



**Municipal Employees' Annuity and
Benefit Fund of Chicago**

A Pension Trust Fund of the City of Chicago
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Jim Mohler, Executive Director

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To Retired Members of the Fund:

On June 9, 2014, Governor Quinn signed Senate Bill 1922 into law which is now [Public Act 98-0641](#). This Act affects all stakeholders: the plan sponsor, current employees and retirees. Below is an explanation of how this Act impacts a retired member on annuity.

If you were [retired and receiving an annuity](#) before the effective date of the Act (June 9, 2014), your annual increase each January 1st will be calculated as follows:

Calculation: (A) *Base Annuity* x (B) *Percentage Increase* = (C) *Annual Increase*

(A) *Base Annuity* is your [2014 gross annuity](#) amount. This amount will be used for calculating annual increases only and will not change in future years.

(B) *Percentage Increase* is the lesser of ½ of the unadjusted percentage increase in the Consumer Price Index-Urban ([CPI-U](#)), an index utilized to measure inflation, or 3%, but never less than zero. This percentage increase in the CPI-U will be provided to the Fund in November of each year by the Illinois Department of Insurance.

(C) *Annual Increase* is the result of multiplying (A) and (B). This result can never be less than \$0 and no increase will occur in 2017, 2019, and 2025.

Exception: A retired member with an annual gross annuity of \$22,000 or less cannot receive a percentage increase on the base annuity of less than 1% in the relevant calculation year.

To see an example calculation for base annuity amounts **greater the \$22,000**, please click [here](#).

To see an example calculation for an annual gross annuity of **\$22,000 or less**, please click [here](#).

Please visit our website to stay advised of future information related to the Fund.

Sincerely,

James E. Mohler
Executive Director