

# FUNDAMENTALS

IMRF

ACTIVE MEMBER UNDER 40 EDITION

FALL/WINTER 2021

## Avoid These Costly Retirement Saving Mistakes

The 2021 Retirement Confidence Survey by the Employee Benefit Research Institute (EBRI) found only 30% of workers surveyed are "very confident" they will have enough saved for a comfortable retirement. Twenty-five percent say they have less than \$25,000 saved for retirement (excluding the value of their primary home), and 30% said the COVID-19 pandemic has negatively impacted their ability to save for retirement, due to reduced hours, lower income, or job changes.

Your IMRF pension is a great start toward building the secure retirement you want. However, if you are like most IMRF members, your future pension alone will not be enough to meet all your retirement needs. You will likely need additional savings. To boost your retirement savings, avoid these common retirement saving mistakes:

### Not Saving Now

Are you planning to save more for retirement after you buy a home, complete home improvement projects, or go on that dream vacation? Prioritizing retirement saving now is key to ensuring you have adequate retirement savings to live comfortably.

### Not Taking Advantage of Retirement Savings Plans

Many IMRF retirees say they regret not taking advantage of IMRF's Voluntary Additional Contributions (VAC) program. The VAC program is a highly effective savings tool that offers higher interest rates than many other retirement savings options, and it is low risk. You can elect to save between 1% - 10% of your reported earnings in an account that currently earns 7.25% interest. For details: [www.imrf.org/VAC](http://www.imrf.org/VAC).

If you or your spouse have the option of a tax-deferred retirement savings plan with an employer match such as a 403(b) or 401(k), it is beneficial to contribute to this plan up to the full employer match amount. Otherwise you are declining money your employer is willing to give you towards your retirement savings.

### Borrowing from Your Retirement Savings

If money is tight and you need help making ends meet, look for loan options with lower financial penalties, such as student loans or home equity lines of credit, rather than borrowing from your retirement account. Other options might include using money from a health savings account if it is a medical emergency or drawing money from stock plan options if you have them through your employer or your spouse's employer.

### Quitting Your Job Before Becoming Vested

Don't decide to leave your job before finding out what your vesting situation is and whether you are close to the deadline. If you are close to becoming vested in your IMRF pension or your employer's 403(b) matched funds, it may be worthwhile to stay a little longer even if you feel ready to move on.

### Planning to Work Indefinitely Instead of Saving

The EBRI survey showed nearly half of retirees retired earlier than expected. Saving sooner will help you be prepared if your retirement timeline does not go exactly as planned.

Now is the time. If you think you are not saving enough for a comfortable retirement, start now to save more. ■





# YOUR GLASS IS HALF FULL WORKSHOP WEBINARS

*Attend for free! Sign up today!*

## **Who Should Attend?**

Any IMRF member under 40, who wants to better understand the nature of IMRF and why you are making contributions.

## **Workshop 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.

To register for the webinars, and to view more webinar dates once they become available, go to [www.imrf.org/member-workshops](http://www.imrf.org/member-workshops).

*There is a cap on the number of attendees, so register now to ensure a spot in the webinar.*

## **Glass Half Full Webinar Dates**

### **December**

DATE  
(Tue) 12/7

TIME

Noon - 1 PM (central)

### **2022 Webinar Dates**

*will be posted online once they become available.*

## *Board of Trustees*

# David Miller to Return as Executive Trustee

Current IMRF Executive Trustee David Miller is unopposed in seeking a new five-year term of office. Miller's new term as Executive Trustee will run January 1, 2022 through December 31, 2026.

Miller has served on the IMRF Board since 2015. He was Board President in 2020. He currently chairs the Investment Committee and serves on the Benefit Review Committee. He is the Executive Director of the North Shore Water Reclamation District.

“I’m honored to return for a second term as an Executive Trustee,” Miller said. “I look forward to continuing to support the organization in accomplishing its vision of providing the highest quality retirement services to our members and employers.”

IMRF is governed by an eight-member Board of Trustees elected by the people and institutions IMRF serves. Four Executive Trustees are elected by participating units of government, three Employee Trustees are elected by active members, and one Annuitant Trustee is elected by Retirees. The IMRF Board has many responsibilities including authorizing IMRF investments, approving the administrative budget, and setting employer contribution rates. ■



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# IMRF Experiences Record High Asset Growth

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Prior to the COVID-19 pandemic, IMRF's assets were around \$44.8 billion. A year and a half later, despite market volatility at the beginning of the pandemic, IMRF has seen record high asset growth. At the end of August, IMRF's investment assets are around \$56.3 billion. ■



*You can count on IMRF to fulfill its pension promises.*

**Locally Funded,  
Financially Sound.**

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## IMRF Hires Award-Winning Chief Investment Officer

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Angela Miller-May is IMRF's new Chief Investment Officer (CIO). She joins IMRF from the Chicago Teachers' Pension Fund (CTPF), where she served as CIO.

Miller-May is a nationally recognized pension industry leader. She has received Women Investment Professionals' "Distinguished Woman Investment Professional of the Year" Trailblazer Award and Institutional Investor's "Change Maker of the Year" Award.

"Angela is well-respected and recognized across the state and the nation as a very keen financial mind, with a great track record of investing success over the last decade," said IMRF Executive Director Brian Collins. "Our members, employers, and taxpayers should be excited about someone who is going to be an outstanding steward of their money."



To learn more about Miller-May's professional background, go to [www.imrf.org/CIO](http://www.imrf.org/CIO). ■



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If you have not been receiving the IMRF email Fundamentals newsletters, you are missing out on timely news, important how-to articles, and links to useful IMRF online tools.

If you are not receiving the email newsletters, please register for a Member Access account on the IMRF website, and provide your email address.

You will need a registration key to register. To get your registration key, either call 1-800-ASK-IMRF (275-4673) and ask for the key from your current Statement of Benefits or go to [www.imrf.org/register](http://www.imrf.org/register) to request that a key be mailed to you. ■