

# FUNDAMENTALS

IMRF

RETIRED MEMBER EDITION

VOLUME 30 | NUMBER 2  
SPRING 2015

## Making the most of your “encore years”

Retirement may mark the end of one stage of your life, but it is also an opportunity. This is the message that University of Illinois Extension educators Molly Hofer and Chelsey Byers hoped to pass on to the attendees of the “Explore Your Future” workshop in Westchester on April 22.

The attendees, who ranged from new retirees to older workers on the verge of retirement to younger workers in times of transition, took part in brainstorming exercises to gain a stronger sense of direction in preparation for the major life change that retirement represents. In many cases, it is a very positive change, but it is also one that

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represents a major shift in how many people see themselves and the shape their lives will take going forward.

“We know that people 50 and over today are living healthier, longer lives than any generation before us, and we have a lot of time on the other end,” Hofer said. “Some researchers feel that we will be at this stage of our lives for just as long as we worked. That’s a lot of years, so we want to make sure we have some sort of plan.”

### **Relationships in retirement**

A huge part of your life that inevitably changes in retirement is relationships with friends and family. Once, when Byers’ father was retired and her mother was still working, a storm brought

about a little forced togetherness. “I call it their retirement boot camp. They were iced in together for a week, and they wanted to kill each other,” Byers said. “But I think that was the best thing that could’ve happened to them, because they had a plan before it actually happened. Now that they are retired, they pursue their own interests by volunteering and working part time, but work on weekend, travel, and other leisure plans together.”

On the other hand, keeping friends close can become more difficult. “How many of you would say that your very dearest friends are your

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work friends?” Hofer asked. “That is very normal to have during work life, and there’s a learning curve when you retire or you leave that position. I remember leaving a position to go to grad school, and when I came back and visited with my friends, I felt like an outsider looking in.”

But that isn’t where the story has to end. “If you have said to yourself, ‘I haven’t heard from him in a long time; we used to be such close friends,’ there’s nothing wrong with picking up the friendship,” she said.

### Knowing what matters

To get the most out of your future retirement, take the time to analyze your past, Hofer said.

Decade by decade, identify some of the major events in your life, whether those are high points, low points, or turning points. They might be related to work or travel, or to family and relationships. You might also identify missed opportunities. As you look over your life’s trajectory and note the themes and patterns you see, think more deeply about your:

- **Values.** What matters most to you? What motivates you on a deep level?
- **Interests.** What activities do you like doing? What subjects light you up with passion?



- **Skills.** In which areas do you show innate talent? What do people compliment you on?
- **Dreams.** What topics, projects, activities, or travel locations would you like to explore? What would you regret not doing?

Byers cautions not to write down what you think you should want, or what others think you should want, but be true to your own priorities and values.

Consider the areas where your interests and talents intersect and jot down a few activities that relate, with an eye toward what excites you most. Which activities could you turn into one-time projects, a regular hobby, a volunteer activity, or a part-time job?

Byers and Hofer also suggest thinking about how you spend your time. What percentage of that time do you spend on various activities? In light of the values and passions you’ve identified, how well does the way you actually spend your

time match up with how you’d like to spend your time?

### The freedom of retirement

Today, retirement isn’t just about rest but about opportunity. Attendees named a few of the features that can make retirement so liberating: no time clock, the children are grown and gone, more time to study and learn. “It’s a chance to do what you wanted to do before but couldn’t get paid to do,” said one attendee.

“In the past, conventional wisdom was that adult development reached some kind of plateau at around the age of 50,” Hofer said. “Except for the physical process of aging, the thought was that you were a finished project intellectually, emotionally, spiritually. Now we know this is not true, right? We go through life with opportunities for transformation and change.”

By identifying what you hope to get out of your encore years, you can use the freedom they offer to explore and develop your biggest project—you. ■

*From the Executive Director:*

# How can you be sure your benefit calculation is correct?

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*A recent AARP story focused on retirees threatened with substantial cuts in their retirement benefits due to errors in calculation. A member wrote and asked what IMRF does to ensure this does not happen to our retirees.*

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## **Data Risk**

Garbage in, garbage out. Computer systems and benefit calculations are only as good as the data.

IMRF has been scrupulous since the early 1990s in auditing data. Records are audited when a person is first enrolled in IMRF. Records are audited if and when service is purchased. Records are audited in advance of a benefit claim. Annual statements are sent to members in the spring of each year. Members are asked to review for accuracy. Corrections are made upon notification/verification of errors. Pension estimates are part of that statement.

## **Computation Risk**

IMRF's pension calculations are highly automated. Those systems have calculated over 100,000 retirement benefit claims within the

last 20 years. Those systems have been thoroughly tested and audited.

## **Human Risk**

Human error can and does occur. IMRF experiences this mostly with pension estimates which project earnings, service credit, and sick leave. This is where projected data (not actual data) can trip staff up. By the time a benefit is calculated, real data is used. There have been discrepancies between estimates and actual payouts.

Major benefit overpayments at IMRF have occurred, but not due to staff miscalculations. Rather, members and employers have violated return-to-work rules after retirement. A retiree can work up to 600 or 1,000 hours. Once the hourly threshold has been crossed, the pension is to cease and the



Louis Kosiba  
IMRF Executive Director

retiree must be enrolled in IMRF again. Large overpayments have resulted. However, unlike the cases reported in the AARP article, these IMRF retirees were responsible because they did not contact IMRF before returning to work. IMRF is addressing this issue by auditing employers to ensure proper enrollment of their employees.

In the end, no system is perfect. IMRF cannot guarantee there will be no adjustments to a benefit calculation if new data is provided to IMRF or if an error is detected. However, our goal is to ensure you are paid the full benefits to which you are entitled. ■

# 2015 Retiree Workshops

## **Hold That Thought: Lifestyle Workshop on Brain Health**

*Workshop is approximately 90 minutes long, depending upon amount of audience participation*

IMRF will offer a series of retiree workshops this summer on the topic of memory and brain health. It is an interactive workshop designed to help us better understand our brains as we mature. It's chock full of tips and strategies to maintain and enhance brain function and memory.

At the workshops, participants will learn:

- The latest research on memory
- Tips to improve brain health
- Strategies to decrease forgetfulness

## **10 Ways to Simplify Your Finances: Financial Literacy Workshop**

*Workshop is approximately 90 minutes long, depending upon amount of audience participation*

Managing your finances may feel like a full time job, but it doesn't have to be that way. Learn strategies and tools that can automate, streamline, and organize your financial life. It's not just about direct deposit and online bill-pay! You can reduce the time and effort it takes to manage your retirement and investment accounts, too. From auto-rebalancing to new types of mutual funds, there are new services and techniques that can save you time and money.

## Register quickly and easily with Member Access

**Registration is required to attend an IMRF retiree workshop.** Seating is limited and workshops can fill up fast—registering online through Member Access at [www.imrf.org](http://www.imrf.org) is the best way to register. Member Access gives you the most up-to-date workshop availability, and you will receive a confirmation letter including the workshop location immediately after registering.

If you go online to register and a particular workshop doesn't show up, that workshop is already full.

# Times and Locations

Wednesday, July 1 • 10 AM <b>Westchester (next to Oak Brook)</b>	Friday, August 7 • 10 AM <b>Springfield</b>
Wednesday, July 8 • 10 AM <b>Naperville</b>	Tuesday, August 11 • 10 AM <b>Tinley Park</b>
Wednesday, July 15 • 10 AM <b>Arlington Heights</b>	Thursday, August 13 • 10 AM <b>Rockford</b>
Tuesday, August 4 • 1 PM <b>Effingham</b>	Wednesday, August 26 • 10 AM <b>Bartonville</b>
Wednesday, August 5 • 9 AM <b>Champaign</b>	Thursday, August 27 • 10 AM <b>Moline</b>

- Lifestyle workshops are presented by University of Illinois Extension family life educators. Financial literacy workshops are presented by financial educator Karen Chan.

- Workshops are free for IMRF retirees/beneficiaries and a guest. We encourage you to bring a guest to our workshops!

Thursday, September 3 • 10 AM <b>Arlington Heights</b>	Tuesday, September 15 • 10 AM <b>Champaign</b>
Thursday, September 10 • 12 noon <b>Naperville</b>	Tuesday, September 22 • 10 AM <b>Rockford</b>
Monday, September 14 • 10 AM <b>Springfield</b>	Tuesday, September 29 • 10 AM <b>Tinley Park</b>

- Be sure to dress in layers if you are sensitive to temperature changes—temperatures can vary in the meeting rooms.

- Beverages are the only refreshments provided.

## Additional registration information

We recommend using Member Access to register. If you do decide to register by phone, call 1-800-ASK-IMRF (275-4673) to reach a Member Services Representative. You will need:

1. Last four digits of your Social Security number.
2. City and date of the workshop you wish to attend.
3. Best phone number to reach you.
4. Number of people attending. (If your guest is also an IMRF retiree/beneficiary, please provide the requested information for both of you).

## Trustee Corner

# Four Trustee slots to be filled in 2015 elections

*2015 will be a busy election year for the IMRF Board of Trustees.*

IMRF is scheduled to hold three elections for four positions:

- One Executive Trustee, who will be elected by IMRF employers;
- Two Employee Trustees, who will be elected by active members of IMRF; and
- One Annuitant Trustee, who will be elected by IMRF retirees like you.

Each elected Trustee will serve a five-year term of office.

The eight-member Board of Trustees governs IMRF. It consists of four Executive Trustees, three Employee Trustees, and one Annuitant Trustee.

### **The effects of Public Act 98-0932**

In 2014, the Illinois General Assembly passed Public Act 98-0932. This law states that if there is only one candidate for an IMRF Trustee position, no election

will be held for that position. Therefore, the Annuitant Trustee election will only take place if there is more than one candidate.

### **2015 election schedule**

Nominating petitions, procedures, and additional information on running for Employee Trustee will become available for download at [www.imrf.org](http://www.imrf.org) beginning June 30, 2015.

Those who wish to run for Annuitant Trustee must:

- Be receiving an IMRF pension on January 1 of the year the term begins (in this case, 2016). That means if you plan to retire by December 31, 2015, you are eligible to run for this office.
- Gather at least 100 signatures of eligible IMRF retirees; and
- Submit your nominating petition between August 1, 2015, and September 15, 2015.

If the Annuitant Trustee election is held, you will receive a ballot along with your third quarter issue of *Fundamentals*. ■

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## IMRF Book Club—Feedback on Book #5

# *Drop Dead Healthy* a funny, informative read

In *Drop Dead Healthy*, A.J. Jacobs takes the reader on an amusing and educational journey through the body's systems and his attempts to tame them. Readers were charmed by Jacobs' wit and intrigued by wacky facts like how even thinking about sugar may be unhealthy. ■

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"Chuckled all the way through the book—even laughed out loud a few times. Laughing and learning at the same time—an unbeatable combination."

"It was a fun book to read and anyone interested in living healthy would enjoy it. My conclusion after reading is that moderation is a very good thing."

"As a first time IMRF Book Club contributor this was a delightful book to read. The author's approach was humorous but, in some cases, very applicable. It will be a repeat read for me in the future."

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# Interested in running for Trustee?

According to Board President and Employee Trustee John Piechocinski, trust is at the heart of what it means to serve on the Board of Trustees



Board President John Piechocinski is no stranger to service in his community. Having been a soccer coach, Sunday school teacher, and Region Chair in the Illinois Education Association, he was elected to the IMRF Board of Trustees in 2010 and began his five-year term at the beginning of 2011. Fellow Trustees elected him Board President for 2015.

From that vantage point, Piechocinski advises those who are interested in running for Trustee to make sure they're willing to devote at least 40-50 hours a month to

making sure they do justice to the position.

"It's a big time commitment, because you're dealing with a lot of people's lives," he said.

Though it helps to have business experience, Piechocinski says, IMRF also offers on-the-job training. Trustees are required to go through at least eight hours of training per year, but last year Piechocinski underwent more like 40 hours, most recently a seven-day workshop. Training topics range from investments to legal issues to "how to be a Trustee." All are aimed at empowering Trustees to provide IMRF with leadership and strategic direction.

In preparation for meetings of the Board as a whole and the individual committee meetings on which he serves, Piechocinski does plenty of reading. That includes reports from IMRF's Chief Financial Officer, investment reports, case information for the Benefit Review Committee, and publications like

*The Wall Street Journal* and *Crain's Chicago Business*. "You have to make sure you have knowledge of investments," Piechocinski said.

Most importantly, Trustees must be devoted to the best interests of those they represent. "If people trust you to make the right decisions, that's a big part of volunteering for anything," Piechocinski said. ■

## Financial Corner

Total plan net assets:

**\$35 BILLION**

2014 investment return:

**6.1 PERCENT**  
ON A MARKET BASIS

2014 investment income:

**\$2.1 BILLION**

Annualized total fund return from 1982-2014:

**10.24 PERCENT**

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**FUNDAMENTALS**

is published quarterly for IMRF retirees.

Erin Cochran, editor, [ecochran@imrf.org](mailto:ecochran@imrf.org)  
1-800-ASK-IMRF (275-4673) • [www.imrf.org](http://www.imrf.org)

*Coming soon:*

**Member ID cards for retirees  
to be mailed later this year**

For increased  
privacy protection,  
IMRF has created  
completely new  
member identification



numbers for all our members and retirees. You can use  
this number, known as your “Member ID,” in place  
of your Social Security number on forms and other  
communications with IMRF.

Later this year, IMRF will mail all retirees a Member  
ID card featuring this new identification number.  
Please keep this card in a handy place for when you  
need to contact us with questions or concerns. This will  
help us serve you better and more quickly.

You will also be able to find your Member ID number  
on all letters and statements you receive from IMRF. ■