

MEMORANDUM

TO: Dr. Tim Kilrea, Dr. Kyle Schumacher, Co-Interim Superintendents,
Board of Education

FROM: Daina Pflug, Business Manager

DATE: May 18, 2026

RE: Approval of Supplemental Retirement Contribution for Tier 2 TRS/IMRF
Administrators

The purpose of this memo is to request the board's consideration and approval of a supplemental retirement contribution for Tier 2 administrative contracts due to the structural differences between Tier 1 and Tier 2 benefits under both Illinois Teachers' Retirement System (TRS) and the Illinois Municipal Retirement Fund (IMRF).

The board has already graciously agreed to pay administrator's retirement contributions into both systems. However, employees who fall into Tier 2 under both systems have a pensionable salary cap for 2025 \$127,283 and 2026 \$129,192 and other limitations not present in the Tier I structure. Because of this cap, the salary portion above the annual limit does not count toward their pensionable earnings and therefore does not contribute to their retirement benefit calculations. As administrative salaries exceed the Tier 2 pensionable salary limit, a growing portion of compensation falls outside the retirement system.

To address this structural gap, districts are exploring how to supplement retirement through an annuity contribution and/or employee match into a 403(b) or 457 plan as part of their Tier 2 administrative contracts. This would help close the retirement gap compared to Tier 1 administrators in similar roles and for the district to be able to competitively hire administrators in the future.

With these details, we respectfully request the Board consider adding an annual district contribution of the difference between the amount that should be contributed based on the salary less the capped amount each year for Tier 2 administrators. This contribution will be an employer contribution into an annuity of the employee's choice.

We remain committed to the work of the district and to serving our students, staff, and community. We appreciate the board's consideration of this request and would welcome the opportunity to discuss it further if helpful.