

Enrolling and Understanding Your Voluntary Additional Contributions

Making the most of your retirement savings begins with fully understanding how Voluntary Additional Contributions (VAC) will affect your earnings and financial planning. With IMRF's transition to a new online system, VAC contributions are now **mandatory for all earnings** creating an impactful way to bolster your retirement income. Here's an overview of what you need to know about the VAC program:

- **Maximum Contributions:** You may contribute up to **10% of your IMRF reportable earnings***.
 - **After-Tax Contributions:** Unlike some retirement plans, VAC contributions are **after-tax**, meaning they are not tax-deferred.
 - **Your Personal Account:** The VAC contributions are deposited into a **separate individual account** that contains only your contributions and any interest accrued. Employers do not contribute to your VAC.
 - **Unique Interest Accumulation:** Interest is accrued in a manner distinct from traditional savings accounts.
-

IMRF Reportable Earnings – With the new system, VAC contributions will now be deducted from all your earnings, including categories outside the regular payroll, such as:

- **Longevity Pay:** First Friday in December
 - **Annual Sick Buyback:** First Payroll in February
 - **Merit Bonus:** Per Admin Directive 2-22, awarded in May
 - **Holiday Pay:** Including Holiday Bonus Pay for working City holidays
-

Additionally, when you leave the City, your final paycheck—including **eligible sick leave, vacation, holiday time, and any other compensation**—will be subject to VAC contributions.

To help you plan better and avoid any surprises, we encourage you to review our detailed **VAC Contribution and Your Final Paycheck Guide**, which outlines the essential information regarding how contributions will affect your final paycheck, and provides clear instructions on how to **modify or stop** your contributions, should your financial situation change.

By understanding and utilizing these benefits effectively, you can take full control of your retirement savings and position yourself for a financially secure future.

For additional information, please visit [IMRF's website](#) or contact Mark Krygeris ext. 3617 or 847-810-3617 in Finance for any questions or concerns.
