



**Legal Department
Employer Compliance Report
Of
#6763 Village of Poplar Grove
March 12, 2026**

FINDINGS AND RECOMMENDATIONS

#	Finding	Recommendation	Due Date
1	<p>We performed a reconciliation of gross 2025 wages (from your payroll reports) to the wages reported to IMRF for several randomly selected employees. As a result of this reconciliation, we noted that you are not exempting IRS Code Section 125 plans from IMRF wages even though IRS Code Section 125 plans are exempt from all taxes.</p> <p>The following individuals were noted:</p> <ul style="list-style-type: none"> • David Howe • Katelyn Jaster • Kyle Martenson • Zachery Knighten • Karri Miller 	<p>In order to have IRS Code Section 125 deductions treated as IMRF wages, it will be necessary to pass the “Suggested Resolution to Include Compensation Paid Under an IRS Code 125 Plan as IMRF Earnings” with an effective date of when the Employer started reporting this way.</p> <p>If the employer chooses to pass the “Suggested Resolution to Include Compensation Paid Under an IRS Code 125 Plan as IMRF Earnings” retroactively, wage adjustments will be required for all affected IMRF members for the past 4 years whose Section 125 deductions were not reported as wages.</p> <p>If the governing body chooses not to pass the “Suggested Resolution to Include Compensation Paid Under an IRS Code 125 Plan as IMRF Earnings”, wage adjustments will be required for all affected IMRF members for the past 4 years. However, best practice is to adjust out the erroneously reported compensation back to the point it was first included in IMRF earnings.</p> <p>Please use Employer Access to adjust the wages and contributions for each impacted wage period (for amounts exceeding \$200 a year). For the Adjusting wages and contributions fields, enter the difference of the amounts that are being adjusted. If decreasing the wages and contributions enter a negative (-) before the amount (for example, if the previously reported wages were \$1,000 and what should have been reported is \$800, the adjusting wages would be -\$200). Also, please select “IMRF Audit Finding” as the “adjustment reason”.</p> <p>Please see the Wage Adjustment Procedures in the Employer Access Learning Center at imrf.org.</p> <p>If the employer plans to pay the member contributions on behalf of the impacted members and does not plan to collect the</p>	03/26/2026

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		<p>contributions from them, please contact a Wage Report Analyst at 800-728-7971 for additional instructions. This will have an impact on the correction by increasing the reportable wages and contributions owed.</p>	
2	<p>We performed a reconciliation of gross 2025 wages (from your payroll reports) to the wages reported to IMRF for several employees. As a result of this reconciliation, we noted that a taxable fringe benefit was not reported to IMRF one IMRF member. This fringe benefit, the personal use of an employer provided vehicle, is considered reportable earnings to IMRF.</p> <p>The following individual was noted:</p> <ul style="list-style-type: none"> • David Howe 	<p>Section 3.96 (F) of the IMRF Authorized Agent’s Manual defines how non-cash earnings or “fringe benefits” are to be reported. Automobile use is covered in subsection 5. It notes that “The value of the personal use of an automobile furnished by an employer is considered IMRF earnings.”</p> <p>Please make wage adjustments for ALL IMRF employees impacted for the past 4 years. Please use Employer Access to adjust the wages and contributions for each impacted wage period (for amounts exceeding \$200 a year). For the Adjusting wages and contributions fields, enter the difference of the amounts that are being adjusted (for example, if the previously reported wages were \$800 and what should have been reported is \$1,000, the adjusting wages would be \$200). Also, please select “IMRF Audit Finding” as the “adjustment reason”. Please see the Wage Adjustment Procedures in the Employer Access Learning Center at imrf.org.</p> <p>If the employer plans to pay the member contributions on behalf of the impacted members and does not plan to collect the contributions from them, please contact a Wage Report Analyst at 800-728-7971 for additional instructions. This will have an impact on the correction by increasing the reportable wages and contributions owed.</p>	03/26/2026

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3	<p>While reviewing the gross wages per the Employer's payroll registers for the month of October 2025 through December 2025, it was discovered that Karri Miller's wages as an Elected Official and as Collector were reported to IMRF. It was further noted that the Elected Clerk position by itself is not meeting the hourly standard.</p>	<p>Elected Official wages should not be reported to IMRF unless the position is meeting the hourly standard and the Election to Participate form is on file.</p> <p>Please use Employer Access to adjust the wages and contributions for each impacted wage period (for amounts exceeding \$200 a year). For the Adjusting wages and contributions fields, enter the difference of the amounts that are being adjusted. If decreasing the wages and contributions enter a negative (-) before the amount (for example, if the previously reported wages were \$1,000 and what should have been reported is \$800, the adjusting wages would be -\$200). Also, please select "IMRF Audit Finding" as the "adjustment reason".</p>	03/26/2026