

MUNICIPAL EMPLOYEES' ANNUITY AND BENEFIT FUND OF CHICAGO

A Pension Trust Fund of the City of Chicago



**MEMBERSHIP HANDBOOK ON THE LAWS GOVERNING THE FUND
INCLUDING AMENDATORY PROVISIONS THROUGH NOVEMBER 1, 2013**

TIER I MEMBERS

OFFICE OF THE FUND

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TABLE OF CONTENTS

Introduction.....	5
General Provisions	6
Inception of the Fund	
Employer	
Participant	
Receiving Counseling and Applying for Benefits	
Administration	
Revenue of the Fund and Rate of Participant and Employer Contributions	
Investment Income	
MEABF Fraud Reporting Policy	
Annuities for Participants	9
Age and Service Requirements for Participant Annuities	
Methods for Determining Participant Annuities	
Table 1 – Percentage of Final Average Salary Payable under the Minimum Formula Annuity	
Annuity Increases After Retirement	
Reversionary Annuity	
Table 2 – Reversionary Annuity Factors	
Surviving Spouse Annuities.....	17
Age and Service Requirements for Surviving Spouse Annuities	
Methods for Determining Surviving Spouse Annuities	
Duty Death – Surviving Spouse Annuity	
Surviving Spouses Not Entitled to Annuity	
Annuities for Children	22
Credit for Service Prior to Date of Membership in the Fund	22
Retirement Systems Reciprocal Act	23
Disability Benefits	25
Ordinary Disability Benefits	
Duty Disability Benefits	
Refund of Annuity Contributions	27
Refund to a Participant upon Withdrawal from Service	
Possible Refund to a Participant’s Children, Heirs, Estate, or Designated Beneficiary	
Refund In Lieu of Annuity	
Refund of Salary Deductions if Participant is Not Married	
Repayment of Refunds.....	28

TABLE OF CONTENTS (continued)

Computation of Service Credit	28
Qualified Illinois Domestic Relations Order (QILDRO).....	29
Suspension of Benefits.....	29
Present Income Tax Information	30
Federal Income Tax	
Annuities	
Refunds, IRA Rollovers	
State of Illinois Income Tax	
Deductions from Annuity for Retiree Health Insurance	31
Conclusion	31

TABLE INDEX

Table 1: Percentage of Salary Payable Under Minimum Formula Annuity13

Table 2: Reversionary Annuity Factors16

INTRODUCTION

To the Employee Members (the “Participants”) and Retired Members (the “Annuitants”) in the Municipal Employees’ Annuity and Benefit Fund of Chicago (the “Fund”):

This Membership Handbook (the “Handbook”) has been prepared at the direction of the Retirement Board to provide general information about the benefits available to the Participants of this Fund, and to the survivors of deceased Participants or Annuitants pursuant to the [Illinois Compiled Statutes Chapter 40 Act 5 \(the “Pension Code”\)](#). The information contained in this Handbook is for Fund members who first began participating in the Fund or an Illinois Reciprocal System (other than the General Assembly or Judges Systems) prior to January 1, 2011.

A detailed and complete coverage of all the applicable statutes in the Pension Code would defeat the purpose of this Handbook. Correspondingly, it is not intended to contain a synopsis of all of the applicable provisions of the Pension Code, either. Individual circumstances will differ and may require explanations and examples that would be different from those contained herein. The Illinois Pension Code enacted by the Illinois General Assembly is the official authority and original reference source of the Fund; and that code, as applied through the rules and procedures adopted by the Fund, prevails in all questions of interpretation, operation, and administration of the Fund. The full text of the laws governing the Fund may be found in Articles 1, 8 and 20 of the Pension Code. In the event of a conflict between the provisions of this Handbook and the Pension Code, the Pension Code will control.

We encourage you to utilize this Handbook to educate yourself about the Fund and the benefits that are provided by law. This Handbook can also be found on our website at www.meabf.org. Please utilize our website to stay current on matters that may affect the Fund.

Our sole mission is to administer the benefits provided in the Pension Code. Let us assure you of our continued commitment to our mission; and, to our primary goals of providing you with the best service, and preserving the fiscal integrity and financial stability of the Fund.

We hope this Handbook will assist you in being more informed about the Fund and its purpose.

Respectfully submitted,

The Retirement Board
Municipal Employees’ Annuity and Benefit Fund of Chicago

GENERAL PROVISIONS

Inception of the Fund

The Fund came into being in the year 1921 by virtue of an Act of the Illinois Legislature. It superseded the former Municipal Pension Fund, which was created by an Act of the Legislature in the year 1911, and also the Public School Employees' Pension Fund, which was established in the year 1903.

Employer

As defined in the Pension Code, the Employers include:

- 1) The City of Chicago
- 2) The Chicago Board of Education
- 3) The Chicago Housing Authority (eligible employees)
- 4) The Public Building Commission (eligible employees)
- 5) The Retirement Board

Participant

Participants of the Fund include:

- 1) City of Chicago employees who do not contribute to another City of Chicago annuity fund (Firemen's Fund, Policemen's Fund, Laborers' Fund);
- 2) Elected Officials of the City of Chicago who, while in office, file written application for membership;
- 3) Law Department and Board of Election employees with service of at least one-year who file written application for membership;
- 4) Chicago Board of Education employees who do not contribute to the Chicago Teachers' Pension Fund;
- 5) Retirement Board employees;
- 6) Employees of the Chicago Housing Authority or Public Buildings Commission who are eligible and who file written application for membership.

The Fund does not consider the following as Participants:

- 1) Employees who work in positions ordinarily not requiring at least four months of service during a calendar year if salary is arranged on a monthly basis, or 700 hours of service during a calendar year if salary is on a hourly basis, and certain minimum periods for persons with salaries arranged on a weekly or daily basis.
- 2) Employees working for the Employer while receiving an annuity from the Chicago Policemen's, Firemen's, or Laborers' Pension Funds (other than a spouse annuity).

Receiving Counseling and Applying for Benefits

Participants may call the Fund office to set up an appointment to receive information about their benefit rights. Appointments are required to ensure that Fund staff is prepared to provide quality customer service to visiting Participants. Participants may also request to have an estimate of

their benefits sent to them by mail. Every effort is made to provide the information requested as quickly as possible.

Participants may also visit the Fund's website at www.meabf.org to find:

- 1) Current News from the Fund
- 2) Financial Reports
- 3) Estimated Annuity Calculator
- 4) Contact Information
- 5) Downloadable Fund Forms
- 6) Frequently Asked Questions

Please visit our website periodically to stay informed about the Fund.

Participants considering retirement should request an estimate of benefits before finalizing their resignation from service. If the Participant has any service credit to be established or re-established, or has any service credit with another pension fund that has reciprocity with the Fund ("Reciprocal Fund"), the Participant should request an estimate at least six months before resignation.

Participants applying for retirement benefits can make an appointment with an application processor who will assist them through the application process. Participants may also download an [Application for Retirement](#) from the Fund website and submit it to the Fund.

All members of the Fund must complete a [Membership Record Form](#) with the Fund. This form must be complete and on file at the Fund to receive any benefit information from the Fund. The Membership Record includes a [Designated Beneficiary form](#) that must be notarized in order to be in effect.

Administration

A Board of Trustees, called "The Retirement Board", administers the Fund. This board is composed of five members: the City Treasurer and the City Comptroller as ex-officio members, and three members who are elected by the Participants of the Fund.

Revenue of the Fund and Rate of Participant and Employer Contributions

The Fund derives revenue from three primary sources:

- 1) Contributions from the Employer;
- 2) Contributions from the Participants;
- 3) Investment income

Employer Contributions

The Retirement Board estimates annually the amount required from the Employer to pay for all annuities, benefits and administrative expenses. These amounts are to be paid into the Fund annually by the Employer. State statute limits Employer contributions to the amount of

contributions by the Participants of the Fund made in the calendar year two years prior multiplied by 1.25.

Participant Contributions

Participants contribute 8.5% of salary as follows:

- 1) 6.5% made from each salary payment for the purpose of providing an annuity for the Participant.
- 2) 1.5% from each salary payment for the purpose of providing a surviving spouse annuity.
- 3) 0.5% from each salary payment for the purpose of providing an automatic increase in annuity after retirement.

In addition to the above deductions, Board of Education Participants who have the Board of Education pick up 7% of the Participant's pension contributions have an additional deduction of .595% made from each salary payment. This additional deduction allows the 7% Board of Education pickup to be added to the employee's salary in calculating final average salary.

The above stated percentages are applied to the amount of compensation or salary appropriated, fixed or arranged for the employee's position, exclusive of overtime or extra salary.

Investment Income

Generation of investment income on Fund reserves is a key source of revenue for the Fund. In a sound pension plan, the investment income can finance a considerable portion of the annual annuity payments.

MEABF Fraud Reporting Policy

Be advised that under Illinois law (P.A. 97-0651) MEABF is required to report to the State's Attorney for investigation any reasonable suspicion of any falsified statement or record or any fraudulent claim involving the Fund. Under State law, a person convicted of fraud may be subject to a fine of not more than \$25,000 or imprisonment for not more than five (5) years or both.

ANNUITIES FOR PARTICIPANTS

Age and Service Requirements for Participant Annuities

An annuity is paid in equal monthly installments to eligible Participants with the first payment generally due on the first day of the calendar month following the date of withdrawal for participants who have already reached the required age.

The age and service requirements for annuity are as follows:

Money Purchase Annuity

- 10 years of service, payable no earlier than age 55;
- Any years of service and withdrawal from service on or after the attainment of age 60

Minimum Formula Annuity

- 30 years of service, payable no earlier than age 50;
- 20 years of service, payable no earlier than age 55;
- 10 years of service, payable no earlier than age 60;

Minimum Annuity - \$850 per month

- 10 years of service and withdrawal from service on or after the attainment of age 60.

If a Participant withdraws from service with the service credit required for a money purchase annuity or a minimum formula annuity but has not reached the age required for the annuity to become payable, he or she may let the contributions remain in the Fund and receive an annuity beginning upon application for such annuity after the attainment of the required age. (Please note that the Participant must be at least age 60 at withdrawal from service to be eligible for the minimum \$850 per month annuity.)

In the event withdrawal from service occurs prior to attainment of the age required for benefits to become payable and the Participant wishes to receive an annuity, it is of the utmost importance that he or she files an application for such benefit upon attainment of the required age for eligibility. Annuity rights will not begin until such application is filed.

Participants with at least 10 years of creditable service who have attained age 55 at the time they withdraw from service must accept an annuity if not eligible for a refund of their accumulated contributions. If the annuity is less than \$800 a month, the Participant may elect to receive a refund of his or her accumulated contributions in lieu of the annuity.

If the total credits for a Participant provide an annuity of less than \$100 a month, a term annuity of \$100 a month for a period of time is payable.

Methods for Determining Participant Annuities

Outlined below are the three different methods which are used to determine the amount of a Participant's annuity. The Participant is entitled to the largest benefit.

1) Money Purchase Method - Based on Accumulated Participant Contributions and Employer Contributions

This method uses the total amount accumulated from deductions from the Participant's salary and Employer contributions for the Participant's annuity, together with interest to annuity start date, to provide an annuity determined in accordance with insurance principles.

The amount of annuity which a Participant may receive will, therefore, depend on age at retirement, years of service, and salary earnings throughout his or her period of service.

The maximum annual annuity is an amount equal to 60% of the highest annual salary earned.

If a Participant retires under age 60 with less than 20 years of service, the amount of Employer contributions are reduced by 10% for each year of service under 20 years in determining accumulated credits at retirement. The annuity payments begin no earlier than age 55.

If retirement is due to expiration of ordinary disability credit, full Employer contributions are used to determine the annuity. The annuity payments can begin after the last disability payment regardless of age.

2) Minimum Formula Annuity Method

A Participant will be entitled to a minimum formula annuity if he or she withdraws from service with:

- at least 30 years of service credit (payable no earlier than age 50); or
- at least 20 years of service credit (payable no earlier than age 55); or
- at least 10 years of service credit (payable no earlier than age 60).

In computing the length of service under a minimum formula annuity method of computation, the equivalent of one full month of service in a calendar year equals one-half year of service credit, and service in five additional months constitutes one full year of credit.

EXAMPLE:

If you began working on December 1, 1990 and worked continuously until June 30, 2013, you would be credited with 23.5 years of service credit. You would receive a one-half year credit for 1990, 22 years for the period from January 1, 1991 through December 31, 2012 and 1 year for 2013.

Computing a Minimum Formula Annuity

Step 1: Determine the final average monthly salary

Final average monthly salary is the highest average monthly salary for any four consecutive years within the last ten years of service immediately preceding the date of retirement. Usually this is the average of the last 4 years of service.

Final average monthly salary does not include overtime or extra salary. The salary for Board of Education employees who have the Board of Education pick up 7% of the Participant's pension contributions is the straight time rate plus 7%.

The normal salary base is for a 12 month per year, 5-day workweek of 8 hours a day and 40 hours a week with straight time rate of compensation. The normal salary base may be adjusted according to a position's normal and established work period.

The annual wage for any year is the greater of:

- such monthly, weekly, daily or hourly rate that was applicable for the greater number of months, weeks, days or hours in the year under consideration, or
- the average of such monthly, weekly, daily, or hourly salary or wage rate as was applicable for the total number of months, weeks, days, or hours, respectively in each year under consideration.

STEP ONE EXAMPLE:

	Annual Salary
Final Year	\$46,000
One Year Earlier	\$44,000
Two Years Earlier	\$41,000
Three Years Earlier	<u>\$37,000</u>
Total	\$168,000
Divided by 48 months	48
Final Average Monthly Salary	\$3,500

Step 2: Determine the percentage of final average monthly salary based on years of service credit.

The total number of years of service is multiplied by 2.4%. The maximum percentage is 80% of the final average monthly salary.

STEP TWO EXAMPLE: 23.5 Years of Service x 2.4% = 56.4%

Step 3: Determine the age discount if retirement is earlier than age 60 and Participant has less than 25 years of service.

There is no reduction in the percentage of final average monthly salary for retirement on or after age 60. For retirement before age 60 with less than 25 years of service there is a discount of .25% for every month or fraction thereof that the Participant is under age 60.

STEP THREE EXAMPLE:

Age at Retirement	Discount (0.25% per month)
60	0%
59	3%
58	6%
57	9%
56	12%
55	15%

Step 4: Multiply the percentage of final average monthly salary from Step 2 by the difference between 100% and the age discount determined in Step 3 to arrive at the percent of final average monthly salary if an age discount is applicable.

STEP FOUR EXAMPLE:

Age at Retirement	% of Final Average Monthly Salary (calculated in Step 2)	Discount Factor (calculated in Step 3)	% of Final Average Salary (to be used in Step 5)
60	56.4% x	100% =	56.40%
59	56.4% x	100% - 3% =	54.71%
58	56.4% x	100% - 6% =	53.02%
57	56.4% x	100% - 9% =	51.32%
56	56.4% x	100% - 12% =	49.63%
55	56.4% x	100% - 15% =	47.94%

Step 5: Multiply the final average monthly salary by the percentage determined in Step 4 to determine the monthly annuity.

STEP FIVE EXAMPLE:

Using the same final average monthly salary of \$3,500, the amount of annuity would be:

Age at Retirement	Final Average Monthly Salary	% of Final Average Monthly Salary (from Step 4)	Annuity Amount
60	\$3,500 x	56.40% =	\$1,974.00
59	\$3,500 x	54.71% =	\$1,914.85
58	\$3,500 x	53.02% =	\$1,855.70
57	\$3,500 x	51.32% =	\$1,796.20
56	\$3,500 x	49.63% =	\$1,737.05
55	\$3,500 x	47.94% =	\$1,677.90

The factors combining the age discount with the percentage based on length of service can be found in **TABLE 1** that follows. The total percentage cannot exceed 80%.

TABLE 1

Percentage of Final Average Monthly Salary Payable under the Minimum Formula Annuity

Years of Service	Age 50-54	Age 55	Age 55.5	Age 56	Age 56.5	Age 57	Age 57.5	Age 58	Age 58.5	Age 59	Age 59.5	Age 60
10												24.00%
11												26.40
12												28.80
13												31.20
14												33.60
15												36.00
16												38.40
17												40.80
18												43.20
19												45.60
20		40.80%	41.52%	42.24%	42.96%	43.68%	44.40%	45.12%	45.84%	46.56%	47.28%	48.00
21		42.84	43.60	44.35	45.11	45.86	46.62	47.38	48.13	48.89	49.64	50.40
22		44.88	45.67	46.46	47.26	48.05	48.84	49.63	50.42	51.22	52.01	52.80
23		46.92	47.75	48.58	49.40	50.23	51.06	51.89	52.72	53.54	54.37	55.20
24		48.96	49.82	50.69	51.55	52.42	53.28	54.14	55.01	55.87	56.74	57.60
25		60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00	60.00
26		62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40	62.40
27		64.80	64.80	64.80	64.80	64.80	64.80	64.80	64.80	64.80	64.80	64.80
28		67.20	67.20	67.20	67.20	67.20	67.20	67.20	67.20	67.20	67.20	67.20
29		69.60	69.60	69.60	69.60	69.60	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	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	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	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	79.20
34	*80.00	*80.00	*80.00	*80.00	*80.00	*80.00	*80.00	*80.00	*80.00	*80.00	*80.00	*80.00

*80% is the Maximum

3) *Minimum Annuity Method*

A Participant withdrawing from service at age 60 or over, with at least 10 years of service in the Fund will receive a minimum annuity of \$850 per month.

Annuity Increases after Retirement

Any Participant receiving a lifetime annuity who retires on or after the attainment of age 60 is entitled to automatic annual increases equal to 3% of the currently payable gross monthly annuity. These Annuitants are entitled to an increase on January 1st of each year beginning with the January following their first annuity payment date.

Participants, who retire between the ages of 50 and 60, generally begin receiving such increases the earlier of :

- January 1st of the 3rd year anniversary of their first annuity payment date, provided they are at least age 53, or
- The later of January 1st of the year of the first annuity payment following the Annuitant's attainment of age 60 and January 1st following the first annuity payment.

EXAMPLE:

Resignation Date	First Payment Date	Date Annuitant Turns 60	Date of First Increase
6/30/2017	7/1/2017	3/15/2015	1/1/2018
12/15/2017	1/1/2018	3/15/2015	1/1/2019
12/15/2017	1/1/2018	4/30/2018	1/1/2019
6/30/2017	7/1/2017	12/15/2018	1/1/2019
6/30/2017	7/1/2017	6/15/2019	1/1/2019
6/30/2017	7/1/2017	6/15/2022	1/1/2020

In combination with Employer contributions, Participants contribute 0.5% of salary to help defray the cost of the annual increase.

These automatic annual increases do not apply to annuitants who are receiving a term annuity, survivor annuitants or reversionary annuitants.

Employees not entitled to these increases or who resign and take a refund, receive a refund of the 0.5% deducted. No interest is paid on the 0.5% deduction when refunded.

Reversionary Annuity

A reversionary annuity is a reduction of a Participant's annuity to provide a lifetime annuity for a spouse, parent, child, brother or sister, such annuity to begin upon the death of the Annuitant.

A Participant must make the election to reduce his or her annuity at or prior to retirement. The election is made by filing a written designation with the Retirement Board indicating the amount by which the Participant elects to reduce their annuity and the person to whom the reversionary annuity would be payable, in the event such designated person should outlive the Participant. The amount of reduction may be decided at a later date than the intent to reduce as long as the amount is decided at or before retirement.

The written designation can only be revoked or canceled as follows:

- 1) by a written request by the Participant at any time prior to retirement on annuity;
- 2) upon the death of the Participant prior to retirement on annuity;
- 3) upon the death of the designated person prior to the Participant's retirement on annuity;
or
- 4) upon the death of the Annuitant before the expiration of one year (365 days) from the date the written designation was filed with the Retirement Board for a reversionary annuity for a parent, child, brother, or sister, even though the Annuitant has retired and received the reduced annuity for any part of such one-year period.

If the designated person dies prior to the Annuitant, the Annuitant's full annuity before reduction will be restored beginning on the date of the designated person's death. There would be no retroactive payment of the difference between the full and reduced annuity.

The reversionary annuity to the designated person will begin effective the first of the month following the date of death of the Annuitant and will continue to be paid monthly thereafter until the death of the designated person.

The amount by which a Participant may reduce the retirement annuity is subject to the following limitations:

- 1) Participants may reduce the retirement annuity by an amount up to a maximum of \$400 a month;
- 2) The amount of monthly reversionary annuity payable to the designated person may not be less than \$50 a month; and
- 3) The amount of monthly reversionary annuity payable to a designated spouse plus the amount of surviving spouse annuity may not exceed the reduced annuity payable to the Annuitant.

The Annuitant's 3% automatic annual increase after retirement is based on the currently payable unreduced retirement annuity of the Annuitant. The reversionary annuitant does not receive automatic annual increases.

The amount of the monthly reversionary annuity is determined by multiplying the amount of the monthly reduction in the Annuitant's annuity by a factor shown in **TABLE 2** that follows.

The factor is based on: (a) the age of the Participant on the date of retirement; and (b) the difference between the age of the Participant and the age of the reversionary annuitant as of the retirement date of the Participant.

TABLE 2

Reversionary Annuity Factors

For Every \$1 Reduction in a Participant's Retirement Annuity, a Reversionary Annuitant for the Ages Stated Would Be Entitled to the Multiple Below:

Reversionary Annuitant's Age	Participant's Age							
	50-51	52-54	55-57	58-60	61-63	64-66	67-69	70+
Years Younger								
30 or more	3.03	2.56	2.18	1.84	1.55	1.29	1.08	0.91
25-29	3.16	2.68	2.29	1.94	1.63	1.37	1.15	0.97
20-24	3.35	2.85	2.44	2.07	1.75	1.48	1.25	1.06
15-19	3.60	3.08	2.65	2.26	1.92	1.63	1.39	1.19
10-14	3.96	3.40	2.94	2.53	2.16	1.85	1.59	1.37
5-9	4.46	3.84	3.35	2.90	2.51	2.16	1.88	1.64
0-4	5.15	4.47	3.93	3.44	3.00	2.61	2.29	2.02
Years Older								
1-5	6.12	5.36	4.76	4.21	3.71	3.26	2.88	2.56
6-10	7.48	6.61	5.93	5.30	4.71	4.16	3.70	3.29
11-15	9.37	8.35	7.58	6.83	6.11	5.40	4.82	4.32
16-20	11.99	10.78	9.84	8.93	8.02	7.13	6.43	5.87
21-25	15.59	14.06	12.91	11.82	10.73	9.66	8.88	8.35
26-30	20.42	18.49	17.15	15.96	14.80	13.65	12.97	12.82
31 or more	27.07	24.72	23.34	22.32	21.45	20.62	20.85	23.28

EXAMPLE:

A Participant, age 65 on the date of retirement, has designated a reversionary annuitant who was four years younger on the same date. For every \$1 reduction in retirement annuity, the reversionary annuity would be \$2.61, subject to the limitations discussed herein. (In determining ages, months are disregarded.) A \$100 per month reduction by the Participant would give the reversionary annuitant an amount of \$261 per month payable for the lifetime of the reversionary annuitant.

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A Participant interested in providing for a reversionary annuity should contact the Fund. The Fund can provide information on the different possibilities available. An interested Participant can download the necessary [reversionary form](#) from our website at www.meabf.org.

SURVIVING SPOUSE ANNUITIES

References to spouse in this Handbook also apply to civil union partners. The same eligibility requirements would need to be met by the civil union partner as that required for a surviving spouse.

Age and Service Requirements for Surviving Spouse Annuities

The following surviving spouses are entitled to a surviving spouse annuity:

- 1) the surviving spouse of a Participant whose death occurs while in service;
- 2) the surviving spouse of an Annuitant whose death occurs after retirement on annuity, if marriage occurred while the Participant was still in service;
- 3) the surviving spouse of a Participant whose death occurs after withdrawal from service, having at least ten years of service credit, if marriage occurred while the Participant was still in service, provided that the Participant did not take a refund of his or her contributions to the Fund.

A surviving spouse annuity is paid in equal monthly payments. The payments begin after the death of the Member. The surviving spouse annuity begins effective on the first of the month following the date of the Member's death. The last monthly payment occurs on the first day of the month of the surviving spouse's death or termination of a term annuity.

If the total credits for surviving spouse annuity provide an annuity for life of less than \$100 a month, a term annuity of \$100 a month for a period of time is payable.

The maximum amount of annuity the surviving spouse can receive for a non-duty related death is 50% of the highest salary received by the Participant, regardless of the method of computation.

Methods for Determining Surviving Spouse Annuities

There are three basic methods used to determine the amount of a surviving spouse annuity for a non-duty death. The surviving spouse is entitled to the largest benefit, subject to the 50% of highest salary maximum.

1) Money Purchase Annuity – Based on Accumulated Salary Deductions and City Contributions

This method of computing the surviving spouse annuity is known as the *money purchase method*. That is, the accumulated salary deductions and Employer contributions with interest to the credit of the spouse are used to provide the spouse's annuity. Currently, Participants contribute 1.5% of salary for the purpose of providing a surviving spouse annuity. The Employer then contributes an amount equal to 2% of salary. To these amounts interest is added. Such salary deductions and Employer contributions continue until the Participant retires from service.

The amount of surviving spouse annuity, just as in the case of the Participant's own annuity, is determined by the period of service and salary of the Participant and the ages of the Participant and the surviving spouse with the same reduction in Employer contributions if retirement or death out of service occurs before age 60 with less than 20 years of service. The Employer contributions are not reduced for death in service.

If the Participant dies in service, the surviving spouse annuity will be based on the entire sum existing to the Participant's credit for their annuity and the surviving spouse annuity in the Fund at the time of the Participant's death.

If the Annuitant dies while receiving an annuity, the surviving spouse annuity is based on the sums existing to the surviving spouse credit in the Fund on the date of the Annuitant's retirement on annuity.

2) *Minimum Formula Annuity Method*

A minimum formula annuity is provided for the spouse of a Participant who dies in service or retires from service after his or her attainment of age 55 with at least 20 years of service or retires after attainment of age 50 with at least 30 years of service.

The amount of such minimum formula surviving spouse annuity is equal to 50% of the annuity the Participant would have been entitled to had he or she retired from service on the day preceding the day of his or her death or equal to 50% of the annuity the Annuitant was receiving on the date of his or her death provided that the surviving spouse on such date is age 55 or older. If the surviving spouse is under age 55 on the date of such computation, the minimum formula annuity will be equal to 50% of the Member's annuity computed as stated, but discounted .25% for each month that the surviving spouse is less than age 55 if the Member had less than 25 years of service or age 50 if the Member had at least 25 years of service and withdrew from service on or after June 27, 1997.

EXAMPLE:

Years Under Required Age	Spouse Discount 0.25% per Month
0	0%
1	3%
2	6%
3	9%
4	12%
5	15%

If the surviving spouse is age 55 (if the Member had less than 25 years of service) or age 50 (if the Member had at least 25 years of service) there is no age discount. If the surviving spouse is age 50 and is to be discounted for age under 55, the formula would provide for a 15% discount; therefore, the annuity would be (100% - 15%), or 85% of the otherwise unreduced annuity.

EXAMPLE 1: Participant dies while in service

A Participant dies in service September 30, 2011, at age 62 with 23.5 years of service and a final average monthly salary of \$3,500. The surviving spouse's annuity would be calculated as follows:

Surviving Spouse Age	Participant Annuity \$3,500 x 56.4%	Surviving Spouse Annuity Calculation including Discount	Surviving Spouse Annuity Amount
58	\$1,974.00 x	50% x 100% =	\$987.00
53	\$1,974.00 x	50% x (100% - 6%) =	\$927.78
50	\$1,974.00 x	50% x (100% - 15%) =	\$838.95

EXAMPLE 2: Participant dies while on annuity

A Participant retires September 30, 2011 at age 62 with 23.5 years of service with a final average monthly salary of \$3,500. The participant dies on December 5, 2013. The annuity would be calculated as follows:

Participant Annuity: $\$3,500 \times .564 = \$1,974.00$

The surviving spouse annuity would be based on one half of the annuity the Annuitant was receiving on the date of death. This includes the 3% post-retirement increases the Annuitant would receive.

Annuity Payment Date	Change in Annuitant's Annuity (due to annual increases)
10/1/2011	\$1,974.00
1/1/2012	\$2,033.22
1/1/2013	\$2,094.22
12/1/2013	\$2,094.22

If the surviving spouse is under age 55 on the date of the Annuitant's death, the minimum formula annuity will be equal to 50% of the Annuitant's annuity computed as stated, but discounted .25% for each month that the surviving spouse is less than age 55 at the Annuitant's death. If the Annuitant were to die on December 5, 2013, the surviving spouse annuity under the minimum formula annuity method would be calculated as follows:

Surviving Spouse Age	Annuitant's Annuity Amount at Death	Surviving Spouse Annuity Calculation including Discount	Surviving Spouse Annuity Amount
58	\$2,094.22 x	50% x 100% =	\$1,047.11
53	\$2,094.22 x	50% x (100% - 6%) =	\$984.28
50	\$2,094.22 x	50% x (100% - 15%) =	\$890.04

Regardless of the method used for computing the Participant's annuity, if a deceased Annuitant is receiving a retirement annuity at the time of his or her death, the surviving spouse may elect to receive, in lieu of any other annuity, 50% of the Annuitant's retirement annuity at the time of death reduced by .25% for each month that the surviving spouse's age on the date of death is less than 55 (if the employee had less than 25 years of service) or age 50 (if the employee had at least 25 years of service and withdrew from service on or after June 27, 1997). If there had been a refund of excess spouse deductions paid to the Annuitant at retirement, the refund with interest must be repaid in order for the surviving spouse to receive this annuity.

If a Participant dies in service with at least 10 years of service, the annuity would be no less than 50% of the minimum formula annuity the Participant would have been entitled to based upon service and salary to the date of the Participant's death without regard to age eligibility requirements. The Participant's annuity would be equal to 2.4% of final average monthly salary for each year of service to a maximum of 80%. There would be no age discount for the Participant or surviving spouse. This benefit is only for a Participant who had been married to his/her spouse or in a civil union for at least 10 years on the date of death.

EXAMPLE 3:

A Participant dies in service August 31, 2012, at age 48 with 28 years of service and a final average monthly salary of \$3,500. The Participant was married to the surviving spouse for 10 years. The surviving spouse annuity would be calculated as follows:

$$\begin{aligned} \text{Member Annuity: } & \$3,500 \times .672 = \$2,352.00 \\ \text{Surviving spouse Annuity: } & \$2,352 \times .50 = \$1,176.00 \end{aligned}$$

3) *Minimum Annuity Method*

If a Participant dies in service, the surviving spouse minimum annuity will be \$800 per month for life, provided the employee had at least 5 years of Municipal service.

The surviving spouse of any Annuitant with at least 10 years of Municipal service who dies after retirement on annuity will receive a minimum annuity of \$800 per month for life beginning upon the Annuitant's death.

Maximum Annuities

The maximum surviving spouse annuity provided by the "money purchase method," the "minimum formula annuity method," or the "minimum annuity method" cannot exceed 50% of the highest salary earned by the Participant.

Duty Death – Surviving Spouse Annuity

The maximum surviving spouse annuity in the event of a Participant's duty death is an amount equal to 60% of the Participant's highest salary, to be paid to the surviving spouse until the date upon which the Participant would have attained the age of 65. After such date the surviving spouse would receive an annuity equal in amount to that which would have been provided for the

surviving spouse by the Participant had the Participant lived and continued in service until attainment of age 65 at the salary on the date of death.

However, if the surviving spouse receives any award or compensation from Workers' Compensation as a result of the Participant's duty death, the amount so received is deducted from the amount of the surviving spouse annuity.

Surviving Spouses Not Entitled to Annuity

The following surviving spouses are not entitled to a surviving spouse annuity:

- 1) The surviving spouse of a Participant who withdraws and dies while out of service if the Participant and surviving spouse were not married while the Participant was in service;
- 2) The surviving spouse of a Participant with ten or more years of service who dies while out of service and who has received a refund of contributions for annuity purposes;
- 3) The surviving spouse of a Participant with less than ten years of service who dies out of service while not eligible for a Participant annuity;
- 4) The former spouse of a Member whose judgment of dissolution of marriage has been vacated or set aside after the Member's death, unless the proceedings to vacate or set aside the judgment were filed in court within five years after the entry thereof and within one year after the Member's death, and provided that the Retirement Board is made a party defendant to such proceedings.

ANNUITIES FOR CHILDREN

Annuities are provided for unmarried children of a deceased Member who are under the age of 18, if the child was born before withdrawal from service.

These conditions having been fulfilled, the following provisions must also apply:

- 1) the death of the Participant must be in service; or
- 2) if the Member died while in receipt of annuity, retirement must have occurred after attainment of age 55 or after attainment of age 50 with at least 30 years of service.

Child (or children) is defined as the natural child or children, or any child or children legally adopted by the Participant, and born before the Participant withdrew from service.

The child's annuity is an amount equal to \$220 a month when there is an eligible surviving spouse and \$250 a month when there is no eligible surviving spouse. The combined monthly annuities for the surviving spouse and/or children cannot exceed 60% of the deceased Participant's final monthly salary (70% of deceased Participant's final monthly salary for duty death).

CREDIT FOR SERVICE PRIOR TO DATE OF MEMBERSHIP IN THE FUND

Participants can pay for periods of eligible creditable prior service rendered to the Employer and receive credit for all such service for annuity purposes. These payments can be made while in the service of the Employer or while in reciprocal service. Credit for such prior service is allowed for ordinary disability benefit purposes for periods of disability on or after August 22, 1997. If a Participant elects to establish credit for only a fraction of a period of service that he or she is eligible to establish, this period will be the earliest service for which credit may be established.

The amount payable for such past service during which a Participant did not contribute to the Fund is equal to the amount that would have been paid to the Fund had such Participant contributed during such time, plus interest that would have accrued on such contributions had they been made at the time service was rendered.

Subject to certain limitations and restrictions, certain former service with the Chicago Transit Authority, the Chicago Housing Authority, and the Public Building Commission may be paid for and credited. There may also be periods of military service for which an employee may establish service credit. Service as a City of Chicago policeman, fireman, or teacher may also be paid to this Fund if the participant does not have credit for that service in another Fund.

RETIREMENT SYSTEMS RECIPROCAL ACT

The Retirement Systems Reciprocal Act has as its purpose the vesting of pension credits in cases where a Participant transfers from one governmental unit in the State of Illinois to another. Pension credits of one year or more in any reciprocal system may be used to determine eligibility for retirement and survivor benefits and the amount of those benefits.

There are variations in cases involving the Reciprocal Act and since reciprocal cases can sometimes be complex, it is advisable that if you have service in another Illinois retirement system that you contact the office of this Fund for information.

Systems Covered Under the Reciprocal Act

- Chicago Teachers' Pension Fund
203 North LaSalle Street, Suite 2600
Chicago, IL 60601-1210

- County Employees' Annuity and Benefit Fund of Cook County
33 North Dearborn Street, Suite 1000
Chicago, IL 60602-3103
312-603-1200

- Forest Preserve District Employees' Annuity and Benefit Fund of Cook County
33 North Dearborn Street, Suite 1000
Chicago, IL 60602-3103
312-603-1200

- General Assembly Retirement System
2101 South Veterans Parkway
PO Box 19255
Springfield, IL 62794-9255
217-782-8500

- Illinois Municipal Retirement Fund
2211 York Road, Suite 500
Oak Brook, IL 60523-2337
630-368-1010

- Judges' Retirement System
2101 South Veterans Parkway
PO Box 19255
Springfield, IL 62794-9255
217-782-8500

- Laborers' Annuity and Benefit Fund of Chicago
321 North Clark Street, Suite 1300
Chicago, IL 60654-4739
312-236-2065
- Metropolitan Water Reclamation District Retirement Fund
111 East Erie, Suite 330
Chicago, IL 60611-2898
312-751-3222
- Municipal Employees' Annuity and Benefit Fund of Chicago
321 North Clark Street, Suite 700
Chicago, IL 60654-4767
312-236-4700
- Park Employees' Annuity and Benefit Fund of Chicago
55 East Monroe, Suite 2720
Chicago, IL 60603
312-553-9265
- State Employees' Retirement System
2801 South Veterans Parkway
PO Box 19255
Springfield, IL 62794-9255
217-785-7444
- State Universities Retirement System
1901 Fox Drive
PO Box 2710
Champaign, IL 61825-2710
800-275-7877
- Teachers' Retirement System of Illinois
2815 West Washington Street
PO Box 19253
Springfield, IL 62794-9253
800-877-7896

DISABILITY BENEFITS

This is a summary regarding the disability benefits provided by the Pension Code. Please refer to our Disability Handbook for more detailed information.

There are two types of disability benefits:

Ordinary Disability Benefits

Ordinary disability benefits are provided for Participants who become disabled as the result of any cause **other than** an accidental injury incurred while in the performance of an act of duty.

Ordinary disability benefit is 50% of the Participant's annual salary at the time of disablement. In addition to the ordinary disability benefit, the Participant is credited with 8.5% of his or her salary for pension purposes so that annuity rights continue to increase just as though the Participant were working. Such amounts of pension contributions for disability benefits paid on or after January 1, 2001 are not refundable to the Participant or the Participant's heirs and are used for annuity purposes only.

Ordinary disability benefit is payable after the first 30 days of disablement, provided the Participant is not then in receipt of salary. Ordinary disability benefit is payable until the earlier of the date the disability ceases or the date the period of disability exceeds in aggregate 25% of the total service, but not to exceed a lifetime total of five years.

Service for this purpose is counted only for the period a Participant has contributed to the Fund. Payment for service rendered prior to the date a Participant joined the Fund (past temporary service) does increase the period of time for which a disabled Participant is eligible to receive disability benefits but only for periods of disability after August 22, 1997.

A Participant whose disability continues after receipt of ordinary disability benefit for the maximum period of time and who withdraws from service while still so disabled can receive an annuity regardless of age.

In all cases, it is necessary for a disabled Participant to make application to the Pension Fund for disability benefits. In no event should such application be filed more than one year after the date of disablement. Disability benefits cannot be paid for any period of time more than one year prior to the date on which the application for disability is received by the Fund. Disability benefits will not be paid out or service credit for pension purposes granted during any period of disability without an application.

Salary increases granted after a Participant becomes disabled do not serve to increase the amount of disability payments unless the salary increase is retroactive to the date of disablement.

Duty Disability Benefits

Duty disability benefits relate solely to disablement resulting from an accidental injury incurred while in the performance of an act of duty. Disablement because of commonly termed heart attacks, strokes, or any disablement falling within the broad field of coronary involvement or heart disease, is not considered to be the result of an accidental injury incurred in the performance of duty. However, if the Participant is receiving payments from Workers' Compensation for such a disability, the Participant would be eligible for duty disability pension deductions for annuity purposes and service credit.

Duty disability benefit begins on the first regular and normal work date for which the Participant fails to receive salary.

The amount of full duty disability benefit is equal to 75% of salary at the date of injury. However, if the Participant's disability, in any measure, has resulted from any physical defect or disease which existed at the time such injury was sustained, the duty disability benefit shall be 50% of salary.

For Participants disabled as the result of an accidental injury who receive benefits under the provisions of the Workers' Compensation Act, any such amounts received under Workers' Compensation must be deducted from payments of a duty disability benefit paid by the Fund.

In addition to the duty disability benefit, the Participant will also be credited with 8.5% of his or her salary for pension purposes so that annuity rights continue to increase just as though the Participant was working. These contributions are not refundable to the Participant or the Participant's heirs and are used for annuity purposes only.

If the Participant's duty disability continues for more than 5 years, the benefit will be increased by 10% on January 1st of the sixth year.

Duty disability benefit is payable during disability until the Participant attains age 65 for disability commencing prior to age 60, or for a period of five years for disability commencing at age 60 or older.

Recipients of duty disability benefit also have a right to receive a child's disability benefit of \$10 a month for each unmarried child less than age 18. Children's disability benefits shall not exceed 15% of the Participant's salary.

In all cases, including those cases where the payment from Workers' Compensation exceeds the amount that would be payable by the Fund, it is necessary for a disabled Participant to make application to the Pension Fund for disability benefits. In no event should such application be filed more than one year after the date of disablement. Disability benefits cannot be paid for any period of time more than one year prior to the date on which the application for disability is received by the Fund. Disability benefits will not be paid out or service credit for pension purposes granted during any period of disability without an application.

Salary increases granted after a Participant becomes disabled do not serve to increase the amount of disability payments unless the salary increase is retroactive to the date of disablement.

REFUND OF ANNUITY CONTRIBUTIONS

Refund to a Participant upon Withdrawal from Service

Participants with the following lengths of service and ages at withdrawal from service are entitled to receive a refund of the amount accumulated to their credit from salary deduction for annuity (excluding deductions in lieu for duty disability benefits received on or after January 1, 1982 and deductions in lieu for ordinary disability benefits received on or after January 1, 2001):

- 1) withdrawal from service under age 55 with any length of service; or
- 2) withdrawal from service between the ages of 55 and 60 with less than 10 years of service.

A Participant receives interest on all contributions (except the 0.5% deduction made for annuity increases after retirement) up until resignation from service. No interest is credited after withdrawal from service. The interest included in the refund, together with the pension contributions which were previously not included as taxable income on the Participant's W-2's is subject to Federal Income Tax.

The Pension Code does not permit partial refunds of contributions and does not allow a Participant to borrow from his pension account.

A Participant who receives a full refund forfeits all rights in the Fund for himself or herself and for any other person who might benefit through the Participant for service rendered prior to date of application for refund.

Possible Refund to a Participant's Children, Heirs, Estate, or Designated Beneficiary

All of the accumulated money contributed by the Participant (except for the 0.5% deductions withheld to provide annuity increases) that is not paid out either in the form of annuity to the Participant or to the spouse or minor children, or to a designated person described under the reversionary annuity section, will be refunded to a person whom the Participant has designated in writing. The designation must be filed with the Retirement Board before the Participant's death. If no such person is designated, then the remaining employee contributions will be payable to the Participant's children in equal parts, with the children of a deceased child taking the share of their parent. If there is no designated person or descendant surviving the Participant, the refundable amount will be paid to the Participant's estate. Under no condition is a refund made of Employer contributions. Employer contributions are used for annuity purposes only.

Refund in Lieu of Annuity

A Participant or surviving spouse may elect to receive a refund of the Participant's accumulated salary deductions in lieu of a monthly annuity to which he or she would otherwise be entitled if such Participant's or surviving spouse's annuity is less than \$800 a month.

By withdrawal of the single lump sum, the Participant or surviving spouse forfeits all rights for annuity and any other benefits based on such accumulations.

Refund of Salary Deductions if Participant Is Not Married

A Participant is entitled to a refund of his or her contributions for surviving spouse annuity upon retirement if the Participant was not married on the date of resignation from service.

REPAYMENT OF REFUNDS

If a Participant who received a refund subsequently re-enters service of an Employer covered under the Fund and again becomes a contributor to the Fund and renders at least 90 days of contributing service from date of re-entry, he or she may have all rights restored that were previously forfeited by repaying the refund previously received plus interest to the date of payment.

If a Participant who received a refund from the Fund goes to work for a Reciprocal Fund Employer covered by the Illinois Reciprocal Act and renders at least 2 years of contributing service to that Employer, he or she can repay the refund previously received plus interest and thereby re-instate the service credits in the Fund.

Payment to the Fund must be made while the Participant is in service.

A Participant does not need to establish credit for the entire refunded period, but may elect to establish credit for only a fraction of the period. Credit will be restored in the order that it was earned.

COMPUTATION OF SERVICE CREDIT

In computing the service credit of a Participant, the following periods are counted as periods of service for annuity purposes, provided the Participant has made contributions for this service:

- 1) anytime during which the Participant performed the duties of his or her position while in receipt of salary;
- 2) vacations (except final vacation), leaves of absence with whole or part pay, and leaves of absence without pay no longer than 90 days (leave of absence without pay does not count for minimum formula and minimum annuity purposes);
- 3) leaves of absence without pay during which time the Participant is employed full-time by a local labor organization and continues his contributions to the Fund as though he were an active employee. This service credit is subject to limitations as described in Public Act 97-0651, approved and effective January 5, 2012.
- 4) any period of disability for which the Participant received disability benefit from the Fund or whole or part pay; and
- 5) any period of disability because of commonly termed heart attacks, strokes, or any disablement falling within the broad field of coronary involvement or heart disease for

which the Participant is not eligible for duty disability payments but is receiving payments from Workers' Compensation. It is necessary for the Participant to apply for duty disability benefits with the Fund in order to receive this service credit.

No credit shall be granted for periods of time while on a suspension.

The manner in which these periods of time are counted differs according to purpose and is explained in the various sections of this Handbook. Refer to the provisions for minimum formula annuities or to service credit for ordinary disability benefits.

QUALIFIED ILLINOIS DOMESTIC RELATIONS ORDER (QILDRO)

The Illinois General Assembly established the Qualified Illinois Domestic Relations Order (QILDRO) effective July 1, 1999. A QILDRO allows for the division of a retirement benefit or a refund of contributions due to divorce. It does not establish a new benefit, nor does it create a new member or beneficiary.

Generally, the QILDRO orders the payment of a benefit to an ex-spouse as the alternate payee. It may also be payable to a child or other dependent as the alternate payee. The QILDRO does not apply to survivor annuities or disability benefits. The QILDRO must state when it would go into effect and the specific dollar amount to be deducted from the refund or retirement annuity.

The QILDRO is usually issued at the time of divorce and sent to the Fund. It is recorded and retained until the Participant applies for a refund or retirement annuity. The Fund will notify the Member and the alternate payee that it was received.

Any Participant in service before July 1, 1999 must sign a consent form for the QILDRO to go into effect. Any Participant who begins service after July 1, 1999 accepts the QILDRO as a condition of employment.

Any Participant who has questions about a QILDRO should discuss it with his or her attorney. If a QILDRO will be used in a divorce settlement, the Participant should contact the Fund.

SUSPENSION OF BENEFITS

When an Annuitant re-enters service that would require participation in this Fund, any annuity previously granted will be suspended. It is the Participant's responsibility to notify the Fund of this re-entry into service. If an Annuitant receiving an annuity under the provisions of the Reciprocal Act returns to any system from which he or she is receiving a proportional annuity, the proportional annuity from all participating systems may be suspended during the period of re-employment. This depends on the law governing the system covering the Participant upon re-employment. If a Participant receiving an annuity from this Fund returns to work for the City of Chicago or Board of Education, the annuity from this Fund will be suspended and any reciprocal systems involved will be notified.

When the Participant subsequently retires on annuity, the money purchase annuity will be recalculated based on the total sum to his or her credit for annuity purposes according to the statutes, including contributions by the Participant and the city for annuity purposes after the re-entry into service. A minimum formula annuity will not be recalculated unless the Participant earns at least three years of additional service credit after the date of re-entry. This service must be Municipal service.

If you are considering returning to work, it is advisable for you to contact us in advance so we can advise you what effect it may have on your annuity.

PRESENT INCOME TAX INFORMATION

Federal Income Tax

- 1) **Annuities:** A Participant may have paid for part of the cost of the annuity and if so, he or she is entitled to recover this cost. The cost for income tax purposes does not include any interest credited by the Fund, nor does it include any salary deductions that were tax deferred or salary deductions picked up by the Board of Education.

For almost all annuities beginning on or after November 19, 1996, the amount excludable from federal income tax is based on the Simplified Method of reporting. A portion of each annuity payment is excludable from income until the full cost has been recovered. Under this method, the recovery of the "Cost" (previously taxed contributions) is spread out over a number of years based on the combined ages of the Participant and spouse at retirement. The amount of each annuity check to be excluded is determined by dividing the previously taxed contributions by a factor from a table provided by the Internal Revenue Service.

- 2) **Refunds, IRA Rollovers:** If the Participant receives a refund, that part of the refund that represents interest credits together with salary deductions that were tax deferred and salary deductions picked up by the Board of Education, will be subject to federal income tax. The Fund will furnish this information when the refund is issued.

The taxable portion of a refund may be "rolled over" tax free either directly from plan to plan or by the Participant within 60 days after receiving the refund. If the Participant chooses not to have the eligible rollover distribution paid from the plan to an eligible retirement plan in a direct rollover, the eligible rollover distribution is subject to mandatory 20% income tax withholding. Under certain conditions there would be an additional 10% tax on the refund income that is not rolled over.

Please consult a tax advisor or IRS publication 590 on Individual Retirement Arrangements.

NOTE: Since the Internal Revenue Code is frequently amended, the foregoing may not be applicable in its entirety at a future date. If a Member has any questions about the income tax liability in relation to the annuity or other benefits from the Municipal Fund, he or she should consult a tax advisor, IRS Publication 575, Pension and Annuity Income, or the district director of the local income tax office.

State of Illinois Income Tax

Presently, annuities and refunds payable by this Fund are not subject to Illinois State income tax.

DEDUCTIONS FROM ANNUITY FOR RETIREE HEALTH INSURANCE

Legislation enacted in the year 1963 permits the trustees to make premium deductions from an Annuitant's annuity checks for coverage in an Employer sponsored nonprofit group hospital or medical surgical plan, if the Annuitant elects to have such deductions made for such purpose.

This does not mean that the Retirement Board will set up a plan. It merely gives the Fund the right to make the premium deduction at the Annuitant's request, and nothing else.

The Participant or spouse must make the election to have group coverage continued in the Employer sponsored annuitant healthcare plan by means of deductions from his or her monthly annuity at the time of application for such annuity.

For City of Chicago employees, application for annuitant group health insurance must be made within 30 days of the date the Participant applies to receive an annuity or for a surviving spouse, within 30 days of the Participant's death. A Participant can only enroll the spouse and dependents in the Annuitant Plan who are covered under the Participant's active medical plan on the date of retirement. If a Participant chooses to enroll the eligible spouse or dependent more than 30 days after the coverage begins under the Annuitant Plan, proof of good health will be required for the spouse or dependent.

The City of Chicago's Annuitant Medical Benefits Plan is administered by the City of Chicago Benefits Management Office. Inquiries may be directed to the City of Chicago Benefits Management Office, 333 South State Street, Room 400, Chicago, Illinois 60604-3978, (877) 299-5111.

For Board of Education employees, the Board of Education will no longer offer annuitant group health insurance to employees retiring after August 31, 2013.

CONCLUSION

This Handbook is not intended to contain, nor does it contain, a synopsis of all provisions of the law governing the Municipal Employees' Annuity and Benefit Fund of Chicago. There may be exceptions and modifications in the case of statements or explanations given in this Handbook. A detailed and complete explanation of all applicable law would defeat the purpose of this intended general outline. Every effort has been made to present current information without inaccuracies; however, errors, additions, deletions, and changes in the laws or procedures may occur and could make the information out of date or inaccurate. The full text of the law governing the Fund can be found in the Illinois Pension Code, 40 ILCS, Act 5, Articles 1, 8, and 20. In the event of a conflict between any provision of this Handbook and the Pension Code, the Pension Code will control; the Pension Code supersedes any statement stated or implied in this Handbook. Please note that all benefits discussed in this Handbook remain subject to change in the discretion of the legislature.