



# ELECTION TO MAKE/CHANGE VOLUNTARY ADDITIONAL CONTRIBUTIONS

IMRF Form 6.30 (Rev. 12/2012)

**PLEASE PRINT**

Income tax information on reverse side of this form.

## INSTRUCTIONS

- Voluntary additional contributions (VAC) are limited to 10% of IMRF reportable earnings by Section 7-173 of the Illinois Pension Code. The employer does not match these contributions, nor are these contributions tax-deferred.
- Additional contributions begin as soon as IMRF receives your application and your employer begins reporting your VAC to IMRF.
- On the Monthly Report of Member Wages and Contributions the member will be listed on a second page which shows "Voluntary Additional Contributions."
- The member may stop voluntary additional contributions at any time by notifying the Authorized Agent. IMRF should be notified as to the last month voluntary additional contributions will be reported.
- VAC on deposit at the beginning of a year are credited with interest (7-1/2% current rate) at the end of the year. Current year contributions are not credited interest until the end of the following year.
- VAC may be withdrawn before terminating IMRF participation and must be withdrawn if regular IMRF contributions are withdrawn. If withdrawn before age 59-1/2 (age 55 if terminating employment with the IMRF employer), income tax penalties may be applicable unless the taxable amount is rolled over into an IRA or other qualified retirement plan. Partial withdrawals are not allowed.
- At retirement voluntary contributions may be taken in a lump sum or applied to a monthly annuity. The employer does not contribute to this annuity.

Member's First name	Middle Initial	Last	Jr., Sr., II, etc.	Social Security Number
---------------------	----------------	------	--------------------	------------------------

Employer name	Employer IMRF I.D. number
---------------	---------------------------

### CERTIFICATION BY MEMBER

I elect to (check one):

- make** voluntary contributions to the Illinois Municipal Retirement Fund **at the rate of** \_\_\_\_\_ % (NOT TO EXCEED 10%)
- change** my voluntary 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.

\_\_\_\_\_  
Signature of Member \_\_\_\_\_  
Date

### 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.

\_\_\_\_\_  
Signature of Authorized Agent \_\_\_\_\_  
Date

### Illinois Municipal Retirement Fund

2211 York Road, Suite 500, Oak Brook Illinois 60523-2337

Member Services Representatives 1-800-ASK-IMRF (1-800-275-4673) Fax (630) 706-4289

[www.imrf.org](http://www.imrf.org)

## EXPLANATION AND INCOME TAX INFORMATION

### 1. IMRF VOLUNTARY ADDITIONAL CONTRIBUTIONS

IMRF members may have their employer deduct up to 10% from each payment of their IMRF reportable earnings and remit these deductions to IMRF as voluntary additional contributions (VAC). Additional contributions begin as soon as IMRF receives your application and your employer begins reporting your VAC to IMRF.

### 2. APPLICATION OF VOLUNTARY CONTRIBUTIONS

VAC may be applied as follows:

- A. If upon termination of participation regular member IMRF contributions are withdrawn, then VAC must also be withdrawn.
- B. If upon termination of participation before retirement regular member IMRF contributions are left on deposit, the VAC may be left on deposit or withdrawn in a lump sum.
- C. Upon retirement, VAC with interest may be applied to monthly annuity for life or withdrawn in a lump sum.
- D. The member may stop making VAC at any time. The accumulated contributions with interest may be left on deposit or withdrawn in a lump sum. Partial lump sum withdrawals are not allowed.
- E. Upon death, the accumulated VAC with interest are paid to the member's beneficiary(ies).

### 3. INTEREST CREDITING ON VOLUNTARY ADDITIONAL CONTRIBUTIONS

VAC are deposited in a separate account for each member. These accounts are not matched by the employer. Interest is credited to each account at the end of the year upon the opening balance at the beginning of the year. The rate of interest is currently 7-1/2%, the amount determined as the long term rate for actuarial purposes. The interest rate is set by the IMRF Board of Trustees and can be changed at any time. The procedures for crediting interest are established by state law.

### 4. TAX TREATMENT AND LIMITATIONS

The interest on accumulated contributions is subject to income tax in the year it is withdrawn unless rolled over into a IRA. If the member is less than age 59-1/2 (age 55 if terminating employment with the IMRF employer) and is not totally and permanently disabled, the withdrawn interest is also subject to income tax penalties unless rolled over into an IRA or other qualified retirement plan.

### 5. WITHDRAWALS

If a member who is currently making VAC applies to withdraw those contributions, all VAC, plus interest if any, accumulated up to December 31 of the previous year will be refunded. Current year contributions may not be withdrawn by a member who will continue to make VAC.

A member who is no longer making VAC and who applies to withdraw those contributions will be paid all VAC on deposit, plus interest if any. Partial withdrawals of VAC are not allowed. If the accumulated interest is not directly rolled into an IRA or other qualified retirement plan, IMRF is required by federal law to make a tax withholding of 20% of the interest.