	308	229	3,700
2007								
Avg Monthly Annuity	$312	$484	$781	$1,170	$1,657	$2,526	$3,469	$1,154
Avg Monthly FRE	$2,224	$2,457	$2,721	$3,086	$3,447	$4,382	$4,978	$3,039
Number of Retirees	578	787	816	659	518	359	240	3,957
2008								
Avg Monthly Annuity	$312	$494	$852	$1,230	$1,730	$2,671	$3,730	$1,248
Avg Monthly FRE	$2,229	$2,498	$2,974	$3,229	$3,597	$4,645	$5,358	$3,212
Number of Retirees	538	790	685	657	472	318	283	3,743
2009								
Avg Monthly Annuity	$317	$509	$891	$1,364	$1,951	$2,549	$3,712	$1,389
Avg Monthly FRE	$2,253	$2,565	$3,052	$3,553	$4,049	$4,419	$5,305	$3,413
Number of Retirees	551	804	682	717	497	444	371	4,066
2010								
Avg Monthly Annuity	$340	$513	$895	$1,410	$1,935	$2,598	$3,703	$1,421
Avg Monthly FRE	$2,401	$2,583	$3,100	$3,686	$4,022	$4,514	$5,295	$3,486
Number of Retirees	601	1,029	767	826	645	524	459	4,851
2011								
Avg Monthly Annuity	$339	$543	$906	$1,352	$1,929	$2,731	$3,879	$1,437
Avg Monthly FRE	$2,401	$2,764	$3,163	$3,499	$4,044	$4,711	$5,529	$3,542
Number of Retirees	578	1,056	792	834	641	553	426	4,880
2012								
Avg Monthly Annuity	$345	$539	$848	$1,407	$1,961	$2,807	$3,780	$1,391
Avg Monthly FRE	$2,473	$2,758	$2,946	$3,670	$4,083	$4,808	$5,436	$3,503
Number of Retirees	576	1,096	895	774	636	493	398	4,868
2013								
Avg Monthly Annuity	$345	$560	$886	$1,425	$1,968	$2,812	$3,875	$1,378
Avg Monthly FRE	$2,445	$2,798	$3,087	$3,673	$4,109	$4,836	$5,555	$3,518
Number of Retirees	723	1,312	1,080	943	770	491	461	5,780

FRE = Final Rate of Earnings used to calculate retirement benefit.

Note: This schedule excludes members retiring with money purchase benefits, reciprocal benefits, or multiple plans.

Table XXI
Analysis of Initial Retirement Benefits - Sheriffs' Law Enforcement Personnel Plan (SLEP)
Last Ten Years

	Years of Credited Service				
	20-24	**25-29**	**30-34**	**35+**	**Total**
2004					
Avg Monthly Annuity	$2,555	$3,581	$3,773	$4,175	$3,332
Avg Monthly FRE	$4,925	$5,698	$5,329	$5,567	$5,370
Number of Retirees	24	33	18	3	78
2005					
Avg Monthly Annuity	$2,295	$4,150	$3,613	$5,336	$3,439
Avg Monthly FRE	$4,517	$6,214	$4,975	$6,823	$5,452
Number of Retirees	25	23	5	6	59
2006					
Avg Monthly Annuity	$2,689	$3,948	$4,738	$5,165	$3,817
Avg Monthly FRE	$5,046	$5,835	$6,099	$6,768	$5,692
Number of Retirees	27	36	25	2	90
2007					
Avg Monthly Annuity	$2,907	$4,105	$3,927	$6,707	$3,607
Avg Monthly FRE	$5,846	$6,068	$5,403	$8,383	$5,901
Number of Retirees	36	36	13	1	86
2008					
Avg Monthly Annuity	$3,093	$5,144	$4,950	$4,283	$4,239
Avg Monthly FRE	$5,988	$7,495	$6,326	$5,354	$6,516
Number of Retirees	25	19	16	2	62
2009					
Avg Monthly Annuity	$3,358	$4,419	$5,503	$4,967	$4,454
Avg Monthly FRE	$6,613	$6,569	$7,286	$6,209	$6,837
Number of Retirees	21	17	22	1	61
2010					
Avg Monthly Annuity	$2,974	$4,598	$5,500	$4,455	$4,347
Avg Monthly FRE	$5,620	$6,996	$7,348	$5,750	$6,636
Number of Retirees	30	43	26	4	103
2011					
Avg Monthly Annuity	$3,682	$4,624	$5,479	$5,015	$4,465
Avg Monthly FRE	$6,833	$6,868	$7,070	$6,269	$6,887
Number of Retirees	36	36	21	2	95
2012					
Avg Monthly Annuity	$3,085	$4,382	$4,844	$3,809	$3,752
Avg Monthly FRE	$6,024	$7,000	$6,363	$5,312	$6,340
Number of Retirees	38	21	11	2	72
2013					
Avg Monthly Annuity	$3,372	$4,639	$4,418	$5,497	$4,130
Avg Monthly FRE	$6,181	$7,101	$6,026	$6,871	$6,547
Number of Retirees	31	27	10	5	73

FRE = Final Rate of Earnings used to calculate retirement benefit.
Note: This schedule excludes members retiring with money purchase benefits, reciprocal benefits, or multiple plans.

Table XXII
Analysis of Initial Retirement Benefits - Elected County Official Plan (ECO)
Last Ten Years

	Years of Credited Service							
	8-9	10-14	15-19	20-24	25-29	30-34	35+	Total
2004								
Avg Monthly Annuity	--	$1,215	$3,671	$3,874	--	--	$1,780	$2,840
Avg Monthly FRE	--	$2,779	$5,567	$4,843	--	--	$4,111	$4,294
Number of Retirees	--	7	5	8	--	--	1	21
2005								
Avg Monthly Annuity	--	$1,787	$3,365	$5,144	$5,678	--	--	$4,319
Avg Monthly FRE	--	$3,612	$4,160	$6,439	$7,098	--	--	$5,704
Number of Retirees	--	2	1	4	2	--	--	9
2006								
Avg Monthly Annuity	$609	$1,296	$3,113	$3,357	$2,596	$4,523	$6,250	$2,399
Avg Monthly FRE	$2,437	$2,942	$4,434	$4,340	$3,717	$5,717	$7,812	$3,806
Number of Retirees	6	8	8	8	1	1	1	33
2007								
Avg Monthly Annuity	$254	$1,435	$2,940	$4,848	--	--	--	$2,630
Avg Monthly FRE	$1,033	$3,243	$4,013	$6,060	--	--	--	$3,917
Number of Retirees	2	5	6	4	--	--	--	17
2008								
Avg Monthly Annuity	$287	$1,550	$4,249	$4,341	$664	--	--	$2,506
Avg Monthly FRE	$1,184	$3,773	$6,094	$5,425	$830	--	--	$4,024
Number of Retirees	3	10	3	8	2	--	--	26
2009								
Avg Monthly Annuity	$1,489	$1,987	$2,804	$2,523	--	--	--	$2,241
Avg Monthly FRE	$5,958	$4,358	$4,511	$3,154	--	--	--	$4,247
Number of Retirees	1	7	3	3	--	--	--	14
2010								
Avg Monthly Annuity	$123	$1,871	$2,243	$4,672	$4,039	$4,992	$3,872	$2,751
Avg Monthly FRE	$497	$4,411	$3,472	$5,859	$5,172	$6,241	$4,841	$4,097
Number of Retirees	4	6	9	5	4	2	1	31
2011								
Avg Monthly Annuity	$141	$320	$2,787	$4,394	$4,722	--	--	$2,279
Avg Monthly FRE	$580	$754	$4,182	$5,493	$6,139	--	--	$3,234
Number of Retirees	2	2	3	2	1	--	--	10
2012								
Avg Monthly Annuity	$687	$845	$762	$4,046	--	$4,598	--	$1,990
Avg Monthly FRE	$2,312	$1,934	$1,186	$5,058	--	$5,748	--	$2,967
Number of Retirees	2	9	5	8	--	1	--	25
2013								
Avg Monthly Annuity	$992	$1,070	--	$3,590	--	--	--	$2,304
Avg Monthly FRE	$3,958	$2,144	--	$4,487	--	--	--	$3,920
Number of Retirees	4	2	--	6	--	--	--	12

FRE = Final Rate of Earnings used to calculate retirement benefit.
Note: This schedule excludes members retiring with money purchase benefits, reciprocal benefits, or multiple plans.

Table XXIII
Distribution of Current Annuitants by Pension Amount

Monthly Pension Amount	Retirement Number of Males	Retirement Number of Females	Survivor Number of Males	Survivor Number of Females	All Annuities Number of Males	All Annuities Number of Females
Under $100	896	4,577	562	783	1,458	5,360
$100 to under $250	2,064	10,218	1,011	2,081	3,075	12,299
$250 to under $500	3,977	14,217	949	2,565	4,926	16,782
$500 to under $750	3,665	9,462	423	1,464	4,088	10,926
$750 to under $1,000	2,937	6,474	180	872	3,117	7,346
$1,000 to under $2,000	7,379	12,512	164	1,310	7,543	13,822
$2,000 to under $3,000	4,345	3,856	8	262	4,353	4,118
$3,000 to under $4,000	2,681	1,281	4	58	2,685	1,339
$4,000 to under $5,000	1,656	440	--	12	1,656	452
$5,000 to under $6,000	956	167	--	2	956	169
$6,000 and over	1,123	132	--	7	1,123	139
Total	31,679	63,336	3,301	9,416	34,980	72,752

Note: Counts do not include disabilitants.

In 2013, IMRF distributed $1.27 billion to Illinois retirees.

Illinois Municipal Retirement Fund

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