

# FUNDAMENTALS

IMRF

ACTIVE MEMBER UNDER 40 EDITION

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WINTER 2015

## “You are the difference” in 2015 and beyond

IMRF is partnering with Generations Serving Generations (GSG) to support and promote “2015: The Year of the Volunteer.” Led by GSG, “The Year of the Volunteer” is a statewide initiative that will celebrate the accomplishments of Illinois volunteers, challenge Illinois residents to get involved in their communities, and educate those who rise to meet that challenge about the volunteer opportunities that are available to them.

### **In giving, we receive**

Generativity, the term that scientists use to describe the capacity to give of oneself, is one of the most studied traits in science, according to *Why Good Things Happen to Good People* by Stephen Post, Ph.D. and Jill Neimark. The book’s examination of existing research in this area found that across income levels, neighborhoods with the highest levels of volunteerism had less crime and happier residents. The research they studied also showed surprising benefits to the individual volunteer, including increased longevity and better health, along with less tangible but very real benefits to the spirit.

“Volunteering gives you a perspective on the needs of others. It helps you develop respect and empathy. It helps you develop courage. These are tools we can use throughout our lives,” said Louis Kosiba, Executive Director of IMRF and a member of GSG’s Leadership Team.

Despite the benefits to both the individual and the community, the recently published *Volunteering in America* report for 2014 shows that volunteerism is on the decline nationally. In Illinois, only 26.7% of

the population, or 2.57 million people, volunteered their time in 2013, ranking Illinois 26th among the 50 states and Washington DC.

However, those relative few made a big difference. “Just 2.57 million people gave \$7.2 billion in service, so if we can increase that number only a few percentage points, we’re talking about hundreds of millions if not billions of dollars of impact,” observed Scott McFarland, Executive Director of the Serve Illinois Commission.

GSG, a project led by the Illinois Department on Aging and the Serve Illinois Commission, has taken on the task of communicating the importance of civic engagement to retirees, educators, employers, and the public. “IMRF learned about Generations Serving Generations several years ago, and it occurred to us that it would be a natural partnership,” Kosiba said. “The young can help the old, and the old can help the young. Retirees can help young people learn how to read, how to start businesses, how to work in a professional environment. Young people can help older people learn about social



media and the Internet and using current technology.”

### **The broader initiative**

Jane Angelis, director of GSG, envisions “The Year of the Volunteer” as a time to celebrate current volunteers and encourage new ones, but also as a time to build infrastructure for better communication between service organizations.

“Right now there’s a lot of people doing the same thing in parallel, right next to each other. The big goal is to do a

*continued on page 2*



## 3 ways that you can contribute

**“I think the concept here is really that this can be a ‘do it yourself’ program. You can make a difference in your community; you can make a difference to yourself. There are mutual rewards here,” said IMRF Executive Director Louis Kosiba.**

- 1. Join a charity or service organization.** “There are many, many people who have joined service organizations while they’re actively employed,” Kosiba said. “Lions International, Rotary Clubs and Kiwanis come to mind. There is a place for you within your community to help.”
- 2. Be sensitive to the needs of your environment.** “Is there an older couple who lives in your building? Is there an older couple who lives down the street? You can offer to shovel snow for them. If you’re a member of a church, is there someone who needs a ride to church? Is there someone who needs a ride home?”
- 3. Help a child—or an adult—learn to read.** “Illinois has a significant problem with people not graduating from high school, and in today’s society, if you can’t read well and at a level technical enough to find a good-paying job, you’re almost doomed to be lower income and always struggling.”

better job of connecting volunteer efforts throughout the state,” Angelis said.

She hopes that [serve.illinois.gov](http://serve.illinois.gov) and its volunteer search engine will play an increasing role in bringing volunteers and service projects together. GSG will continue working with the Illinois General Assembly to develop public policy that supports the organization’s overall efforts. That may take the form of a Senate Forum, or “we may have a bunch of different hearings and projects all over the state to emphasize the lessons that we’re learning,” Angelis said.

### How IMRF will contribute

The theme of “The Year of the Volunteer” is “You are the difference.” Over the course of 2015, IMRF will celebrate the ways you make a difference by asking IMRF members and retirees to share their stories of how they have served in their communities. Seven volunteers will

be profiled, with one winning spotlight story to be unveiled in December. We will share their stories on social media, in this newsletter, and the “Year of the Volunteer” subsection of our website at [www.imrf.org/volunteer-stories](http://www.imrf.org/volunteer-stories). For the spotlight story, the winning volunteer’s service organization will receive a \$1,000 donation from an anonymous IMRF staff member.

You can find Kosiba’s video message kicking off IMRF’s participation in “The Year of the Volunteer” at [www.imrf.org](http://www.imrf.org). Additionally, you can help IMRF learn more about volunteerism among its membership by filling out an initial survey at [www.imrf.org/volunteering](http://www.imrf.org/volunteering).

To tell us how your volunteer work has made an impact in your community, write to us at [volunteer@imrf.org](mailto:volunteer@imrf.org). We look forward to hearing how you have made a difference.

## Share your story of service

Tell us how you make a difference!

- IMRF will highlight the volunteer efforts of seven members or retirees on social media and the “Year of the Volunteer” subsection of our website at



- [www.imrf.org/volunteer-stories](http://www.imrf.org/volunteer-stories), with one winning volunteer spotlight story to be unveiled in December.
- The volunteer featured in our spotlight story will **win \$1,000 for their service organization!**

Tell us your story at [volunteer@imrf.org](mailto:volunteer@imrf.org)!

### How you can join in

Aspiring volunteers can begin their journey of service by visiting the volunteer search portal at [serve.illinois.gov](http://serve.illinois.gov). There you can search for your location and area of interest, and the search engine will return local volunteer opportunities that have registered with [serve.illinois.gov](http://serve.illinois.gov).

“Any survey that comes out, you’ll see that the two top reasons why somebody does not volunteer is either because they did not know where to go to volunteer, or no one asked them to volunteer,” McFarland said. “Well, we’re asking everyone to volunteer, because right now in Illinois there are at least 10,000 open volunteer opportunities at any given time: 10,000 organizations, 10,000 projects that are looking for volunteers and don’t have enough to fill what they’re trying to do. It’s a matter of people searching out those organizations, finding one that fits them, and volunteering their time.” ■

# Knock me over with a feather!

## How IMRF's Voluntary Additional Contributions program can contribute to your future

by Louis Kosiba, IMRF Executive Director

*I thought I knew, but I didn't understand. I knew about IMRF's Voluntary Additional Contributions plan, but did not connect the dots and did not give it careful consideration. There are a number of ways to build financial security and this is one—a powerful tool available only to IMRF members.*

As an active participant in IMRF, you may elect to have up to 10% of your after-tax earnings deposited with IMRF. It earns the same rate IMRF assumes it will make on its investments: currently 7.5%. Interest is posted at the end of the year based on the opening balance. You receive that interest whether or not IMRF investments actually earn 7.5%, so it is guaranteed. Moreover, your interest compounds at that rate. Your contributions can be withdrawn at any time, but current federal tax law prevents payment of the interest until you terminate employment.

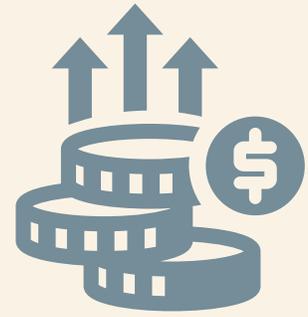
### How a small percentage of your salary can grow

An example illustrates the benefit of the program. Assume a member starts contributing 2% of salary a year in 1992 when they were earning \$21,800. They contribute that 2% each year and retire in 2013 with a salary of \$68,053. During that period, they will have contributed \$19,000 and earned \$19,110 in interest for a total nest egg of \$38,117.

At retirement, they have the option to take a lump sum or annuitize it so that they

can receive a monthly payment for life. When they convert to a monthly payment, the amount of their monthly payment is calculated on the assumption that the amount they contributed will continue to earn that 7.5% compounded interest. That assumption enables IMRF to annually increase the monthly payment by 3% of the original amount. Therefore, at age 60, their monthly payment is \$228.14 or \$2,737.68 per year. If they live to age 85 (not unheard of), the payment is \$399.14 or \$4,789 per year—for a total payout of \$97,855!

Two percent is a modest amount. You can increase/decrease contributions between 0% and 10%. If our hypothetical member contributed 10% annually, the amount would be five times more. Similarly, if you earn more over your working years—or work longer than the hypothetical 22 years—the payout will be greater. ■



## New! Workshop for new members and members under 40

### “Your Glass is Half Full: Understanding Your IMRF Benefits”

If you want to better understand the nature of IMRF and why you are making contributions, this workshop is for you! An IMRF Field Representative will explain how your pension is funded, your benefits as an IMRF member, and the importance of having more than one savings vehicle as you prepare for your eventual retirement. This new workshop is especially relevant for those who are new to IMRF or under age 40. Next issue, we will have a full review of this new learning opportunity. ■

### 2015 Workshop Dates and Locations

#### March

DATE	LOCATION	START TIME
(Wed) 3/25	Salem	5 PM

#### April

DATE	LOCATION	START TIME
(Tues) 4/14	Rockford	6 PM
(Tues) 4/28	Peoria	5:30 PM
(Thurs) 4/30	Naperville	6 PM

#### June

DATE	LOCATION	START TIME
(Thurs) 6/18	Effingham	4 PM
(Tues) 6/30	Joliet	6 PM

#### July

DATE	LOCATION	START TIME
(Wed) 7/8	Wheeling	5 PM
(Wed) 7/15	Rend Lake	5 PM

#### August

DATE	LOCATION	START TIME
(Tues) 8/11	Springfield	5:30 PM
(Tues) 8/11	Tinley Park	6 PM
(Thurs) 8/13	Bloomington	6 PM
(Tues) 8/18	Aurora	6 PM
(Tues) 8/18	Galesburg	5 PM

#### September

DATE	LOCATION	START TIME
(Thurs) 9/10	Wheeling	5 PM

More workshops will be added throughout the year. Check [www.imrf.org](http://www.imrf.org) for additional dates and locations.



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## Take 15 minutes now and be confident in your future

When you receive your 2014 Personal Statement of Benefits, take a moment to look it over. The accuracy of your account is important to your future—resolving a problem now may save you time and aggravation when you're ready to retire. Please make especially sure to review the front and back pages of your statement for accuracy, along with your beneficiary information.

### **New! Your Member ID**

Your Personal Statement of Benefits also includes your new Member Identification Number. To protect your information, you can use this number in place of your Social Security Number when completing paperwork for IMRF.

### **When are statements sent?**

You should generally receive your 2014 member statement in February or March. If you already received your statement but didn't have a chance to look at it then, you can find it in your Member Access account under the "Documents" tab.

### **What's on your statement?**

Your annual Personal Statement of Benefits provides detailed information about the benefits available to you as an active IMRF member—retirement, disability, and survivor benefits. This statement includes your IMRF account activity for 2014 as well as an overview of past earnings, contributions, and employers. ■