

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
Minutes of Regular Board Meeting # 961**

May 14, 2015

***Suite 1300 • 321 N Clark Street • Chicago Illinois 60654-4739
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**LABORERS' & RETIREMENT BOARD EMPLOYEES'
ANNUITY & BENEFIT FUND OF CHICAGO**

May 14, 2015

Report of Meeting No. 961 held on May 14, 2015, starting at 1:07 p.m. in the office of the Pension Fund.

The following were present:

Board Members:

Victor Roa, President (Local 1001)
Erin Keane, Vice President (First Deputy Comptroller, City of Chicago)
Michael LoVerde, Secretary (City of Chicago)
Kurt Summers, Jr., Trustee (City Treasurer, City of Chicago) arrived at 1:20 p.m.
Lois Scott, Trustee (Chief Financial Officer, City of Chicago)
Carol Hamburger, Trustee (Deputy Budget Director, City of Chicago)
Joseph Rinella, Trustee (City of Chicago)
James Capasso, Jr., Trustee (Retired)

Staff & Consultants:

Graham Grady – Taft Stettinius & Hollister LLP, Fund's Attorney
Cary Donham – Taft Stettinius & Hollister LLP, Fund's Attorney
Richard Aderman – Taft Stettinius & Hollister LLP, Fund's Attorney
John Kennedy – Taft Stettinius & Hollister LLP, Fund's Attorney
Michael Laing – Taft Stettinius & Hollister LLP, Fund's Attorney (via telephone)
Dr. Terence Sullivan – Fund's Physician
Michael Cairns – NEPC, LLC, Fund's Investment Consultant
Kristin Finney-Cooke – NEPC, LLC, Fund's Investment Consultant
Kristen Jackson – NEPC, LLC, Fund's Investment Consultant
Michael Walsh – Executive Director and Chief Investment Officer
Peggy Grabowski – Comptroller
Joan Newman – Benefits Manager
Margie Grazevich – Benefits Payroll Manager
Irene Velazquez – Benefits Payroll Assistant
John Carroll – Compliance Administrator
Sheila Jones – Administrative Coordinator

Observers: Theron K. Picketts & Debra Gordon of NASP (National Association of Securities Professionals), Rick Baert of Pension & Investments.

President Roa determined that a quorum was present. It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the regular minutes of Meeting No. 960 be approved as submitted.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that the minutes of the executive sessions 1, 2, 3, 4 and 5 of meeting No. 960 be approved as submitted.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.



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

Board Members:

I am transmitting herewith the minutes for the meeting of the Retirement Board which was held on **May 14, 2015**. The minutes are comprised of the following:

- Approval of minutes from prior meetings
- Public Participation
- Presentation of Resolution
- Schedule A: Applications for Refunds
 1. Refund of Contributions Due to Separation from Service
 2. Miscellaneous Refund
 - a. Refund to Heirs of Deceased Members
- Schedule B: Applications for Annuities
 1. Employee Annuity Applications
 2. Spouse and Child Annuity Applications
- Schedule C: Adjustment Refunds to New Annuitants
- Schedule D: Applications for Duty Disability Benefits
- Schedule E: Applications for Ordinary Disability Benefits
- Schedule F: Applications for Extension of Duty Disability Benefits
- Schedule G: Applications for Extension of Ordinary Disability Benefits
- Schedule H: Payment of Uncashed Checks of Deceased Members
- Schedule I: Payment of Administrative Expenses
- IRS Determination Letter
- Investments Report
- Executive Session No. 1
- Executive Session No. 2
- Executive Session No. 3
- Executive Session No. 4
- Investments Report Continued
- Executive Session No. 5
- Executive Session No. 6 (This item was taken out of order)
- Administrative Report
- Executive Session No. 7
- Executive Session No. 8
- Legal Report
- Executive Session No. 9
- Executive Session No. 10
- Adjournment

All the foregoing matters were checked upon receipt into the Office of the Retirement Board and were found to be hereinafter set forth.

Sincerely,

Michael R. LoVerde
Retirement Board Secretary

**LABORERS' & RETIREMENT BOARD EMPLOYEES'
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PRESENTATION OF RESOLUTION

On behalf of the trustees, President Roa read and presented a resolution to Lois Scott honoring her service to the LABF. A copy of the resolution is attached.

PUBLIC PARTICIPATION

Debra Gordon and Theron K. Picketts of the National Association of Securities Professionals notified Trustees of a conference to be held on June 15-17, 2015.

SCHEDULE A – APPLICATIONS FOR REFUNDS

1. Refund of Contributions Due to Separation from Service

It was moved by Trustee Scott, seconded by Trustee LoVerde, that Refunds of Contributions Due to Separation be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

2. Miscellaneous Refunds

a. Refund to Heirs of Deceased Members

It was moved by Trustee Scott, seconded by Trustee Hamburger, that Refunds to Heirs of Deceased Members be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

SCHEDULE B – APPLICATIONS FOR ANNUITIES

1. Employee Annuities

It was moved by Trustee Scott, seconded by Trustee LoVerde, that applications presented for Employee Annuities be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

2. Spouse and Child Annuities

It was moved by Trustee LoVerde, seconded by Trustee Hamburger, that applications presented for Spouse and Child Annuities be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

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SCHEDULE C – ADJUSTMENT REFUNDS TO NEW ANNUITANTS

It was moved by Trustee LoVerde, seconded by Trustee Capasso, that Adjustment Refunds be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

SCHEDULE D – APPLICATIONS FOR DUTY DISABILITY BENEFITS

It was moved by Trustee LoVerde, seconded by Trustee Rinella, that the applications for Duty Disability Benefits be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

SCHEDULE E – APPLICATIONS FOR ORDINARY DISABILITY BENEFITS

It was moved by Trustee LoVerde, seconded by Trustee Scott, that the applications for Ordinary Disability Benefits be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

SCHEDULE F – EXTENSION OF DUTY DISABILITY BENEFITS

It was moved by Trustee Hamburger, seconded by Trustee Keane, that applications for Extension of Duty Disability Benefits be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

SCHEDULE G – EXTENSION OF ORDINARY DISABILITY BENEFITS

Dr. Sullivan confirmed for the trustees the methods he uses in determining or confirming specialized medical conditions affecting some LABF members. It was moved by Trustee Hamburger, seconded by Trustee Scott, that applications for Extension of Ordinary Disability Benefits be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

SCHEDULE H – PAYMENT OF UNCASHED CHECKS OF DECEASED MEMBERS

None.

**LABORERS' & RETIREMENT BOARD EMPLOYEES'
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SCHEDULE I – PAYMENT OF ADMINISTRATIVE EXPENSES

Administrative Invoices and Investment Invoices

It was moved by Trustee LoVerde, seconded by Trustee Rinella, that Invoices be approved and ordered paid.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

IRS DETERMINATION LETTER

Mr. Aderman reviewed a memo prepared by Taft Stettinius & Hollister regarding IRS qualification requirements. It was moved by Trustee LoVerde, seconded by Trustee Summers, that the Board adopt the amended and restated policy regarding qualification of the Fund under the Internal Revenue Code.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

Mr. Aderman and the trustees also discussed the IRS Determination Letter filing process and the requirements of the determination filing process. A copy of the Amended and Restated Policy regarding IRS Qualification Requirements for the Laborers' & Retirement Board Employees' Annuity & Benefit Fund of Chicago is attached.

EXECUTIVE SESSION NO. 1

At 2:05 p.m., Trustee Scott requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Summers seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

At 2:19 p.m., Trustee LoVerde made a motion, seconded by Trustee Rinella, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

The trustees will discuss the IRS determination letter filing process with the City of Chicago's Corporation Counsel.

INVESTMENT REPORT

March 31, 2015 Market Report and Investment Performance Analysis

Mr. Cairns and Ms. Finney-Cooke reviewed NEPC's Market Report and Investment Performance Analysis for March 31, 2015.

April 30, 2015 Preliminary Flash Report

Mr. Cairns and Ms. Finney-Cooke reviewed the Preliminary Flash Report.

Watch List

Mr. Cairns and Ms. Finney-Cooke presented the Watch List to the Trustees.

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EXECUTIVE SESSION NO. 2

At 2:45 p.m., Trustee Summers requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee Hamburger seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

At 2:54 p.m., Trustee Hamburger made a motion, seconded by Trustee LoVerde, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

The trustees took no action.

INVESTMENT REPORT CONTINUED

Private Equity Review & 2015 Strategic Investment Plan

This item was deferred to the June Board Meeting.

EXECUTIVE SESSION NO. 3

At 2:54 p.m., Trustee Hamburger requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee LoVerde seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

At 3:00 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger to approve the publishing of the SMID Growth RFP.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

EXECUTIVE SESSION NO. 4

At 3:00 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee Hamburger seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

At 3:03 p.m., Trustee LoVerde made a motion, seconded by Trustee Summers, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

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It was moved by Trustee LoVerde, seconded by Trustee Rinella, that Fund Staff engage in final contract negotiations with Morgan Stanley for a 1% initial allocation to their Global Macro Hedge Fund of Fund product.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Scott, Hamburger, Rinella, Summers and Capasso.
Against -- None.

INVESTMENTS REPORT (CONTINUED)

Due Diligence

Ariel Investments – Mr. Cairns presented a memo to trustees detailing personnel changes at Ariel Investments.

Fiera Capital – Mr. Cairns presented a memo to trustees commenting on Fiera's request to complete an internal restructuring of their participating affiliate arrangement. NEPC recommended approving the change of assignment.

PIMCO Investments – Mr. Cairns presented two memos to the trustees. NEPC has changed its due diligence status of PIMCO from Client Review to Watch for all but the Total Return and Unconstrained Bond products. Additionally, Mr. Cairns informed the Board that Dr. Ben Bernanke has joined PIMCO as a senior advisor.

It was moved by Trustee LoVerde, seconded by Trustee Hamburger to approve the assignment change requested by Fiera Capital.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

EXECUTIVE SESSION NO. 5

At 3:14 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee Capasso seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

At 3:48 p.m., Trustee LoVerde made a motion, seconded by Trustee Rinella, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

No action was taken by the Board.

EXECUTIVE SESSION NO. 6

At 4:00 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Hamburger seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

At 4:48 p.m., Trustee LoVerde made a motion, seconded by Trustee Keane, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

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It was moved by Trustee Scott, seconded by Trustee LoVerde, to authorize legal counsel to defend Public Act 98-0641 as enacted by the Illinois General Assembly.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

ADMINISTRATIVE REORT

Cash Needs, Capital Calls & Distributions

This item was postponed to a future meeting.

Financial Audit and Financial Statements

This item was postponed to a future meeting.

LABF Retiree Healthcare

This item was postponed to a future meeting.

EXECUTIVE SESSION NO. 7

At 4:51 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(7) to discuss the sale or purchase of securities, investments or investment contracts. Trustee Hamburger seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

At 5:05 p.m., Trustee Hamburger made a motion, seconded by Trustee LoVerde, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

No action was taken by the Board.

EXECUTIVE SESSION NO. 8

At 5:05 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(1) to discuss Personnel Matters. Trustee Scott seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

At 5:09 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

No action was taken by the Board.

**LABORERS' & RETIREMENT BOARD EMPLOYEES'
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LEGAL REPORT

Seasonal Disability Update

This item was postponed until a future meeting.

EXECUTIVE SESSION NO. 9

At 5:09 p.m., Trustee Scott requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Hamburger seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

At 5:15 p.m., Trustee LoVerde made a motion, seconded by Trustee Scott, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

No action was taken by the Board.

EXECUTIVE SESSION NO. 10

At 5:15 p.m., Trustee LoVerde requested an executive session under 5 ILCS 120/2(c)(11) to discuss potential or current litigation of the Fund. Trustee Scott seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

At 5:17 p.m., Trustee LoVerde made a motion, seconded by Trustee Hamburger, that the executive session be adjourned and that the Board return to open session.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.

No action was taken by the Board.

ADJOURNMENT

With no further business, Trustee Scott made a motion to adjourn. Trustee LoVerde seconded the motion.

Roll-call: For-- Trustees Roa, Keane, LoVerde, Summers, Scott, Hamburger, Rinella and Capasso.
Against -- None.



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

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

Resolution To Honor Lois Scott For Her Service

WHEREAS, the Trustees of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (the "Fund") do hereby acknowledge and honor Lois Scott's service to the Fund in her capacity as Trustee from May, 2011 through until May, 2015; and

WHEREAS, during her tenure as Trustee, she exercised leadership and shared thoughtful advice with the Retirement Board and Fund staff to assist in the administration of the Fund; and

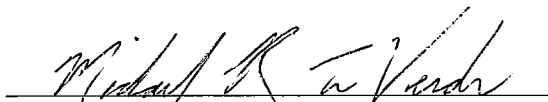
WHEREAS, she leveraged her deep knowledge of public finance and investments to assist the Fund in navigating a challenging economic environment; and

WHEREAS, she was a professional whose attention to detail and understanding of the Fund and its priorities contributed to the successful implementation of policies, practices and procedures that served to prepare the Fund for the future; and

WHEREAS, she possessed an innate ability to spark intellectual debate that yielded invaluable viewpoints and observations that ultimately resulted in the Board making more insightful decisions; and

WHEREAS, the Trustees also recognize her service as the Chief Financial Officer of the City of Chicago, her dedication to bettering Chicago's communities, and her commitment to civic engagement;

NOW THEREFORE, BE IT RESOLVED THAT, the Trustees, assembled on May 14, 2015, do hereby convey their gratitude to Lois Scott for her service to the Fund and wish her great success in all her future endeavors.



Secretary

**LABORERS' AND RETIREMENT BOARD EMPLOYEES'
ANNUITY & BENEFIT FUND OF CHICAGO**

**Amended and Restated
Policy Regarding Qualification of the Fund under the Internal Revenue Code**

WHEREAS, the Laborers' and Retirement Board Employees' Annuity & Benefit Fund of Chicago ("LABF") is intended to be a qualified governmental plan under Sections 401(a) and 414(d) of the Internal Revenue Code of 1986, as amended ("Code");

WHEREAS, prior to the end of the most recent remedial amendment cycle applicable to the LABF (Cycle C beginning on February 1, 2008 and ending on January 31, 2009), the trustees of the LABF ("Trustees") submitted an application to the Internal Revenue Service ("IRS") for a determination that the LABF satisfies the qualification requirements of Section 401(a) of the Code;

WHEREAS, the IRS issued a favorable determination letter, dated April 22, 2013, with respect to the LABF which is conditioned upon the adoption of certain previously-submitted proposed amendments on or before the date prescribed by the Treasury regulations under Section 401(b) of the Code;

WHEREAS, Section 11-198 of 40 ILCS 5 (the "Illinois Pension Code") grants the Trustees authority to make rules and regulations necessary for the administration of the LABF;

WHEREAS, pursuant to the authority granted under Section 11-198 of the Illinois Pension Code, at its August 19, 2014 meeting, the Trustees approved and adopted the proposed amendments previously submitted to the IRS, in the form of the policy entitled "Policy Regarding Qualification of the Fund under the Internal Revenue Code," effective as of the dates set forth therein (the "Qualification and Administrative Elections Policy");


WHEREAS, pursuant to the decision of the United States Supreme Court in *United States v. Windsor*, 570 U.S. 12, 133 S. Ct. 2675 (2013) and the applicable requirements of IRS Revenue Ruling 2013-17, Notice 2014-19 and any subsequent applicable IRS guidance (collectively, the "*Windsor* Guidance"), for all Federal tax purposes, including for purposes of the Federal tax rules that apply to qualified retirement plans under Section 401(a) of the Code, effective as of June 26, 2013, the terms "spouse," "husband and wife," "husband" and "wife" must include an individual married to a person of the same sex if the individuals are lawfully married in any domestic or foreign jurisdiction having the legal authority to sanction marriages (even if the married couple is domiciled in a state that does not recognize the validity of same-sex marriages), and the term "marriage" must include such a marriage between individuals of the same sex; and

WHEREAS, the Trustees desire to amend the Qualification and Administrative Elections Policy to implement the applicable requirements of the *Windsor* Guidance, add a provision regarding unclaimed benefits, and clarify certain provisions of the Qualification and Administrative Elections Policy and have determined that the best manner to implement such

amendments and clarification is to amend and restate the Qualification and Administrative Elections Policy in the form attached hereto as Exhibit A, effective as provided therein.

NOW, THEREFORE, BE IT RESOLVED that, pursuant to the authority granted under Section 11-198 of the Illinois Pension Code, as of the date hereof, the Trustees hereby approve and adopt the Amended and Restated Policy Regarding Qualification of the Fund under the Internal Revenue Code (the "Restated Qualification and Administrative Elections Policy") to amend and restate the Qualification and Administrative Elections Policy in its entirety to make certain clarifications thereto, implement the applicable requirements of the *Windsor* Guidance and add an unclaimed benefits provision, in the form attached hereto as Exhibit A, effective as provided therein; provided, however, that the Trustees intend that the Restated Qualification and Administrative Elections Policy represents the adoption of rules necessary for the proper administration of the LABF that are not inconsistent with the provisions of the Illinois Pension Code, and provided further that nothing in the Restated Qualification and Administrative Elections Policy shall affect or change the benefits provided by or made available pursuant to, or the obligations and responsibilities of the Trustees under, the Illinois Pension Code.

I HEREBY CERTIFY that this is a true copy of a resolution duly adopted by the trustees of the Laborers' and Retirement Board Employees' Annuity & Benefit Fund of Chicago at a meeting held on May 14, 2015.



Michael R. LoVerde

Secretary

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

Exhibit A

LABORERS' AND RETIREMENT BOARD EMPLOYEES' ANNUITY & BENEFIT FUND OF CHICAGO

Amended and Restated Policy Regarding IRS Qualification Requirements for the Laborers' and Retirement Employees' Annuity & Benefit Fund of Chicago

The Laborers' and Retirement Board Employees' Annuity & Benefit Fund of Chicago (the "Fund") is intended to be a qualified governmental plan under Sections 401(a) and 414(d) of the Internal Revenue Code of 1986, as amended (the "Code"). The trustees of the Fund previously adopted the "Policy Regarding IRS Qualification Requirements for the Laborers' and Retirement Employees' Annuity & Benefit Fund of Chicago" (the "Qualification and Administrative Elections Policy") at its August 19, 2014 meeting. The Qualification and Administrative Elections Policy is intended to provide supplemental documentation regarding the administration of certain provisions of the Fund and the operation of the Fund in accordance with the requirements of Section 401(a) of the Code applicable to governmental plans.

Pursuant to the authority granted under Section 11-198 of 40 ILCS 5 (the "Illinois Pension Code") to make rules and regulations necessary for the administration of the Fund, the trustees of the Fund approved and adopted the amendment and restatement of the Qualification and Administrative Elections Policy in the form of this "Amended and Restated Policy Regarding IRS Qualification Requirements for the Laborers' and Retirement Employees' Annuity & Benefit Fund of Chicago" (the "Restated Qualification and Administrative Elections Policy") at their May 14, 2015 meeting. This Restated Qualification and Administrative Elections Policy is the adoption of rules necessary for the proper administration of the Fund that are not inconsistent with the provisions of the Illinois Pension Code, and nothing in this Restated Qualification and Administrative Elections Policy shall affect or change the benefits provided by or made available pursuant to, or the obligations and responsibilities of the trustees of the Fund under, the Illinois Pension Code. Except as otherwise provided herein, this Restated Qualification and Administrative Elections Policy is effective as of May 14, 2015.

I. Direct Rollover of Eligible Rollover Distributions

A. In General. Pursuant to 40 ILCS 5/1-106(b) and notwithstanding any provision of the Illinois Pension Code to the contrary that would otherwise limit the election of a "distributee" (as defined below) hereunder, a distributee may elect, at the time and in the manner prescribed by the trustees of the Fund, to have any portion of an "eligible rollover distribution" (as defined below) paid directly to an "eligible retirement plan" (as defined below) specified by the distributee in a "direct rollover" (as defined below).

B. Definitions. The following terms shall have the following meanings whenever used in this Article I:

1. Distributee. A "distributee" includes an employee or former employee. In addition, the employee's or former employee's surviving spouse and the employee's or former employee's spouse or former spouse who is the alternate payee under a qualified domestic

relations order are distributees with regard to the interest of the spouse or former spouse. Effective for distributions with annuity starting dates on and after January 1, 2008, “distributee” also means an employee’s or former employee’s non-spouse beneficiary who has elected a direct transfer to an individual retirement account described in Section 408(a) of the Code, an individual retirement annuity described in Section 408(b) of the Code or a Roth IRA described in Section 408A(b) of the Code established for the purpose of receiving a distribution on behalf of an individual who is a designated beneficiary and not a surviving spouse of the employee or former employee.

2. Eligible rollover distribution. An “eligible rollover distribution” is any distribution of all or any portion of the balance to the credit of the distributee except that an eligible rollover distribution does not include: (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life (or life expectancy) of the distributee or the joint lives (or joint life expectancies) of the distributee and the distributee’s designated beneficiary, or for a specified period of 10 years or more; (ii) any distribution to the extent such distribution is required under Section 401(a)(9) of the Code (as set forth in Article II below); (iii) any distribution that is reasonably expected to total less than \$200 during the year; and (iv) such other amounts specified in Treasury regulations and rulings, notices or announcements issued under Section 402(c) of the Code.

3. Eligible retirement plan. An “eligible retirement plan” is:

- a. An individual retirement account described in Section 408(a) of the Code;
- b. An individual retirement annuity described in Section 408(b) of the Code (other than an endowment contract);
- c. An annuity plan described in Section 403(a) of the Code;
- d. A qualified trust described in Section 401(a) of the Code;
- e. An annuity contract described in Section 403(b) of the Code;
- f. An eligible deferred compensation plan described in Section 457(b) of the Code which is maintained by an eligible employer described in Section 457(e)(1)(A) of the Code and which agrees to separately account for amounts transferred in such plan from the Fund;
- g. A Roth IRA described in Section 408A of the Code; or
- h. Any other type of plan that is included within the definition of “eligible retirement plan” under Section 401(a)(31)(E) of the Code;

that accepts the distributee’s eligible rollover distribution.

4. Direct rollover. A “direct rollover” is a payment by the Fund to an eligible retirement plan specified by the distributee.

II. Minimum Distribution Requirements

A. General rules.

1. Effective date. The provisions of this Article II will apply for purposes of determining required minimum distributions under the Fund for calendar years beginning with the 2003 calendar year; provided, however, that distributions for calendar years 2003, 2004 and 2005 shall be based on a reasonable, good faith interpretation of the provisions of Section 401(a)(9) of the Code.

2. Precedence. Section 1-116.1 of the Illinois Pension Code (40 ILCS 5/1-116.1) provides that the Fund has the authority to make any involuntary distributions that are required under federal law under Section 401(a)(9) of the Code if failure to make the distribution could affect the qualified plan status of the Fund or could result in the imposition of a substantial penalty on the taxpayer or on the Fund. As a result, the provisions of this Article II will take precedence over any inconsistent provisions of the Fund for the purposes of satisfying the requirements of Section 401(a)(9) of the Code; provided, however, that this Article II shall not operate to provide enhanced distribution options or to provide new or additional benefits, rights or features under the Fund.

3. Requirements of Treasury regulations incorporated. All distributions required under this Article II will be determined and made in accordance with the Treasury regulations under Section 401(a)(9) of the Code.

4. TEFRA Section 242(b)(2) Elections. Notwithstanding the other provisions of this Article, other than subsection A.3. above, distributions may be made under a designation made before January 1, 1984, in accordance with Section 242(b)(2) of the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") and the provisions of the Fund that relate to Section 242(b)(2) of TEFRA.

B. Time and manner of distribution.

1. Required beginning date. A participant's entire interest under the Fund will be distributed, or begin to be distributed, to the participant no later than his "required beginning date" (as defined below).

2. Death of participant before distributions begin. If the participant dies before distributions begin, the participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

a. If the participant's surviving spouse is his sole "designated beneficiary" (as defined below), then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the participant died, or by December 31 of the calendar year in which the participant would have attained age 70-1/2, if later.

b. If the participant's surviving spouse is not his sole designated beneficiary, then, distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the participant died.

c. If there is no designated beneficiary as of September 30 of the year following the year of the participant's death, the participant's entire interest will be distributed by December 31 of the calendar year containing the 5th anniversary of the participant's death under the applicable provisions of the Illinois Pension Code, including but not limited to 40 ILCS 5/11-166.

d. If the participant's surviving spouse is his sole designated beneficiary and the surviving spouse dies after the participant but before distributions to the surviving spouse begin, this subsection B.2., other than paragraph B.2.a. above, will apply as if the surviving spouse were the participant.

For purposes of this subsection B.2. and section E. below, distributions are considered to begin on the participant's required beginning date (or, if paragraph B.2.d. above applies, the date distributions are required to begin to the surviving spouse under paragraph B.2.a. above). If annuity payments irrevocably commence to the participant before the participant's required beginning date (or to the participant's surviving spouse before the date distributions are required to begin to the surviving spouse under paragraph B.2.a. above), the date distributions are considered to begin is the date distributions actually commence.

3. Form of distribution. Unless the participant's interest is distributed in the form of an annuity purchased from an insurance company or in a single sum on or before the required beginning date, as of the first "distribution calendar year" (as defined below) distributions will be made in accordance with sections C., D. and E. hereof. If the participant's interest is distributed in the form of an annuity purchased from an insurance company, distributions thereunder will be made in accordance with the requirements of Section 401(a)(9) of the Code and the Treasury regulations. Any part of the participant's interest which is in the form of an individual account described in Section 414(k) of the Code will be distributed in a manner satisfying the requirements of Section 401(a)(9) of the Code and the Treasury regulations that apply to individual accounts.

C. Determination of amount to be distributed each year.

1. General annuity requirements. If a participant's interest is paid in the form of annuity distributions under the Fund, payments under the annuity will satisfy the following requirements:

a. the annuity distributions will be paid in periodic payments made at intervals not longer than one (1) year;

b. the distribution period will be over a life (or lives) or over a period certain not longer than the period described in section D. or E. hereof;

c. once payments have begun over a period, the period may only be changed as provided in subsection C.4. below;

d. payments will either be nonincreasing or increase only as follows:

i. with an annual percentage increase that does not exceed the annual percentage increase in an eligible cost-of-living index (as defined in accordance with Section 401(a)(9) of the Code and Treasury regulation Section 1.401(a)(9)-6, Q&A-14(b)) for a 12-month period ending in the year during which the increase occurs or the prior year;

ii. with a percentage increase that occurs at specified times (e.g., at specified ages) and does not exceed the cumulative total of annual percentage increases in an eligible cost-of-living index (as defined in accordance with Section 401(a)(9) of the Code and Treasury regulation Section 1.401(a)(9)-6, Q&A-14(b)) since the annuity starting date, or if later, the date of the most recent percentage increase (however, in cases providing such a cumulative increase, an actuarial increase may not be provided to reflect the fact that increases were not provided in the interim years);

iii. to the extent of the reduction in the amount of the participant's payments to provide for a survivor benefit upon death, but only if there is no longer a survivor benefit because the beneficiary whose life was being used to determine the distribution period described in section D. dies or is no longer the participant's beneficiary pursuant to a qualified domestic relations order;

iv. to pay increased benefits that result from an amendment to the Fund;

v. to allow a beneficiary to convert the survivor portion of a joint and survivor annuity into a single sum distribution upon the participant's death;

vi. under annuity contracts purchased from an insurance company, to the extent such increases are permitted by Section 401(a)(9) of the Code and Treasury regulation Section 1.401(a)(9)-6, Q&A-14(c); or

vii. in the case of annuity payments paid under the Fund from a qualified trust, if payments are increased:

(a) by a constant percentage, applied not less frequently than annually, at a rate that is less than five percent (5%) per year;

(b) to provide a final payment on death of the participant that does not exceed the excess of the actuarial equivalent of the participant's accrued benefit calculated as of the annuity starting date (or, if greater, the total amount of the employee contributions) over the total of payments before the death of the participant; or

(c) as a result of dividend payments or other payments that result from actuarial gain but only to the extent provided under Section 401(a)(9) of the Code and Treasury regulation Section 1.401(a)(9)-6, Q&A-14(d)(3).

2. Amount required to be distributed by required beginning date. The amount that must be distributed on or before the participant's required beginning date (or, if the

participant dies before distributions begin, the date distributions are required to begin under paragraph a. or b. of subsection B.2. hereof) is the payment that is required for one (1) payment interval. The second payment need not be made until the end of the next payment interval even if that payment interval ends in the next calendar year. Payment intervals are the periods for which payments are received (e.g., bi-monthly, monthly, semi-annually, or annually). All of the participant's benefit accruals as of the last day of the first distribution calendar year will be included in the calculation of the amount of the annuity payments for payment intervals ending on or after the participant's required beginning date.

3. Additional accruals after first distribution calendar year. Any additional benefits accruing to the participant in a calendar year after the first distribution calendar year will be distributed beginning with the first payment interval ending in the calendar year immediately following the calendar year in which such amount accrues.

4. Change in annuity payment period. In general, an annuity payment period can be changed only as provided in paragraph a. or b. below:

a. Permissible payment increase. An annuity payment period may be changed in association with an annuity payment increase described in paragraph d. of subsection C.1. hereof.

b. Reannuitization. In a stream of annuity payments that otherwise satisfies Section 401(a)(9) of the Code, the period may be changed and the annuity payments modified in association with that change, provided that both subparagraphs i. and ii. below are satisfied:

i. either:

(a) the modification occurs at the time the participant retires or in connection with a termination of the Fund;

(b) the annuity payments prior to the modification are annuity payments paid over a period certain without life contingencies; or

(c) the annuity payments after the modification are paid under a qualified joint and survivor annuity over the joint lives of the participant and a designated beneficiary, the participant's spouse is the sole designated beneficiary, and the modification occurs in connection with the participant becoming married to such spouse; and

ii. all of the following conditions are satisfied:

(a) the future payments under the modified stream satisfy Section 401(a)(9) of the Code (determined by treating the date of the change as a new annuity starting date and the actuarial present value of the remaining payments as the entire interest of the participant);

(b) for purposes of Sections 415 and 417 of the Code, the modification is treated as a new annuity starting date;

(c) after the taking into account the modification, the annuity stream satisfies Section 415 of the Code (determined at the original annuity starting date, using the interest rates and mortality tables applicable to such date); and

(d) the end of the period certain, if any, for any modified payment period is not later than the end point available to the participant under Section 401(a)(9) of the Code at the original annuity starting date.

5. Payments to a surviving child. Pursuant to Section 401(a)(9)(F) of the Code and Treasury regulation Section 1.401(a)(9)-6, Q&A-15, payments made to a participant's child until such child reaches the age of majority (or dies, if earlier) may be treated as if such payments were made to the surviving spouse to the extent they become payable to the surviving spouse upon cessation of payments to the child. When such payments become payable to the surviving spouse, there is not an increase in benefits under paragraph d of subsection C.1. hereof.

D. Requirements for annuity distributions that commence during participant's lifetime. In the event annuity distributions commence during a participant's lifetime, the following requirements apply:

1. Joint life annuities where the beneficiary is not the participant's spouse. If the participant's interest is being distributed in the form of a joint and survivor annuity for the joint lives of the participant and a non-spouse beneficiary, annuity payments to be made on or after the participant's required beginning date to the designated beneficiary after the participant's death must not at any time exceed the applicable percentage of the annuity payment for such period that would have been payable to the participant using the table set forth in Q&A-2(c)(2) of Section 1.401(a)(9)-6 of the Treasury regulations. If the form of distribution combines a joint and survivor annuity for the joint lives of the participant and a non-spouse beneficiary and a period certain annuity, the requirement in the preceding sentence will apply to annuity payments to be made to the designated beneficiary after the expiration of the period certain.

2. Period certain annuities. Unless the participant's spouse is the sole designated beneficiary, the period certain for an annuity distribution commencing during the participant's lifetime may not exceed the applicable distribution period for the participant under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations for the calendar year that contains the annuity starting date. If the annuity starting date precedes the year in which the participant reaches age 70, the applicable distribution period for the participant is the distribution period for age 70 under the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations plus the excess of 70 over the age of the participant as of the participant's birthday in the year that contains the annuity starting date. If the participant's spouse is the participant's sole designated beneficiary, the period certain is permitted to be as long as the joint life and last survivor expectancy of the participant and the participant's spouse as determined under the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury regulations, using the participant's and spouse's attained ages as of the participant's and spouse's birthdays in the calendar year that contains the annuity starting date, if longer than the applicable period for the participant, provided that the period certain is not provided in conjunction with a life annuity.

E. Requirements for minimum distributions where participant dies before date distributions begin.

1. Participant survived by designated beneficiary. If a participant dies before the date distribution of his interest begins and there is a designated beneficiary, the participant's entire interest will be distributed, beginning no later than the time described in paragraph a. or b. of subsection B.2. hereof, over the life of the designated beneficiary or over a period certain not exceeding:

a. unless the annuity starting date is before the first distribution calendar year, the "life expectancy" (as defined below) of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year immediately following the calendar year of the participant's death; or

b. if the annuity starting date is before the first distribution calendar year, the life expectancy of the designated beneficiary determined using the beneficiary's age as of the beneficiary's birthday in the calendar year that contains the annuity starting date.

2. No designated beneficiary. If the participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the participant's death, distribution of the participant's entire interest will be completed by December 31 of the calendar year containing the 5th anniversary of the participant's death under the applicable provisions of the Illinois Pension Code, including but not limited to 40 ILCS 5/11-166.

3. Death of surviving spouse before distributions to surviving spouse begin. If the participant dies before the date distribution of his interest begins, the participant's surviving spouse is the participant's sole designated beneficiary, and the surviving spouse dies before distributions to the surviving spouse begin, this section E. will apply as if the surviving spouse were the participant, except that the time by which distributions must begin will be determined without regard to paragraph a. of subsection B.2. hereof.

F. Definitions. The following terms shall have the following meanings whenever used in this Article II:

1. Designated beneficiary. A participant's "designated beneficiary" is the individual who is designated as the beneficiary under the Fund and is the designated beneficiary under Section 401(a)(9) of the Code and Section 1.401(a)(9)-4, of the Treasury regulations.

2. Distribution calendar year. A "distribution calendar year" is a calendar year for which a minimum distribution is required. For distributions beginning before a participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the participant's required beginning date. For distributions beginning after the participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin pursuant to subsection B.2. hereof.

3. Life expectancy. "Life expectancy" is life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury regulations.

4. Required beginning date. The “required beginning date” is April 1 of the calendar year following the later of the calendar year in which the participant attains age 70-1/2 or the calendar year in which the participant retires from employment.

G. Minimum distribution incidental benefit requirements.

1. The amount of survivor benefits paid to a participant’s beneficiary may not exceed the maximum determined under the incidental death benefit requirement of the Code.

2. The death and disability benefits provided by the Fund are limited by the minimum distribution incidental benefit requirement set forth in Section 401(a)(9)(G) of the Code and Section 1.401(a)(9)-6, Q&A-2 of the Treasury regulations and the incidental benefit requirement of Section 1.401-1(b)(1)(i) of the Treasury regulations.

III. General

A. Compliance with the applicable provisions of the Code. The Fund is intended to be a qualified governmental defined benefit plan under Sections 401(a) and 414(d) of the Code and shall be administered and operated in accordance with such intent.

B. Vesting and forfeitures.

1. A participant’s accumulated contributions shall be non-forfeitable at all times.

2. Upon termination of the Fund, a participant’s interest in the Fund shall be non-forfeitable.

3. Pursuant to the provisions of Section 401(a)(8) of the Code, any forfeiture of benefits by a participant or former participant will not be used to pay benefit increases. However, such forfeitures shall be used to reduce employer contributions.

C. Recognition of same-sex spouses for Federal tax purposes. The Fund is intended to and the applicable provisions of the Illinois Pension Code shall be interpreted and construed to reflect the outcome of *United States v. Windsor*, 570 U.S. 12, 133 S. Ct. 2675 (2013) and to comply with the applicable requirements of Revenue Ruling 2013-17, Notice 2014-19 and any subsequent IRS guidance relating to this subject matter in order for the Fund to be a qualified retirement plan under Section 401(a) of the Code. Under *Windsor*, for all Federal tax purposes, including for purposes of the Federal tax rules that apply to qualified retirement plans under Section 401(a) of the Code, effective as of June 26, 2013, the terms “spouse,” “husband and wife,” “husband” and “wife” are required to include an individual married to a person of the same sex if the individuals are lawfully married in any domestic or foreign jurisdiction having the legal authority to sanction marriages (even if the married couple is domiciled in a state that does not recognize the validity of same-sex marriages), and the term “marriage” shall include such a marriage between individuals of the same sex. Under *Windsor*, for Federal tax purposes, the terms “spouse,” “husband and wife,” “husband” and “wife” do not include individuals who have entered into a registered domestic partnership, civil union or other similar formal relationship with another person (whether of the opposite sex or the same sex) recognized under

state law that is not denominated as a marriage under the laws of that state, and the term “marriage” does not include such a formal relationship.

Effective as of June 1, 2011, the Illinois Religious Freedom Protection and Civil Union Act (P.A. 96-1513) (the “Civil Union Act”) provides that “A marriage between persons of the same sex, a civil union, or a substantially similar legal relationship other than common law marriage, legally entered into in another jurisdiction, shall be recognized in Illinois as a civil union.” 750 ILCS 75/60 (as in effect prior to June 1, 2014). The Civil Union Act also provides that “‘Party to a civil union’ means, and shall be included in, any definition or use of the terms ‘spouse’, ‘family’, ‘immediate family’, ‘dependent’, ‘next of kin’, and other terms that denote the spousal relationship, as those terms are used throughout the law.” 750 ILCS 75/10.

Effective as of June 1, 2014, the Illinois Religious Freedom and Marriage Fairness Act (P.A. 98-0597) (the “Marriage Fairness Act”) amended the Illinois Marriage and Dissolution of Marriage Act to provide that “A marriage between 2 persons licensed, solemnized and registered as provided in this Act is valid in this State.” 750 ILCS 5/201. The Marriage Fairness Act also amended the Civil Union Act to provide that “A marriage, whether of the same sex or different sexes and providing that it is not a common law marriage, legally entered into in another jurisdiction, shall be recognized in this State as a marriage in accordance with the provisions of the Illinois Marriage and Dissolution of Marriage Act” 750 ILCS 75/60.

In accordance with the foregoing provisions of Illinois law, at all times since June 1, 2011, same-sex individuals who entered into a valid marriage in a jurisdiction outside of Illinois have been treated as spouses under the Illinois Pension Code. During the period from June 1, 2011 to May 31, 2014, same-sex individuals who entered into a valid marriage in a jurisdiction outside of Illinois were treated as “parties to a civil union” and thereby included in any definition of spouses for all purposes under Illinois law, including the Illinois Pension Code. Beginning on June 1, 2014, same-sex individuals who entered into a valid marriage in a jurisdiction outside of Illinois were treated as married under Illinois law, including the Illinois Pension Code.

As a result of the foregoing, the Fund satisfies the requirements of *Windsor*.

D. Unclaimed benefits. In the event that all or any portion of the benefit payable under the Fund to a participant or beneficiary shall, at the expiration of five (5) years after it becomes payable, remain unpaid solely by reason of the inability of the trustees, after sending a letter via first class mail to such participant’s or beneficiary’s last known address, and after further diligent effort to ascertain the whereabouts of such participant or beneficiary, the amount so distributable shall be forfeited; provided, however, that such amount shall be reinstated (without provision for interest thereon) upon a proper claim therefore made by the participant or beneficiary, as applicable.