

# FUNDAMENTALS

IMRF

ACTIVE MEMBER UNDER 40 EDITION

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## Don't remain in the dark about your IMRF benefits

What don't you know about your IMRF benefits? Attending an IMRF "Your Glass is Half Full" workshop will give you the knowledge you need to take advantage of opportunities that may otherwise fall by the wayside, or avoid pitfalls that could cost you money.

### Why you should attend a "Your Glass is Half Full" workshop

Gaining a fuller understanding of IMRF's many benefits now, before you need to take advantage of them, enables you to make choices that could mean a significantly more comfortable retirement for you later in life.

"Retirement planning can't be done at the time of retirement," observed IMRF Field Representative Kate Setchell. "It is much easier for our members if they learn about our savings tools and retirement benefits early on. Then, preparing for retirement becomes a breeze."

"Your Glass is Half Full" is a 1-1/2-hour workshop aimed at those who are new to IMRF, younger, or less familiar with their benefits.

"We started offering this based on feedback we received in the Pre-

Retirement Workshops," said IMRF Field Representative Randy Stevens. He related that many times, when Pre-Retirement Workshop attendees learned about IMRF's Voluntary Additional Contributions (VAC) program, "they said, 'Boy I wished I had known about this when I was early in my career and could've paid into this for the 25 or 30 years I worked here.'"

Learning more about VAC is what lured Pam Otto to the June 22 "Your Glass is Half Full" workshop in Naperville. "I was really glad to learn about [the VAC program]," Otto said. "That's a really phenomenal benefit that I wasn't fully aware of. It's a great program, and I plan to participate in it."

### Learn about Voluntary Additional Contributions and so much more

"Your Glass is Half Full" is the best place to learn more about the VAC program, which allows you to save up to 10% of



your IMRF earnings in an account that currently earns 7-1/2% interest (credited differently than a savings account; for more information about VAC, see the article on page 2). At retirement, you can take the money as a lump sum or annuitize it, providing an additional monthly benefit. The earlier you start contributing the better, because it allows more time for the interest to compound.

But VAC isn't the only IMRF benefit that can make a difference for you now and in retirement. "Your Glass is Half Full" imparts a fuller understanding of:

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*—IMRF Field Representative Kate Setchell*

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- How **IMRF Disability** enables you to continue to earn service credit if childbirth or injury renders you temporarily unable to work. Stevens noted, “If the only thing the person is receiving is workers comp, then the workers compensation payment is not being reported to us, and the member is not earning service credit.”
- How **Death Benefits** offer some financial protection to your beneficiaries if you pass away, and the importance of having a valid beneficiary form on file with IMRF.
- **Reciprocal service** and how service credit earned with different Illinois Reciprocal Retirement systems can be combined with IMRF to receive a larger pension if you’ve worked in one

of those systems in the past, or if you leave your IMRF position and work for one of those systems in the future.

- How **buying past service** can increase your pension. If you are considering purchasing military service, or previous IMRF or reciprocal service for which you’ve taken a refund, it will cost much less to purchase that now than it will later on, because the longer you wait the more interest you have to pay back. “Addressing these issues early can save a member thousands of dollars in interest,” Stevens said.
- The **importance of saving**. “IMRF is not going to replace your entire income in retirement,” Setchell cautioned. She noted that even for members who work 40 years in an IMRF position, their IMRF pension will only replace about 75% of their income, and most

IMRF retirees work 20-25 years. “To live comfortably in retirement you have to have other sources of income. That could come from participating in any employer-sponsored program like the 403(b) or 457, or IMRF’s VAC program.”

### Take control of your future

By attending a “Your Glass is Half Full” workshop, you will face fewer surprises when you eventually decide to retire, and you will know you have given yourself the opportunity to maximize your retirement income.

“It’s your retirement future—the only one who has control over it is you,” Setchell said. “Even if it’s a tiny pension, it’s still yours. You should, like a plant, nurture it and be interested in it.” ■

## How Voluntary Additional Contributions can help your bottom line in retirement

As necessary as saving for retirement is, it can be difficult when every penny counts.

“When you’re young, you think, ‘Oh, I have a child, I’m finishing school, I’ve got debt,’” said IMRF Field Representative Kate Setchell. “But you have to be a little bit like IMRF and look 30 or 40 years down the road.”

IMRF’s Voluntary Additional Contributions program (VAC) makes it easier to save for your future. VAC is a savings vehicle unique to IMRF that can help you shore up additional resources for retirement.

### How VAC works

VAC lets you save between 1% and 10% of your reported earnings in an account that currently earns 7-1/2% interest. Contributions are after-tax and do not reduce your taxable income as in a 457 or 403(b) plan. The interest is credited at the end of the year based on the opening balance at the beginning of the year.

If you elect to make contributions, fill out IMRF Form 6.30 and take it to your employer to be signed by your Authorized Agent. Your contributions will be deducted from your paycheck automatically and will continue to earn interest for as long as you leave them on file.

Upon retirement, you can take your contributions with interest as a lump sum. Alternatively, you can annuitize it, adding an additional monthly benefit alongside

your pension that will increase yearly as your pension does and never runs out.

If you take a refund of your VAC, your interest must remain on file until you retire from IMRF or stop working for your IMRF employer. (That interest will continue to earn additional interest.) Not taking a refund will generate much more interest for you over time.

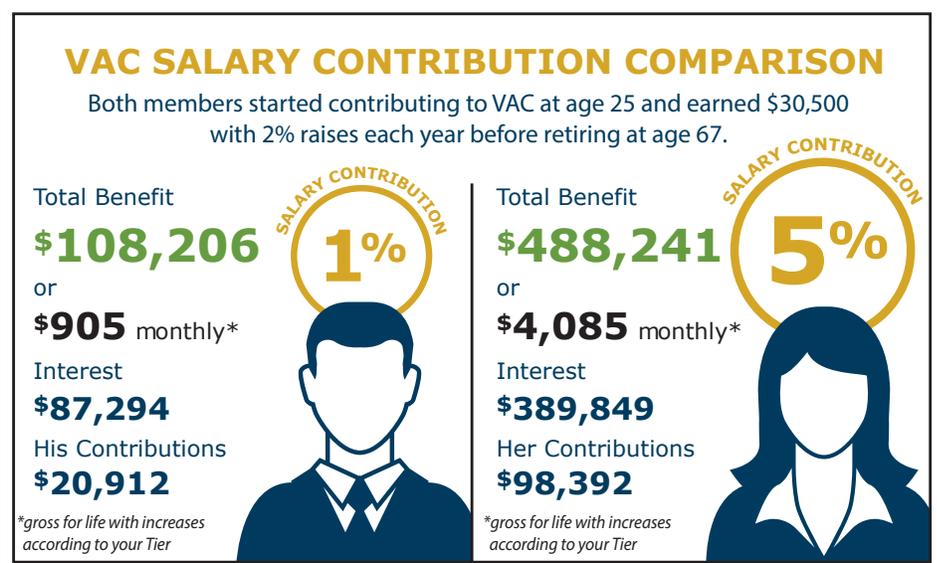
### The benefits of an early start

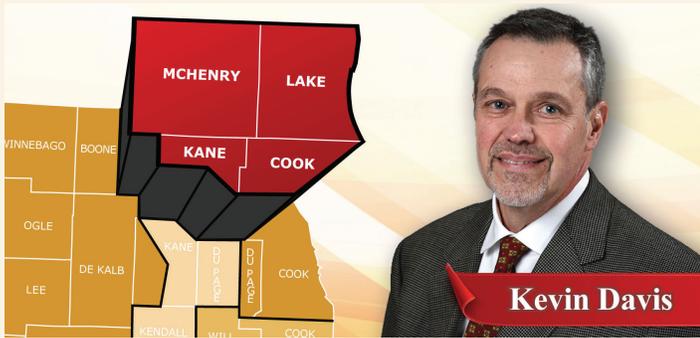
The earlier you start making VAC, the

better off you’ll be in retirement. See the graphic below for a demonstration of how even small contributions now can make a big addition to your retirement income.

“Saving 10% is going to do good things for you, but if you’re eating ramen noodles every day, you get a little sick of that,” said IMRF Field Representative Randy Stevens. “You can step up to it. Start out at a lower amount and then increase it a little bit annually.”

“Put some dollar amount in there that won’t harm your lifestyle,” Setchell said. “You will be amazed by the time you retire the amount of money that accrues.” ■





## IMRF welcomes new Field Representative Kevin Davis

To better serve our membership, IMRF has added an eighth Field Representative, Kevin Davis. Davis will present workshops and hold Personal Benefits Reviews throughout the newly established Northeast Territory, working with members to help them better understand their benefits.

### Background

Davis has more than 20 years' experience in the public and private sectors. He has worked in Human Resources for several Chicago area corporations, as well as for Illinois State University, the University of Illinois, and McHenry County College. He earned his bachelor's and master's degrees from Illinois State University.

### Northeast Territory

The new territory covered by Davis includes Lake and McHenry Counties, Cook County north of Palatine/Willow Road, and Kane County north of Route 20. This has shifted the territories of other IMRF Field Representatives statewide. Visit [www.imrf.org/en/about-imrf/field-services/locate-your-field-representative](http://www.imrf.org/en/about-imrf/field-services/locate-your-field-representative) to find your current Field Representative. ■

## The search begins for IMRF's next Executive Director

As Executive Director Louis W. Kosiba prepares to retire at the end of 2017, IMRF is moving forward with the search for his successor.

On April 11, 2017, the IMRF Board of Trustees selected a search firm, EFL Associates, to assist in the hiring of a new Executive Director. Candidates will be interviewed throughout 2017, with a final candidate to be chosen as early as late fall/early winter. The new Executive Director will begin in 2018. ■



Louis W. Kosiba  
IMRF Executive Director

### Trustee Elections

Are you a CEO, CFO, officer or department head? You could run for Executive Trustee!

IMRF is accepting nominating petitions August 1 through September 15.

This fall, IMRF employers will elect one Executive Trustee to the Board of Trustees for a five-year term, which will run from January 1, 2018, through December 31, 2022.

### To become a candidate

A candidate for Executive Trustee must:

- Be employed by a participating governmental unit as a chief executive officer, chief finance officer, or other officer, executive, or department head.
- Be an active IMRF member with at least eight years of service credit as of December 31, 2017.
- **Gain the nomination of at least three IMRF employers**, each of which must submit a nominating petition to IMRF between August 1, 2017, and September 15, 2017.

Download nominating petitions, procedures, IMRF's Trustee candidate packet, and everything you'll need to run for Executive Trustee at [www.imrf.org](http://www.imrf.org)! ■

### Keep your Member Access account active

Member Access is a useful tool for registering for workshops, updating your address or beneficiaries, looking up your old Member Statements, securely contacting our Member Services staff with questions, and much more. To keep your account active, remember that:

- After you register online for your account, sign in right away when you receive your login information by mail. An account that has been created but not signed into is terminated after 60 days.
- An account that has been signed into will be terminated after 27 months of non-use.
- If you make five unsuccessful login attempts, your account will be temporarily locked. Once 24 hours have passed, you can try again.
- If you've forgotten your password, click "Forgot Password" in the upper right corner of [www.imrf.org](http://www.imrf.org). We will email you a link to reset your password.
- If your account has been terminated, you can register for a new account at [www.imrf.org](http://www.imrf.org).



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## Your Glass is Half Full

### Understanding Your IMRF Benefits

Learn about why you make contributions and how you benefit from your IMRF membership. For more details about "Your Glass is Half Full," see the front page of this newsletter.

### 2017 Workshop Dates & Locations

	DATE	LOCATION	START TIME
<b>JUL</b>	(Thu) 7/13	Mount Prospect	5:30 PM
<b>AUG</b>	(Tue) 8/22	Moline	6 PM
	(Wed) 8/23	Crystal Lake	6 PM
<b>SEP</b>	(Thu) 9/07	Oak Park	5 PM
	(Tue) 9/19	Peoria	6 PM
<b>OCT</b>	(Fri) 10/06	Champaign	2 PM
	(Tue) 10/24	Galesburg	6 PM
	(Tue) 10/24	Grayslake	6 PM
<b>DEC</b>	(Tue) 12/05	Dundee	7 PM