

## Annuity and Disability Payment Distribution

For those picking up checks at the Fund office, please be advised of the check pick-up policy. (This does not apply if we mail your check.)

The Fund office is located at 321 N Clark St, Suite 1300, Chicago IL. The office is open from 8:30 a.m. to 4:30 p.m. Monday through Friday. Please feel free to contact us with questions and concerns at (312) 236-2065.

Annuity checks are made payable the first day of the month and will not be distributed any earlier than the last business day of the prior month.

**Please note that, you must present a valid photo ID, not only to gain entry to Suite 1300, but also when picking up your payment.**

If you wish to authorize the release of your LABF annuity or disability check to someone other than yourself (the "Authorized Recipient"), please contact the Fund at (312) 236-2065 to request a "Check Release Authorization" form. The form will be mailed to you at the address on file with the Fund. The form must be completed and signed by you.

Your Authorized Recipient must submit the completed form to LABF along with any other required documents, such as your signed warrant, in order to receive your check. Please be advised your warrant must be signed by you. As noted, LABF will verify the identity of your Authorized Recipient using valid photo identification.

You will be required to follow this procedure every month. Please understand that the LABF is not responsible for the check once it is received by the Authorized Recipient.

The check distribution schedule for the remainder of 2013 is listed below.

Friday, June 28	Thursday, October 31
Wednesday, July 31	Wednesday, November 27
Friday, August 30	Friday, December 27
Monday, September 30	



Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago  
321 North Clark St Ste 1300  
Chicago IL 60654-4739



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# For Your Benefit



SPRING 2013  
ISSUE 32

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## Important Notice Regarding Retiree Healthcare

Annuitants were mailed a letter from the City of Chicago dated May 15, 2013 regarding updates to the retiree healthcare plan. A copy of the letter is available on the Fund's website, [www.labfchicago.org](http://www.labfchicago.org). The letter detailed the following:

- The City will extend current coverage and benefit levels through December 31, 2013.
- The City will continue to subsidize the healthcare plan for annuitants who retired prior to August 23, 1989.
- The City will make changes to the current retiree healthcare plan starting on January 1, 2014. The changes will include adjustments in premiums and/or deductibles, some benefit modifications, and ultimately, the phase out of the plan by the beginning of 2017. The City will release more information regarding the revised structure this summer.

On May 30, 2013, state legislators passed Senate Bill 1584 extending the Fund's subsidy until such time as the city no longer provides a health care plan or December 31, 2016, whichever comes first. The Fund's subsidy of \$65 for Medicare eligible annuitants and \$95 for non-Medicare eligible annuitants was set to expire on June 30, 2013.

The bill awaits Governor Quinn's signature in order for it to become law.

The LABF will continue to post more information as it becomes available on its website and through future newsletters. The LABF encourages its members and their families to remain informed.



## Return to Work After Retirement

Once you become an LABF annuitant, you must contact the LABF if you plan on returning to work for the Employer. The Employer includes, but is not limited to, the following:

- City of Chicago
- Chicago Board of Education
- Chicago Park District
- Chicago Police Department
- Chicago Fire Department
- Chicago Public School
- Retirement Boards of Chicago Pension Funds
- Reciprocal System from which you are receiving a proportional annuity

Returning to work for the Employer will result in a suspension of your annuity.

Regardless of what your employer tells you regarding your pension status, it is your responsibility to contact the LABF to report your return to work. Failure to inform the LABF of your return to work could result in significant financial repercussions for you. You will be responsible for returning the annuity overpayment.

If you are considering employment with any governmental employers within the City of Chicago or state of Illinois, please contact the LABF to find out if such employment will affect your annuity.

When you subsequently retire, your annuity will begin again. If you have rendered at least three years of additional LABF service, the original annuity amount will be recalculated to reflect the additional service.

### In summary, protect your LABF annuity by:

- Contacting the LABF before you return to work to discuss your individual situation.
- Recognizing that it is **your responsibility** to contact the LABF to report your return to work and to confirm the effect it may have on your annuity.

## Board of Trustees Important Phone Numbers and Websites

**President**  
Stephanie D. Neely  
City Treasurer  
Ex-Officio Member

**Vice President**  
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Appointed Union Member

**Secretary**  
Michael LoVerde  
Elected Active Member

**Trustee**  
Amer Ahmad  
City Comptroller  
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**Trustee**  
Lois Scott  
City Chief Financial Officer  
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**Trustee**  
Carol Hamburger  
Deputy Budget Director  
Appointed Member

**Trustee**  
John Arvetis  
Elected Retired Member

**Trustee**  
Joseph Rinella  
Elected Active Member

Benefits Management Office (Health Insurance)	(877) 299-5111	<a href="http://www.cityofchicago.org/benefits">www.cityofchicago.org/benefits</a>
Blue Cross Blue Shield (Medical Claims)	(800) 772-6895	<a href="http://www.bcbsil.com">www.bcbsil.com</a>
Committee on Finance (Workers' Compensation)	(312) 744-9879	
Deferred Compensation (Nationwide Retirement Solutions)	(312) 443-1975	<a href="http://www.nrsforu.com">www.nrsforu.com</a>
Laborers' Annuity and Benefit Fund	(312) 236-2065	<a href="http://www.labfchicago.org">www.labfchicago.org</a>
Mayor's Office of Inquiry and Information (24 hours)	311	<a href="http://www.cityofchicago.org">www.cityofchicago.org</a>
Social Security Administration	(800) 772-1213	<a href="http://www.ssa.gov">www.ssa.gov</a>
Medicare Part D	(800) 633-4227	<a href="http://www.medicare.gov">www.medicare.gov</a>
Caremark (Prescription Drug Program)	(866) 748-0028	<a href="http://www.caremark.com">www.caremark.com</a>
Prudential (Active Employee Life Insurance)	(800) 778-3827	<a href="http://www.prudential.com">www.prudential.com</a>
Cook County General Phone number	(312) 603-5500	<a href="http://www.co.cook.il.us">www.co.cook.il.us</a>

### To request documents on file in Cook County:

Birth Certificates-Cook County Clerk's Office*	(312) 603-7790	<a href="http://www.cookctyclerk.com">www.cookctyclerk.com</a>
Death Certificates-Cook County Clerk's Office*	(312) 603-7790	<a href="http://www.cookctyclerk.com">www.cookctyclerk.com</a>
Marriage Certificates-Cook County Clerk's Office*	(312) 603-7790	<a href="http://www.cookctyclerk.com">www.cookctyclerk.com</a>
Divorce Decrees-Cook County	(312) 603-6300	<a href="http://www.cookcountyclerkofcourt.org">www.cookcountyclerkofcourt.org</a>

\* Birth and death certificates may also be obtained, for an additional fee, at most local currency exchanges. Death certificates for deaths within the past six months in the City of Chicago may be obtained from the Chicago Board of Health at (312) 744-3800. Birth certificates for children under three months old and born in Chicago may be obtained from the Chicago Board of Health at (312) 744-3799. For recent deaths and births in the suburban area, contact your local government office.

## Update Your Records

At today's fast pace, it is easy to overlook tasks that may seem unimportant. Even if your retirement is many years away, incomplete or missing documents will cause a delay in processing your benefits. The LABF processes not only annuities, but disability and survivor benefits as well.

- As they begin their employment with the City of Chicago, new members are required to complete an information sheet and beneficiary form which are to be returned to the LABF.

Existing members are encouraged to maintain current and accurate information throughout their careers, including; mailing address; marital status; and dependent and beneficiary information.

- Inactive members, who are no longer employed by the City of Chicago but still have pension contributions in the LABF, must have complete and accurate records on file in order to manage their account.

It is important to complete and maintain a valid notarized beneficiary form in order to ensure any remaining contributions are correctly distributed to designated beneficiaries according to your wishes. To ensure you always receive important information and bulletins, please notify the LABF of any changes such as; marriage; birth of a child; change of address; or death of a dependent or beneficiary.

We encourage all of our members, both active employees and annuitants, to take time to review any life changes and update your records.



## Retirement Checklist for LABF Members

If you are planning for retirement, here is a checklist of items to assist in your preparation. To find out when you are first eligible, refer to your Summary Plan Description found at [www.labfchicago.org](http://www.labfchicago.org) or call the Fund office at (312) 236-2065.

### 6 to 12 months prior to your retirement

Request an estimate of your benefits. This estimate will include:

- The amount of your estimated annuity based on your current salary and your years of pension service credit.
- A checklist of required documents.
- If applicable, the option to repay a refund and/or to pay for any service time in which deductions were not withheld from your paycheck. An account receivable (AR) must be paid prior to or at resignation. Payments for unpaid service (US) or refund repayment (RR) must be made prior to resignation. In some instances, payment may be made up to 90 days after retirement.

### 3 to 6 months prior to retirement

Review possible retirement dates.

Make sure you have all required documents to present to the Fund office at your retirement appointment. Certified copies are required.

Call the Fund office at (312) 236-2065 with any questions prior to resignation.

### Ready to resign

Call the Fund office to make you aware of your intent to resign.

Follow your department procedures to submit a resignation.

Upon receipt of your resignation acceptance letter from your department, contact the Fund office at (312) 236-2065 to apply for retirement benefits.

If you are applying for a combined annuity with service from another Illinois pension fund(s) under the Reciprocal Act, you must also contact the other fund(s) regarding your retirement.

### IMPORTANT TIPS

Benefits are payable the 1st day of the month following resignation. If you resign on the last day of the month, you are entitled to an annuity on the 1st day of the following month, thus there are no unpaid days. However, if you resign prior to the last working day of the month, you will not be entitled to an annuity until the 1st day of the following month. In this case, the Fund will not pay from the resignation date to the end of the month. For this reason, it is suggested that you resign as of the last day of the month.

Please note that it may take at least 2 months from retirement to receive your first annuity check, and may take up to 3 months if retiring with a reciprocal system. Remember to plan ahead in consideration of this transition period.

## SUMMARY ANNUAL FINANCIAL REPORT FOR YEAR ENDED DECEMBER 31, 2012

This presentation summarizes information that appears in the 2012 Comprehensive Annual Financial Report. The comprehensive report offers a more detailed analysis of investment performance, funding and member demographics. The reader is encouraged to review the Comprehensive Annual Financial Report which contains the auditor's report, management's discussion and analysis, the financial statements, and other supplemental information. The report is available on LABF's website ([www.labfchicago.org](http://www.labfchicago.org)) and at the Fund office.

### Condensed Statement of Changes in Plan Net Position (In Thousands)

Additions	2012	2011
Employer contributions	\$14,415	\$15,358
Employee contributions	16,559	16,068
Net investment gain	173,460	(4,510)
<b>Total Additions</b>	<b>204,434</b>	<b>26,916</b>
Deductions		
Benefits	139,620	133,464
Refunds	2,595	3,069
Administrative expenses	4,745	3,994
<b>Total Deductions</b>	<b>146,960</b>	<b>140,527</b>
<b>Net increase (decrease)</b>	<b>57,474</b>	<b>(113,611)</b>
Net Position - restricted for pension benefits		
Beginning of year	1,313,603	1,427,214
End of year	\$1,371,077	\$1,313,603

### Plan Income & Expenses

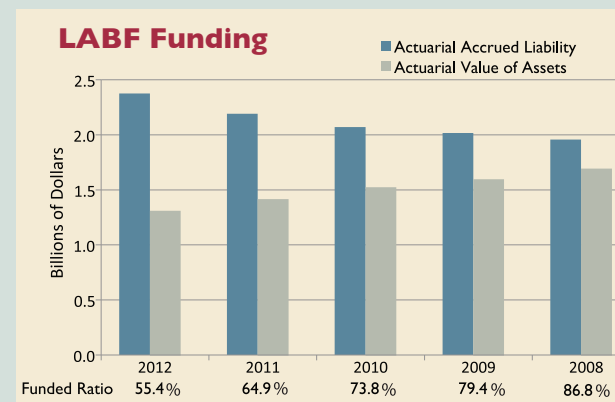
As the Condensed Statement of Changes in Plan Net Position shows, the Fund receives income from three sources: City or employer contributions, employee salary contributions, and investment income. The employer and employee contribution rates are specified by law in the Illinois Pension Code. These rates change only through legislative modification. In contrast, investment income varies due to advances and declines in the financial markets.

Throughout 2012, the activity in the financial markets impacted LABF in a positive manner. Total additions to plan net assets were \$204 million with a net investment gain of \$173 million and member and employer contributions which totaled \$31 million. Overall, LABF net assets grew by \$57 million or 4.3%. As of December 31, 2012, LABF's funded ratio was 55.4%. The Fund's most significant expense is benefit payments. Benefits,

which include the subsidized cost of annuitant group health care premiums, comprise 95% of the Fund's total expenses. The remaining 5% of expenses are refunds of employee contributions and the administrative cost of operating the Fund.

### Plan Investments

LABF's investment goal is to achieve the highest long-term total rate of return by diversifying our investment portfolio at an appropriate level of risk. The Board of Trustees and staff work with 34 professional investment management firms compiling 45 different investment portfolios. Because a prudent investor maintains a diversified portfolio, the Board, its consultant, and staff review LABF's asset allocation annually. In addition, Asset Liability Modeling Studies are periodically conducted in order to achieve overall risk and return objectives. Through diversification of investment type (bonds, stocks, real estate, private equity, hedge funds, etc.), region (domestic, international) and management style (growth, value, small, medium, or large capitalization, etc.) the goal of improving expected long term returns while maintaining an acceptable level of risk is enhanced.



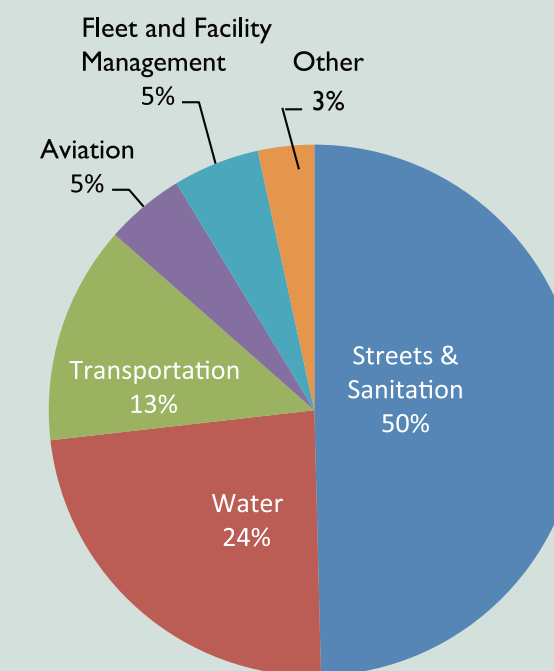
### Investment Portfolio Summary as of December 31,

	2012	Percent of Total	2011	Percent of Total
	Fair Value		Fair Value	
Equities	755,217,549	55.2 %	881,286,838	67.2 %
Fixed income	270,591,752	19.8 %	240,358,591	18.3 %
Global Asset Alloc.	129,596,815	9.5 %	0	0.0 %
Hedge funds	85,299,187	6.2 %	54,310,119	4.1 %
Private equity	45,730,173	3.3 %	46,943,283	3.6 %
Real estate	39,159,549	2.9 %	37,705,952	2.9 %
Cash & short-term	41,872,378	3.1 %	51,778,375	3.9 %
<b>Total</b>	<b>\$ 1,367,467,403</b>	<b>100.0 %</b>	<b>\$ 1,312,383,158</b>	<b>100.0 %</b>

### Our Membership

City employees, who participate in the Laborers' Annuity and Benefit Fund by contributing 8.5% of their salary toward their future pension, are referred to as active employees. As of December 31, 2012, there were a total of 4,273 active and inactive employees. Retired City employees, surviving spouses, and surviving minor children who receive benefits are referred to as annuitants. On December 31, 2012, a total of 3,954 annuitants received benefit payments from the Laborers' Annuity and Benefit Fund. Two-thirds of the total annuitants are retired employees, while the remaining one-third is composed mostly of spouse annuitants with child annuitants comprising only 1%. LABF is the steward of our member's benefits. Our understanding of this responsibility is the foundation for all our activities.

### Active Members by Department



### Active Members by Age

AGE	2012	2011	2010	2009	2008
Under 20	3	1	0	0	0
20 - 24	42	15	11	23	36
25 - 29	91	74	73	89	138
30 - 34	217	214	230	267	285
35 - 39	314	337	347	380	395
40 - 44	456	451	473	479	509
45 - 49	518	529	597	653	693
50 - 54	572	600	609	638	681
55 - 59	391	370	351	329	324
60 - 64	173	174	171	173	167
65 - 69	62	58	67	65	66
70 & Over	26	29	27	28	31
<b>Totals</b>	<b>2,865</b>	<b>2,852</b>	<b>2,956</b>	<b>3,124</b>	<b>3,325</b>

### Annuitants Classified by Age

Age Group	Employee Annuitants	Percent of total	Spouse Annuitants	Percent of total
Under 50	3	< 1%	25	2%
50-59	614	22%	104	9%
60-69	898	33%	171	14%
70-79	688	25%	329	28%
80-84	212	8%	200	17%
85 & Over	322	12%	353	30%
<b>Total</b>	<b>2,737</b>	<b>100%</b>	<b>1,182</b>	<b>100%</b>

### Inactive Members by Service

Years	Males	Females	Total
Under 1	791	71	862
1 - 4	314	55	369
5 - 9	62	11	73
10 - 14	36	11	47
15 - 19	22	2	24
20 - 24	17	1	18
25 - 29	12	0	12
30 - 34	2	0	2
35 & up	0	1	1
<b>Totals</b>	<b>1,256</b>	<b>152</b>	<b>1,408</b>

## Retirement Board News

The LABF welcomes Trustee Joseph Rinella to the Retirement Board. At the October 2012 election, Mr. Rinella was elected to serve as trustee of the LABF and represents the active participants. Mr. Rinella is currently employed as a Tree Trimmer with the Department of Streets and Sanitation.

The LABF also welcomes Trustee Carol Hamburger to the Retirement Board. She was appointed to the Board and sworn in to serve as trustee of the LABF in January 2013. Ms. Hamburger is currently employed as the City of Chicago Deputy Budget Director.

## Congratulations...

James Capasso, Jr. retired from his position as Executive Director. The LABF thanks him for 44 years of hard work and dedication and offers him best wishes in his retirement.

Be sure to check the LABF website at [www.labfchicago.org](http://www.labfchicago.org) for current information regarding benefits, investments, forms and publications, and other Fund updates.