

For Your Benefit

A publication of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago



Retirement Healthcare Benefits News

Plan Ahead for 2015

In May 2013, you received a letter informing you that, in light of the evolving landscape of national healthcare and challenges faced by Chicago taxpayers, changes to the City of Chicago's retiree healthcare benefits would be implemented starting in 2014. The relevant information regarding these changes for 2015, as well as expanded healthcare options, is summarized here.

For City retirees who retired prior to August 23, 1989, in 2015 and beyond, the City will continue to substantially subsidize your health benefits at the same level that it does today. In short, the City will provide a healthcare plan with a contribution from the City of up to 55% of the cost of that plan for your lifetime.

For City retirees who retired on or after August 23, 1989, in 2015, the City will provide a subsidy towards the cost of your health benefits if you have at least 10 years of City service, but there will be some changes to that subsidy. It is important to note that the 2015 healthcare plan will include*:

- No increase in the co-pays, deductibles, or out-of-pocket cost other than the same small percentage increases that occurred annually in the prior plan.
- Blue Cross Blue Shield PPO network and prescription coverage.
- Additional lower cost network and plan options for non-Medicare eligible retirees.
- Generous Medicare supplemental coverage for Medicare recipients, including prescription drugs.
- The additional City premium subsidy available to low-income retirees at or below 250% of the Federal Poverty Level.

For 2015, the City is offering four plan options (the current plan and three new plan options) for retirees who are not Medicare eligible. These four plan options will allow non-Medicare eligible retirees to select a plan that best meets their needs for access to providers, out-of-pocket expense and premium cost.

For 2015, the City will continue to provide those who are Medicare eligible with the same plan that is offered today.

With the changes taking place in the national healthcare market, we will supply both Medicare and non-Medicare eligible retirees with the information needed to navigate their available healthcare options.

Please note – State law, which was supported by the City, provides for a pension fund subsidy for a City of Chicago Retiree Medical Plan of \$95 per month for non-Medicare eligible retirees and \$65 per month for retirees eligible for Medicare through 2016, saving retirees thousands of dollars in healthcare costs.

**The Plan Document defines and controls the terms of the benefits provided.*

Are You Paying the Correct Amount for Retiree Health Insurance?

There are many factors in determining your monthly insurance premium. These are the primary causes for change:

- 1) Medicare eligibility
- 2) Death of a spouse or dependent
- 3) Divorce
- 4) Dependent reaches the age 22 limitation of the Plan
- 5) Coverage cancellation

Overpayments may not be refundable if notice of the event is not received by the LABF in a timely manner. Please keep the LABF informed of any changes.

If you are enrolled in the Retiree Healthcare Plan, consider the following:

Medicare eligibility

- Do you have Medicare Part A?
- Does your spouse have Medicare Part A?
- Did you apply for Medicare at the Social Security Administration?

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Automatic Increases in Annuity

The following is the schedule of future automatic increases for eligible participants of LABF:

• Amount of the

Automatic Increase:

- Increases will be the lesser of 3% or ½ of the percentage change in the Consumer Price Index-Urban (CPI-U) for all eligible LABF participants. In years where the percentage change in the CPI-U is negative, the automatic increase will be zero; there will never be a decrease. The 2015 automatic increase in annuity will be 0.85% as published by the Illinois Department of Insurance Public Pension Division. The increase in all future years will be based on the 2014 annuity or the original annuity if not yet retired.

- If the annual annuity (including increases) at the time of the automatic increase is less than \$22,000, the automatic increase will be at least 1% of the applicable annuity in all years the annuitant is eligible, including 2017, 2019 and 2025.

- If your first increase is scheduled for a skipped year (see below), then you may be delayed an additional year unless your annual annuity is less than \$22,000.

• Date of First Increase:

- For those who retired after June 9, 2014, increases will begin one year later than otherwise would have been received.

• Skipped Years

- For Tier 1* retirees, automatic increases will be skipped in years 2017, 2019 and 2025.

- For Tier 2** retirees, the automatic increase will be skipped in the year 2025.

Please refer to our website, labfchicago.org, for more information on automatic increases.

*Tier 1 members are retirees whose employment started before January 1, 2011.

**Tier 2 members are retirees whose employment started on or after January 1, 2011.

Annual Signature Verification Form

This year, the LABF adopted a new procedure for the Annual Signature Verification Form. In an effort to increase efficiency, the LABF reduced the number of Signature Verification Forms mailed to current annuitants.

The LABF would like to extend a hearty “thank you” to all of its annuitants. Because of your patience, cooperation and timely responses, the new procedure was successfully implemented. We know that this process will be increasingly successful next year and beyond.

Due to the process change, the mailing of the Annual Signature Verification Form this year was later than usual. Many annuitants were eager to receive the Annual Signature Verification Form, as anticipated, earlier in the year. Please note that, in 2015 the Annual Signature Verification Form is scheduled to be mailed by late Spring.

Here are a few reminders to ensure that we receive your form and avoid suspension of your annuity:

- Return the entire signed and properly notarized form to the LABF;
- If you have a Power of Attorney and wish to add this to your file please contact the LABF;
- Please contact the LABF with any address or phone number changes; and
- Please call the LABF to report the death of the annuitant.

LABF NEWS

New Executive Director / Chief Investment Officer

The Retirement Board of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (LABF) is pleased to announce that Michael P. Walsh has been hired as Executive Director/Chief Investment Officer. Mr. Walsh began his duties on October 1, 2014.

Trustees

Stephanie Neely, City Treasurer and LABF Board President, has resigned from her position effective November 30, 2014. LABF would like to thank Treasurer Neely for her years of dedicated leadership. During her years of service, Treasurer Neely brought new ideas and initiatives to the LABF that benefited many of LABF's members. We wish her well in her future endeavors. Mayor Rahm Emanuel has appointed Kurt Summers Jr. as the next Treasurer of the City of Chicago and his appointment awaits approval by Chicago's City Council.

Board-Appointed Trustee John Arvetis will complete his term on December 1, 2014. John served as the retired member on the Retirement Board for the past 3 years. The trustees and staff thank Mr. Arvetis for his years of dedication, integrity, and steadfast commitment to the LABF and its participants. LABF wishes Mr. Arvetis continued success in all of his future endeavors.

LABF welcomes James Capasso Jr. as the new trustee on the Retirement Board. Mr. Capasso's three-year term will begin on December 2, 2014. He will represent the retired participants of the LABF. The LABF looks forward to his participation on the Board.

A Survivor's Guide

What should you do in the case of the death of a LABF participant—active or retired member, widow annuitant, child annuitant, or beneficiary? Keep these tips handy:

- Notify the LABF immediately by phone at (312) 236-2065 or in writing.
- For participants or annuitants, please provide the deceased's full name, social security number or office number, date of death, and indicate status (i.e., active employee, retired employee, widow annuitant, or child annuitant.) If the deceased is not the participant, please include the name of the original LABF participant.
- For beneficiaries, please provide the deceased's full name, date of death, and include the name of the original LABF participant who designated the beneficiary.
- Send the original certified copy of the death certificate to the LABF as soon as possible at the following address:

**Laborers' Annuity &
Benefit Fund of Chicago
321 N Clark St Suite 1300
Chicago IL 60654-4739**

Upon receipt of the notification and death certificate, the LABF will update the participant's records and, if necessary, send a letter informing you of any further documentation required to complete processing of any available benefits. Please contact the LABF with any questions.

Retiree Healthcare (continued from front page)

Medicare eligibility (continued)

Did you send a copy of the Medicare card for you and/or your spouse to LABF?

If you applied for Medicare but did not qualify, did you notify LABF?

Death of a spouse or dependent

Has your spouse or any of your covered dependents passed away?

Did you send the death certificate to LABF?

Divorce

Have you divorced your spouse? Did you send a certified copy of the divorce decree to LABF?

Dependent reaches the age 22 limitation of the Plan

Are you carrying any other dependents on your insurance?

If eligible, dependent coverage continues until age 22 for this plan.

Is the dependent a full time student?

If not, has the coverage been cancelled?

Did you notify the LABF?

Did the dependent reach age 22?

Did you notify the LABF?

Coverage Cancellation

Did you send written notice to the LABF to cancel your coverage?



Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago

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The 2015 automatic increase in annuity will be 0.85% as published by the Illinois Department of Insurance Public Pension Division.

For more information regarding the change in your annuity, please see page 2.

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Appointed Member

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Joseph Rinella
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Important Phone Numbers and Websites

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

To request documents on file in Cook County:

Birth Certificates-Cook County Clerk's Office*	(312) 603-7790	www.cookctyclerk.com
Death Certificates-Cook County Clerk's Office*	(312) 603-7790	www.cookctyclerk.com
Marriage Certificates-Cook County Clerk's Office*	(312) 603-7790	www.cookctyclerk.com
Divorce Decrees-Cook County	(312) 603-6300	www.cookcountyclerkofcourt.org

* 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.