



ELECTION TO MAKE OR CHANGE VOLUNTARY ADDITIONAL CONTRIBUTIONS

IMRF Form 6.30 (Rev. 04/2018)

IMRF's Voluntary Additional Contribution (VAC) program is a way to help you save additional retirement income. With this program you choose to make additional, **after-tax** contributions to an individual VAC account that earns interest.

How does it work?

Your employer deducts your additional contributions from your IMRF reportable earnings and reports them to IMRF. Your VAC account consists of your contributions and interest only. Employers **do not** match or make any contributions to your account. The VAC program is open to all IMRF members.

What happens when I retire?

When you retire, you can take your contributions and interest as a lump sum, or you can choose a monthly annuity if your VAC balance is at least \$4,500.00.

Voluntary Additional Contributions:

- Are limited to a maximum of 10% of your IMRF reportable earnings for Tier 1 members.
- Are limited to a maximum of 10% of your IMRF reportable earnings, up to the Tier 2 wage cap, for Tier 2 members.
- Earn interest differently than traditional saving accounts.
- Can be stopped at any time.
- Can be withdrawn at any time (see refund section on next page for information about withdrawing interest).
- Will begin in the month specified below, as long as your application has been received by IMRF and your employer begins reporting your VA contributions.

IMPORTANT! Review details about the VAC program on the next page to make sure it is the right choice for you.

Please print – use black ink

Member's Last Name	First	Middle initial	Jr., Sr., II, etc.	IMRF Member ID or Last 4 Digits of SSN
Employer Name				Employer IMRF ID Number

CERTIFICATION BY MEMBER

I elect to (check one):

- Make** Voluntary Additional Contributions to the Illinois Municipal Retirement Fund **at the rate of _____%**
(NOT TO EXCEED 10%) and authorize my employer to deduct these contributions from my earnings.
- Change** my Voluntary Additional Contributions to the Illinois Municipal Retirement fund **to the rate of _____%**
(NOT TO EXCEED 10%) and authorize my employer to deduct these contributions from my earnings.
- Stop** my Voluntary Additional Contributions to the Illinois Municipal Retirement Fund.

X _____
Signature of Member _____
Date (MM/DD/YYYY)

CERTIFICATION BY AUTHORIZED AGENT

I certify that Voluntary Additional Contributions will be made from the member's IMRF reportable earnings beginning with earnings paid in

_____ 20 ____ at the rate specified.

X _____
Signature of Authorized Agent _____
Date (MM/DD/YYYY)

IMRF

2211 York Road Suite 500 Oak Brook Illinois 60523-2337
Member Services Representatives 1-800-ASK-IMRF (275-4673) Fax (630) 706-4289

www.imrf.org

Details about the Voluntary Additional Contribution Program

How much can I contribute to my VAC account?

- If you are a Tier 1 member, you may contribute any amount up to 10% of your IMRF reportable earnings.
- If you are a Tier 2 member, you may contribute any amount up to 10% of your IMRF reportable earnings, up to the Tier 2 wage cap (you can find the current year's wage cap at www.imrf.org). If you reach your wage cap, you can't make any more contributions in that year, even if you haven't reached the VAC maximum. You can begin making contributions again the following January.

How is interest credited?

- IMRF credits interest to VAC accounts at the end of the year based upon the opening balance amount at the beginning of the year. You will not earn any interest the first year you begin making Voluntary Additional Contributions.
- The interest rate is currently 7-1/2%. This interest rate can change in the future. If the interest rate changes, IMRF will not notify VAC participants of the change. You can find the current interest rate at www.imrf.org.

What are my choices at retirement?

- If you leave your VAC on deposit until you retire from IMRF, at retirement you may choose to receive your Voluntary Additional Contributions as:
 - A lump sum
 - or
 - A monthly annuity if your VAC balance is \$4,500 or more. **Employers do not contribute to this annuity.** You will receive an annual increase on this annuity. The amount of the increase depends upon which Tier you participate in. You can find the formula for your annual increase on the Voluntary Additional Contributions page for your Plan and Tier at www.imrf.org.

What other tax information should I be aware of?

- VA contributions are **after-tax**, not tax-deferred like usual IMRF member contributions.
- While the VA contributions you make are after-tax, the interest credited to your VAC account is tax-deferred.
- If you withdraw your VAC before age 59-1/2 (age 55 if terminating employment with the IMRF employer), you may have income tax penalties unless you roll over the taxable amount into an eligible retirement plan.

What if I want to take a refund of my VAC?

- You can take a refund of the contributions **you made** at any time. You must withdraw all of your contributions—you cannot take a partial refund. Your employment status determines when you can withdraw the interest you earned.

If you are still working for an IMRF employer:

- You can receive a refund of your VA contributions only. Your interest must remain on deposit with IMRF until you either retire from IMRF or stop working for your IMRF employer. Interest on deposit will continue to earn additional interest.
- You may choose to continue making VAC contributions or stop making contributions.

If you no longer work for an IMRF employer:

- You can receive a refund of your VA contributions and all interest earned.
- If you do not roll over your accumulated interest directly into an IRA or other qualified retirement plan, IMRF is required by federal law to make a tax withholding of 20% of the interest.

What else should I know about the VAC program?

- If you choose to stop VA contributions while working for an IMRF employer, you can:
 - Leave your VAC on deposit with IMRF or request a refund
 - Re-enroll in the VA program at any time
- If you are no longer working for an IMRF employer, you can:
 - Leave your VAC on deposit with IMRF if you also leave your regular IMRF contributions on deposit.
 - Choose to withdraw your VAC but leave your regular contributions on deposit.
- If you stop working for an IMRF employer and request a refund of your regular contributions, you must also withdraw your VAC.
- If you reach 40 years of service and choose to stop making IMRF contributions, you must also stop making VA Contributions.
- If you die before receiving your VAC, upon your death, your accumulated VAC, with interest, will be paid to your beneficiary(ies).

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