



**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 Employee Members of the Fund:

On June 9, 2014 Governor Quinn signed Senate Bill 1922 into law which is now Public Act 98-0641. This Public Act affects all stakeholders: the plan sponsor, current employees and retirees. Below is an explanation of how this Public Act impacts **current employee members** of the Fund.

Beginning in 2015, employee members' **contributions will increase by 0.50% each year from 2015 to 2019**. Currently, the employee contribution is 8.5% of pensionable salary. By 2019, employees will contribute 11% of pensionable salary toward their benefit eligibility.

At time of retirement, the following changes occur with Public Act 98-0641:

- 1) Annual increase in annuity, if eligible, is calculated utilizing simple interest instead of compounded interest.
- 2) Annual increase in annuity, if eligible, is 3% or ½ the annual unadjusted percentage increase in the Consumer Price Index-Urban (CPI), whichever is less (not less than zero).
- 3) If gross annuity is \$22,000 or less, annual increase of at least 1% of your original annuity when eligible.
- 4) Eligibility for an annual increase in annuity is one year later than your eligibility date prior to Public Act 98-0641.
- 5) No increase in 2017, 2019, and 2025 unless your gross annuity is \$22,000 or less.
- 6) If you are a Tier II employee (hired after 1/1/11 with no reciprocal service prior to 1/1/11 with another qualified Illinois system) your retirement eligibility age goes from 67 to 65 undiscounted, and 62 to 60, discounted.

A summary of the changes made by Public Act 98-0641 can be found on our website at www.meabf.org.

Please let us know if we can be of further assistance.

Sincerely,

James E. Mohler
Executive Director