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Happy Holidays

from Trustees & Staff!



NEW TERM

Mr. John Gibson was sworn in for his fifth term as Trustee. He has served on the Board since February 20, 1997. Mr. Gibson is the Chief Engineer of Senn High School, one of the most ethnically diverse schools in the nation.

Greetings to all of our members and their families!

We hope this newsletter finds you in strong health and good spirits.

In our 2008 Annual Report, Fund President John Gibson reflected on the financial markets as "one of the most challenging ever faced by an investor". The "Great Recession" as it has been titled, continued into 2009, and by early March the Dow Jones Industrial Average (DJIA) had gone from 14,167 to 6,547 in less than eighteen months, a reduction of roughly 54%. Could the markets continue downward?

We are happy to state that early March was the low point. A mixture of massive federal stimulus and investor belief that the World was not coming to an end, triggered a historic rebound. Over the next six months, the DJIA went from 6,547 to 9,712, an increase of over 48%. The recovery has been even greater for small companies and international companies.

During this time of recovery, your Fund grew by 26%, eliminating reductions early in the year and reflecting a rate of return of over 15% year-to-date through September. The Fund remains cautiously optimistic that markets will continue to recover from historic losses, but the pace of recovery should decelerate as we go forward. Whatever the future brings, your Fund will continue to follow a disciplined process of establishing an allocation of assets that positions the portfolio to outperform over time, while at the same time eliminating any unnecessary risk.

PRESCRIPTION DRUG CREDIBLE COVERAGE

For Retired Members Covered under the City of Chicago or Chicago Public Schools Annuitant Plans

If you are enrolled in one of the City or the Chicago Public Schools (CPS) Annuitant Health Insurance Plans, please be aware that your Plan includes medical benefits, in addition to prescription drug benefits. Your City of Chicago and CPS Annuitant Plans provide you with “credible coverage” for your prescription drugs through Caremark. The premium you pay for coverage under the City or CPS Plan will not be affected by whether or not you enroll in an individual Medicare D Prescription Drug Coverage.

When you are enrolled in an individual Medicare Part D Plan and also enrolled in a Group Annuitant Plan (City or CPS) — your individual Medicare D Plan will take precedence over your Group Annuitant Plan. All of your prescription drug coverage will have to be processed by the Medicare Part D Plan you chose to enroll in.

If you believe you are enrolled in an individual Medicare D plan in error, please contact Medicare at 1-800-633-4227 to determine your Medicare D provider.



WHEN IS THE PENSION BENEFIT DEPOSITED TO MY BANK ACCOUNT?

Direct deposits are made on the 1st business day of each month, which may not always be on the 1st of the month.

MONTH	DEPOSIT DATE 2010
January	January 4th
February	February 1st
March	March 1st
April	April 1st
May	May 3rd
June	June 1st
July	July 1st
August	August 2nd
September	September 1st
October	October 1st
November	November 1st
December	December 1st

FAQ'S FROM RETIREES

I want to make a change to my pension benefit, how should I notify the Fund?

Please notify the Fund immediately with any changes to your name, mailing address or bank account. Our forms are available on our website or you can contact the Fund to have a form mailed to you.

Under what circumstances will I need to fill out a new direct deposit form?

Any time there is a change to your account the Fund needs to be notified. Our forms can be faxed to your bank branch, mailed to you, or downloaded from our website. Even if you're changing accounts with the same bank, you still need to fill out a new form.

When do I get my 1099R tax form?

1099R tax forms are mailed by January 31st annually.

I have direct deposit, how will I be notified of my annual adjustment?

You will receive your annual direct deposit statement in early January showing your new gross amount, requested deductions, and net amount of deposit.

RETIRED MEMBERS ARE YOU MEDICARE ELIGIBLE?

Once you reach age 65, you may be eligible for Medicare. However, Medicare benefits are not automatic; you must apply for them. It is to your benefit to apply for both Medicare Part A (hospital coverage) and Medicare Part B (major medical). If you are eligible for Medicare, your cost for medical coverage is substantially less.

Even if you don't qualify for Medicare from your work record, you may be eligible through your spouse's work record or a former spouse's work record. If you qualify through a younger spouse, you may be eligible for Medicare benefits when your spouse reaches age 62. It's advisable that you make the inquiry in January of the year that your spouse will reach age 62 to assure timely enrollment in Medicare Part A and Part B. Contact your local Social Security office for more information and to determine if you are eligible through your spouse's or former spouse's record.

When you become eligible for Medicare Part A (Hospital Benefits), it is to your advantage to enroll for the optional

Medicare Part B (Medical Benefits). The monthly premium for Medicare Part B coverage will be deducted from your monthly Social Security payments. If you are not eligible for a Social Security payment, Social Security will bill you quarterly for your Part B premium. Part B will pay up to 80% of approved physicians' charges and other outpatient medical services after satisfying an annual deductible.

An Annuitant who elects not to enroll and pay for Medicare Part B coverage will face a substantial financial burden. The City and Board of Education Annuitant Plans will pay as though the Annuitant has Part B coverage. We encourage you to sign up for Part B.

Enrollment for Medicare Part B is open 3 months before and after you reach age 65. General enrollment periods are held each year, from January 1 through March 31. Medicare coverage would begin the following July 1.

Medicare imposes a penalty for late enrollment. For more information, call the Social Security Administration at 1-800-772-1213.

RETIRES' HEALTH INSURANCE

You MUST notify the Fund immediately when any one of the following events occur:

Medicare eligibility:

The annuitant must notify the Fund within 60 days of the date of Medicare eligibility.

Death of a spouse or dependent/divorce:

The annuitant must notify the Fund within 90 days of the date of the event.

Dependent reaches the age limitation of the Plan:

The annuitant must notify the Fund within 90 days of the date of the event.

Coverage cancellation for any annuitant and/or family member:

The annuitant must submit the request in writing to the Fund 30 days prior to the cancellation date.

A surviving spouse coverage ends at the time of his or her remarriage or death.

The annuitant must submit the request in writing to the Fund within 30 days of the date of the event.



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Note: If notifications are made outside of these time limits, refunds are calculated from the date of notification, not the date of the event. Furthermore, **refunds will not** be issued if services have been provided and paid for after the date of the event (i.e. Medicare eligibility, divorce, coverage cancellations, remarriage). The annuitant will be billed for services/premiums paid for an ineligible dependent.



Important Telephone Numbers

Health Insurance Retirees	City of Chicago Retirees	Chicago Public Schools Retirees
Medicare Information www.ssa.gov	800-772-1213	800-772-1213
Questions about healthcare benefits or claims	Benefits 312-747-8660 Hospital / Major Medical 800-772-6895	Benefits 800-331-8032 Hospital / Major Medical 800-331-8032
*Medical benefits advisor	encompassonline.com 800-373-3727	bcbsil.com 800-247-9204
Prescription drugs program administered by Caremark <i>(retail and/or long-term medication)</i>	866-748-0028 caremark.com	866-409-8523 caremark.com

*Pre-certification for hospitalization and second opinions
(Non-Medicare eligible annuitants and dependents)

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

221 N. LaSalle Street, Room 500
Chicago, Illinois 60601-1294
T: 312-236-4700

RETIREMENT BOARD

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Elective Member

STEVE LUX, Vice President
City Comptroller, Ex-Officio Member

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City Treasurer, Ex-Officio Member

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