

PENSION BENEFIT OVERVIEW FROM YOUR PENSION FUNDS

Municipal Employees' Annuity and Benefit Fund of Chicago ("MEABF") and Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("LABF")

Purpose

- A. Together, the MEABF and the LABF (each a "Fund" and collectively the "Funds") have created this overview to help you understand a few of the benefits administered by the Funds.
- B. Upon resigning from your position, you may qualify for either an annuity benefit or for a refund of contributions depending on your age and years of service. You should understand the difference before resigning.
- C. Each person's situation is unique, and this overview only provides some general information about your rights to benefits from the Funds. Therefore, it is important that you contact your respective Fund prior to resignation to obtain information regarding all the options available to you. Please note that you may need to call first to make an appointment for an office consultation.

Refunds of Employee Contributions vs. Annuity Benefits

- A. Upon resignation, refunds and annuity benefits are not automatic; you must apply. You must contact your respective Fund for the proper application materials and procedures. In general, an application must be submitted along with required supporting documents. Upon approval by the respective Fund's board of trustees, either a refund of member contributions or an annuity benefit may be granted.
 1. A **Refund of Employee Contributions** is a one-time payment provided to an employee who resigns from their position and who does not meet the age and service requirements necessary to receive an annuity.
 - a. Only people who are no longer employed by their employer are eligible for a refund of their contributions.
 - b. Only contributions that you made to the Fund, in addition to any statutory interest earnings accrued to your account, are refundable. Employer contributions as well as any contributions made on your behalf while you were on disability are not refundable.
 2. An **Annuity** is a monthly payment that is normally payable for life. Each payment is normally made on the 1st business day of every month. The most common annuity payable is a *Minimum Formula Annuity* (see attached exhibits) which is calculated by utilizing a combination of service credit, age and salary as follows:

Basic annuity formula (does not account for age discounts and reciprocal service):

Annual Annuity = (Years of Service) x (2.4%) x (Final Average Salary)

The total service used in the calculation is capped at $33\frac{1}{3}$ years, therefore limiting the annuity to a maximum of 80% of your Final Average Salary. Your eligibility and final average salary are determined based upon your Tier status.

- a. **Minimum Formula Annuity – Tier 1** (First became a member of a Fund or another qualifying reciprocal pension fund or retirement system prior to 1/1/2011)
 - i. Final Average Salary is highest average annual salary for any 4 consecutive years within the last 10 years of service
 - ii. Eligibility:
 1. Age 50 with at least 30 years of service credit, or
 2. Age 55 with at least 25 years of service credit, or
 3. Age 55 with at least 20 years of service credit (benefit is reduced by $\frac{1}{4}$ of 1% for each month that the employee is under age 60), or
 4. Age 60 with at least 10 years of service credit
- b. **Minimum Formula Annuity – Tier 2** (First became a member of a Fund or another qualifying reciprocal pension fund or retirement system on or after 1/1/2011 but prior to 7/6/2017)
 - i. Final Average Salary is highest average annual salary for any 8 consecutive years within the last 10 years of service
 - ii. Eligibility:
 1. Age 67 with at least 10 years of service credit, or
 2. Age 62 with at least 10 years of service (benefit is reduced by $\frac{1}{2}$ of 1% percent each month that the employee is under age 67)
- c. **Minimum Formula Annuity – Tier 3** (First became a member of a Fund or another qualifying reciprocal pension fund or retirement system on or after 7/6/2017, or a former Tier 2 member who elected Tier 3 status)
 - i. Final Average Salary is highest average annual salary for any 8 consecutive years within the last 10 years of service
 - ii. Eligibility:
 1. Age 65 with at least 10 years of service credit, or
 2. Age 60 with at least 10 years of service (benefit is reduced by $\frac{1}{2}$ of 1% each month that the employee is under age 65)

Although the *Minimum Formula Annuity* is most commonly the best option available to members, other options are sometimes applicable, so please contact your Fund for more information.

Important Notes

- A. It is important to note that upon resignation, annuity and refund payments are taxable; you may wish to discuss this with a tax consultant. If you need to pay for any previously unpaid service or previously refunded service, payments may only be accepted while you are still an employee.
- B. The Funds do not provide any continuation of health benefits.
- C. You may approximate your annual minimum formula annuity by reviewing the attached tables. These tables have been rounded to a whole age and whole years of service and have been provided for estimation purposes only.
- D. In the event of any conflict between this summary and the provisions of the Illinois Pension Code (40 ILCS 5/1-101 *et seq.*), the Illinois Pension Code shall prevail.



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Tier 1 - Minimum Formula Percentage Table

Tier 1 membership includes employees who first became a member of the Fund or another qualifying Reciprocal Fund prior to 1/1/2011.

You may approximate your annual annuity by finding the percentage that pertains to your years of service and age, and multiplying it by your final average salary.

	Age 50	Age 51	Age 52	Age 53	Age 54	Age 55	Age 56	Age 57	Age 58	Age 59	Age 60+
9 years or less	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	24.00%
11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	26.40%
12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	28.80%
13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	31.20%
14	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	33.60%
15	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	36.00%
16	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	38.40%
17	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	40.80%
18	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	43.20%
19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	45.60%
20	N/A	N/A	N/A	N/A	N/A	40.80%	42.24%	43.68%	45.12%	46.56%	48.00%
21	N/A	N/A	N/A	N/A	N/A	42.84%	44.35%	45.86%	47.38%	48.89%	50.40%
22	N/A	N/A	N/A	N/A	N/A	44.88%	46.46%	48.05%	49.63%	51.22%	52.80%
23	N/A	N/A	N/A	N/A	N/A	46.92%	48.58%	50.23%	51.89%	53.54%	55.20%
24	N/A	N/A	N/A	N/A	N/A	48.96%	50.69%	52.42%	54.14%	55.87%	57.60%
25	N/A	N/A	N/A	N/A	N/A	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
26	N/A	N/A	N/A	N/A	N/A	62.40%	62.40%	62.40%	62.40%	62.40%	62.40%
27	N/A	N/A	N/A	N/A	N/A	64.80%	64.80%	64.80%	64.80%	64.80%	64.80%
28	N/A	N/A	N/A	N/A	N/A	67.20%	67.20%	67.20%	67.20%	67.20%	67.20%
29	N/A	N/A	N/A	N/A	N/A	69.60%	69.60%	69.60%	69.60%	69.60%	69.60%
30	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%	72.00%
31	74.40%	74.40%	74.40%	74.40%	74.40%	74.40%	74.40%	74.40%	74.40%	74.40%	74.40%
32	76.80%	76.80%	76.80%	76.80%	76.80%	76.80%	76.80%	76.80%	76.80%	76.80%	76.80%
33	79.20%	79.20%	79.20%	79.20%	79.20%	79.20%	79.20%	79.20%	79.20%	79.20%	79.20%
33.5 years or more	80% Max	80% Max	80% Max	80% Max	80% Max	80% Max	80% Max	80% Max	80% Max	80% Max	80% Max

This table is for illustration purposes only and has been rounded to a whole age and whole years of service for estimate purposes only. Other service that you may have is not included in this table.

Tier 2 - Minimum Formula Percentage Table

Tier 2 membership includes employees who first became a member of the Fund or another qualifying Reciprocal Fund on or after 1/1/2011 but prior to 7/6/2017.

You may approximate your annual annuity by finding the percentage that pertains to your years of service and age, and multiplying it by your final average salary.

	Age 61 and younger	Age 62	Age 63	Age 64	Age 65	Age 66	Age 67+
9 years or less	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	N/A	16.80%	18.24%	19.68%	21.12%	22.56%	24.00%
11	N/A	18.48%	20.06%	21.65%	23.23%	24.82%	26.40%
12	N/A	20.16%	21.89%	23.62%	25.34%	27.07%	28.80%
13	N/A	21.84%	23.71%	25.58%	27.46%	29.33%	31.20%
14	N/A	23.52%	25.54%	27.55%	29.57%	31.58%	33.60%
15	N/A	25.20%	27.36%	29.52%	31.68%	33.84%	36.00%
16	N/A	26.88%	29.18%	31.49%	33.79%	36.10%	38.40%
17	N/A	28.56%	31.01%	33.46%	35.90%	38.35%	40.80%
18	N/A	30.24%	32.83%	35.42%	38.02%	40.61%	43.20%
19	N/A	31.92%	34.66%	37.39%	40.13%	42.86%	45.60%
20	N/A	33.60%	36.48%	39.36%	42.24%	45.12%	48.00%
21	N/A	35.28%	38.30%	41.33%	44.35%	47.38%	50.40%
22	N/A	36.96%	40.13%	43.30%	46.46%	49.63%	52.80%
23	N/A	38.64%	41.95%	45.26%	48.58%	51.89%	55.20%
24	N/A	40.32%	43.78%	47.23%	50.69%	54.14%	57.60%
25	N/A	42.00%	45.60%	49.20%	52.80%	56.40%	60.00%
26	N/A	43.68%	47.42%	51.17%	54.91%	58.66%	62.40%
27	N/A	45.36%	49.25%	53.14%	57.02%	60.91%	64.80%
28	N/A	47.04%	51.07%	55.10%	59.14%	63.17%	67.20%
29	N/A	48.72%	52.90%	57.07%	61.25%	65.42%	69.60%
30	N/A	50.40%	54.72%	59.04%	63.36%	67.68%	72.00%
31	N/A	52.08%	56.54%	61.01%	65.47%	69.94%	74.40%
32	N/A	53.76%	58.37%	62.98%	67.58%	72.19%	76.80%
33	N/A	55.44%	60.19%	64.94%	69.70%	74.45%	79.20%
33.5 years or more	N/A	56.00%	60.80%	65.60%	70.40%	75.20%	80% Max

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Tier 3 - Minimum Formula Percentage Table

Tier 3 membership includes employees who first became a member of the Fund or another qualifying Reciprocal Fund on or after 7/6/2017, or a former Tier 2 member who elected Tier 3 status.

You may approximate your annual annuity by finding the percentage that pertains to your years of service and age, and multiplying it by your final average salary.

	Age 59 and younger	Age 60	Age 61	Age 62	Age 63	Age 64	Age 65
9 years or less	N/A	N/A	N/A	N/A	N/A	N/A	N/A
10	N/A	16.80%	18.24%	19.68%	21.12%	22.56%	24.00%
11	N/A	18.48%	20.06%	21.65%	23.23%	24.82%	26.40%
12	N/A	20.16%	21.89%	23.62%	25.34%	27.07%	28.80%
13	N/A	21.84%	23.71%	25.58%	27.46%	29.33%	31.20%
14	N/A	23.52%	25.54%	27.55%	29.57%	31.58%	33.60%
15	N/A	25.20%	27.36%	29.52%	31.68%	33.84%	36.00%
16	N/A	26.88%	29.18%	31.49%	33.79%	36.10%	38.40%
17	N/A	28.56%	31.01%	33.46%	35.90%	38.35%	40.80%
18	N/A	30.24%	32.83%	35.42%	38.02%	40.61%	43.20%
19	N/A	31.92%	34.66%	37.39%	40.13%	42.86%	45.60%
20	N/A	33.60%	36.48%	39.36%	42.24%	45.12%	48.00%
21	N/A	35.28%	38.30%	41.33%	44.35%	47.38%	50.40%
22	N/A	36.96%	40.13%	43.30%	46.46%	49.63%	52.80%
23	N/A	38.64%	41.95%	45.26%	48.58%	51.89%	55.20%
24	N/A	40.32%	43.78%	47.23%	50.69%	54.14%	57.60%
25	N/A	42.00%	45.60%	49.20%	52.80%	56.40%	60.00%
26	N/A	43.68%	47.42%	51.17%	54.91%	58.66%	62.40%
27	N/A	45.36%	49.25%	53.14%	57.02%	60.91%	64.80%
28	N/A	47.04%	51.07%	55.10%	59.14%	63.17%	67.20%
29	N/A	48.72%	52.90%	57.07%	61.25%	65.42%	69.60%
30	N/A	50.40%	54.72%	59.04%	63.36%	67.68%	72.00%
31	N/A	52.08%	56.54%	61.01%	65.47%	69.94%	74.40%
32	N/A	53.76%	58.37%	62.98%	67.58%	72.19%	76.80%
33	N/A	55.44%	60.19%	64.94%	69.70%	74.45%	79.20%
33.5 years or more	N/A	56.00%	60.80%	65.60%	70.40%	75.20%	80% Max

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