

FUNDAMENTALS

IMRF

ACTIVE MEMBER UNDER 40 EDITION

FALL/WINTER 2023

New IMRF Employee Trustee Douglas Cycholl

Douglas Cycholl was unopposed in running for IMRF Employee Trustee. His term as Employee Trustee will run January 1, 2024 through December 31, 2025. Cycholl is the Fire Hydrant Foreman for the City of Springfield, IL.

“As President of Local 337 for 12 years, I am an experienced advocate,” Cycholl said.

“As an IMRF Trustee, I look forward to advocating for the members of IMRF.”



IMRF is governed by an eight-member Board of Trustees:

- Three Employee Trustees elected by active members
- One Annuitant Trustee elected by retired members
- Four Executive Trustees elected by IMRF employers

The IMRF Board has many responsibilities, including authorizing IMRF investments, approving the administrative budget, and setting employer contribution rates. IMRF's Trustees are fiduciaries, required to act solely in the interests of you and your beneficiaries, and to make sure that your benefits are secure. For information on IMRF's Board of Trustees, go to www.imrf.org/IMRF-Board. ■

IMRF employers will vote to elect one Executive Trustee this fall. Candidates running for Executive Trustee are Jack Bower, Executive Director of the Broadview Public Library, and current IMRF Trustee Sue Stanish, Director of Finance for the Naperville Park District. For more information on the Executive Trustee election, go to www.imrf.org/2023-Election.



Timely Updates and Information Found Only in the **Email Fundamentals** Newsletters

■ **Webinar Information -**

Updated webinars are being created for both the Under 40 and Over 40 member groups. Information on these webinars and how to register for them will be available first in the email *Fundamentals* newsletters.

■ **Annual Statement of Benefits Timing -**

Email newsletters are sent to members who have email addresses on file with IMRF letting them know their Annual Statement of Benefits is available online.

■ **Links to IMRF News and Important IMRF Webpages -**

The homepage of the IMRF website provides you with up-to-the-minute updates on all IMRF related news, and the email *Fundamentals* newsletters alert you and provide direct links to these important updates and news stories.

■ **How-To Information and Videos for Using IMRF's Online Member Access Tools -**

Each issue of the email Fundamentals newsletter includes instructions and direct links for finding various information and using tools in Member Access.

To receive the email Fundamentals newsletters, if you don't already, please provide IMRF with your current email address through online Member Access or by calling 1-800-ASK-IMRF (1-800-275-4673).



**YOUR GLASS IS
HALF FULL
WORKSHOP WEBINARS**

Watch Anytime!

Who Should View this Webinar?

IMRF members under 40 or those new to IMRF who want to better understand the nature of IMRF and what their IMRF contributions are for.

Webinar Topics Include:

- How your pension is funded.
- Your benefits as an IMRF member.
- The importance of having more than one savings vehicle as you prepare for your eventual retirement.

Now Available on the IMRF Website—

Watch Whenever it's Convenient for You!

The *Your Glass is Half Full Workshop* webinar is now available online, on-demand on the IMRF website. You can view this recently pre-recorded webinar at any time, when it is convenient for you. To watch the pre-recorded webinar, go to: www.imrf.org/2023-Glass-Half-Full.

How Much Should You Save for Retirement?

According to the Social Security Administration, its retirement benefits are only designed to replace approximately 40% of the average worker's wages. That means the remaining 60% of your retirement income will need to come from other sources such as your IMRF pension, other retirement savings accounts, personal savings, and/or other investment earnings.

So, how much should you be saving for your retirement?

Industry Advisors' Rules of Thumb

One major investment firm recommends that you aim to save at least 3x your salary by age 40, 6x by 50, 8x by 60, and 10x by 67. So, if you are earning \$60,000 by age 40, you should have \$180,000 banked for retirement. If you reach 67 years old and are earning \$75,000 per year, you should have \$750,000 saved, based on this rule of thumb.

Another major investment firm says that saving 15% of your income per year is an appropriate savings level for many people.

If you are reading these benchmarks and thinking "I am nowhere near that," you are not alone.

Most Americans are not saving sufficient amounts of money for their retirement years. This is true for all ages ranging from millennials to baby boomers. In its 20th annual survey, the Transamerica Center for Retirement Studies found that millennials had median retirement savings of approximately \$23,000. The median retirement savings for Gen Xers was \$64,000 and for baby boomers it was \$144,000.

One Good Option for Building Your Retirement Savings

IMRF's Voluntary Additional Contributions (VAC) program is a

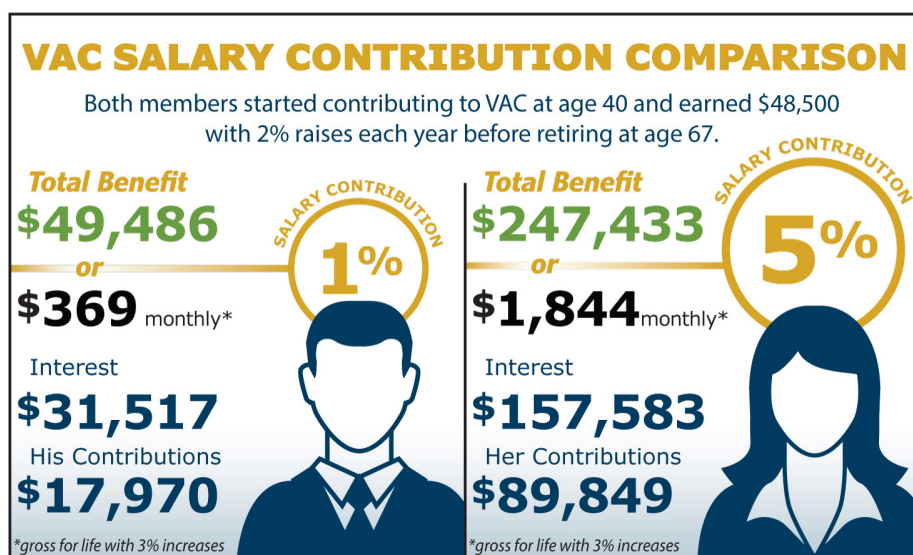
unique and very effective savings vehicle available to IMRF members only, to help supplement retirement savings. The VAC program is low-risk and offers higher interest rates than many other retirement savings options.

With VAC, you can elect to save between 1% and 10% of your reported earnings in an account that currently earns 7.25% interest. With IRA and 401(k) totals fluctuating with the market, the consistent interest rate of VAC (currently 7.25%) is a particularly attractive option for retirement saving.

The interest is credited at the end of the year, based on the opening balance at the beginning of the year. Contributions are after-tax and do not reduce your taxable income as in a 457 or 403(b) plan. IMRF members benefit from the compounding interest on their contributions, which add up to greater savings by the time of retirement.

VAC is a great way to build the personal savings members will need to supplement their pensions in retirement. For more information on VAC, go to www.imrf.org/VAC. ■

This article is for informational purposes only. IMRF contact center staff are not trained financial advisors. For assistance with financial planning, please contact a financial advisor.





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IMRF is hiring!

IMRF offers comprehensive benefits, professional development, and so much more! To view IMRF's job board, go to www.imrf.org, hover over the **About IMRF** tab, click **Employment at IMRF**, and then click **Career Opportunities**.