



Autumn 2021
ISSUE 41

FOR YOUR BENEFIT

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

RETIREE HEALTHCARE

SUBSIDY REMINDER

You may be eligible for a retiree healthcare subsidy. Under current law, to be eligible for the ongoing \$25 per month subsidy, an annuitant must meet the following eligibility requirements:

- have retired on or after August 23, 1989;
- have been hired prior to June 30, 2003;
- have at least 15 years of City of Chicago service;
- be 65 years old or older; and
- participate in a group healthcare plan for which the LABF offers to deduct health insurance premiums from a monthly annuity (currently the Blue Cross Blue Shield plans sponsored by the City of Chicago or the Aetna plans sponsored by the LBA).

For questions regarding the subsidy, please contact the LABF for assistance.



CITY SPONSORED PLANS

The City of Chicago is again sponsoring several fully insured healthcare coverage options for retirees through Blue Cross Blue Shield of Illinois ("BCBSIL"). For the 2022 Plan Year, BCBSIL will continue to offer three Medicare Advantage Plan options for those eligible for Medicare and two Non-Medicare Plan options. Certain options will have different benefit terms in 2022.

BCBSIL will communicate directly with enrolled retirees as to the rates and specific changes to their healthcare coverage options. Current BCBSIL PPO participants will remain enrolled for 2022 in their current BCBSIL plan unless they choose to cancel or change the health coverage directly with BCBSIL.

The Open Enrollment Period is November 15, 2021 to November 30, 2021.

If you have any questions, you may call Member Services at:

- **Medicare Plans: (877) 566-8520**
7 days per week, 8:00 a.m. to 8:00 p.m.
- **Non-Medicare Plans: (800) 292-6398**
Monday - Friday, 8:00 a.m. to 5:30 p.m.

LBA SPONSORED PLANS

Many of the unions representing City employees have formed the Labor Benefits Association ("LBA") in order to sponsor health insurance coverage alternatives for annuitants. The LBA is a non-profit organization whose sole purpose is to provide benefits to participating members. LBA membership is available to any former City employee or surviving spouse of a former City employee who is receiving a retirement annuity from LABF. **Eligible annuitants do not have to be a current or former union member to join.** The LBA sponsors several health insurance plans offered by Aetna allowing its members to cover themselves and their dependents.

Open Enrollment will take place from October 19, 2021 through November 23, 2021 for a January 1, 2022 effective date. Those retiring throughout the year may enroll at retirement.

For enrollment materials or answers to questions regarding the Aetna plans, contact the plan administrator, Doyle Rowe LTD, at **(866) 201-2524** (8:30 a.m. to 4:30 p.m., Monday - Friday).

Please be advised that the LABF, as a matter of law, cannot and does not endorse any healthcare options.

2021 ELECTION RESULTS

James M. Joiner ran unopposed in the election that was to be held October 8, 2021.

In accordance with State law, LABF's Board of Trustees must conduct an election each year. The 2021 election was to be held to select a trustee from among the active employee members of the LABF to serve a three-year term beginning December 2, 2021 and ending December 1, 2024. The LABF's Election Committee certified James M. Joiner as the winner.



Congratulations Trustee Joiner!

MEMBER REMINDERS

UNCLAIMED CONTRIBUTIONS

The LABF holds contributions from members who have left employment and never filed for a pension benefit or a refund of contributions.

You or someone you know may be entitled to a refund of contributions or a benefit. Additionally, heirs of deceased members may be entitled to a refund. To review the unclaimed contributions list, visit LABFChicago.org/members/inactive-members.

For questions regarding eligibility, please call (312)236-2065.

FOR ACTIVE MEMBERS

BENEFICIARY FORMS

If you are an active member, be sure that you have an up-to-date beneficiary form on file with the LABF. Please visit LABFChicago.org/forms-notifications/ or call the LABF for a form.

PENSION BENEFITS ESTIMATE

Thinking of retiring? Wondering when you can retire? Contact the LABF office to request an estimate of your pension benefits.

FOR ANNUITANTS

SIGNATURE VERIFICATION

To prevent fraud and protect the assets of the Fund, the LABF requires that each annuitant member or their agent complete an annual Signature Verification Form (SVF). The 2021 SVFs were mailed in May 2021 and were due by July 15, 2021. Failure to return the form may result in suspension of annuity payments. The 2022 forms will be mailed in second quarter of 2022.



SUMMARY OF ANNUAL REPORTS

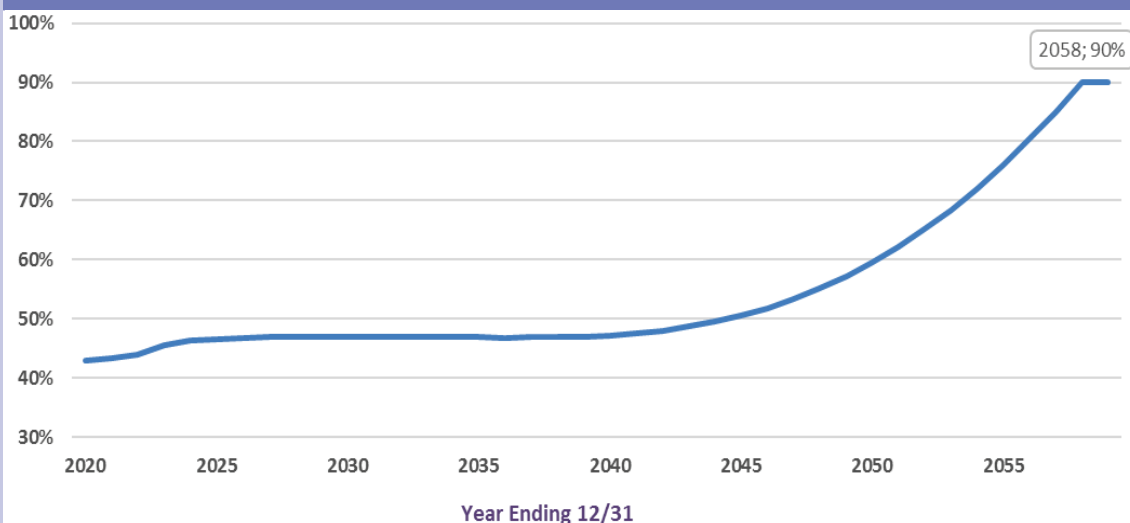
This newsletter provides a summary of information contained in the 2020 Actuarial Valuation Report and the 2020 Financial Statements. The LABF encourages you to review the full reports which are available on our website at LABFChicago.org/publications.

2020 ACTUARIAL VALUATION

An actuarial valuation of the LABF is performed annually. One purpose of the actuarial valuation is to review the funded status of the Fund and to calculate the funded ratio. The funded ratio represents the percentage of current assets available to pay future benefits. LABF has three main sources of funding: employee contributions, employer contributions and investment income. Public Act 100-0023, passed by the Illinois General Assembly in July 2017, continues to remain significant in that it provides a funding policy that increases the required employer contributions and provides a path toward long-term solvency.

The Actuarial Valuation Report measures LABF's funded ratio using the actuarial value of assets which smooths gains and losses over a five-year period. According to the December 31, 2020 Actuarial Valuation Report, the LABF's funded ratio increased from 42.6% in 2019 to 43.0% in 2020. Under the current funding policy, the funded ratio is projected to continue to increase from 43.0% in 2020 to 47.1% in 2031, decrease slightly to 46.9% in 2036, and then increase gradually to 50.5% by 2045 and ultimately to 90.0% in 2058.

PROJECTED FUNDED RATIO



CONTACT US

HOURS OF OPERATION

The LABF office is open Monday through Friday from 8:30 am until 4:30 pm excluding holidays. Visitors should call in advance to be added to the building's security list. **Please call 312-236-2065 to schedule an appointment or make an inquiry.**

Visitors must present a valid photo ID upon entering the building. Face masks are also required while on the premises.

2022 BOARD MEETINGS

♦ January 18	♦ July 19
♦ February 15	♦ August, 23
♦ March 10	♦ September 20
♦ March 22	♦ October 6
♦ April 19	♦ October 18
♦ May 17	♦ November 18
♦ June 21	♦ December 13
2022 meetings begin at 12:00pm	

2022 OFFICE HOLIDAY OBSERVANCES AND CLOSURES

♦ December 31 2021—New Year's Day
♦ January 17—Dr. Martin Luther King Day
♦ February 21—Presidents' Day
♦ May 30—Memorial Day
♦ June 20—Juneteenth
♦ July 4—Independence Day
♦ September 5—Labor Day
♦ October 10—Columbus Day
♦ November 11—Veterans Day
♦ November 24—Thanksgiving
♦ November 25—Day after Thanksgiving
♦ December 23—Christmas Eve
♦ December 26—Christmas Day

***The LABF will remain open on
February 11 (Lincoln's Birthday)
and March 7 (Pulaski Day)***



CONDENSED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	2020	2019	Net Change
Additions			
Employer contributions	\$73,744,129	\$59,346,056	\$14,398,073
Employee contributions	18,063,905	18,143,163	(79,258)
Investment gain (loss)	163,057,457	184,026,828	(20,969,371)
Total additions	254,865,491	261,516,047	(6,650,556)
Deductions			
Benefits and refunds	164,056,754	164,959,258	4,097,496
Admin & OPEB expense	3,615,773	3,691,171	(75,398)
	172,672,527	168,650,429	4,022,098
Net increase (decrease)	82,192,964	92,865,618	(10,672,654)
Net Position - restricted for pension benefits			
Beginning of year	1,187,549,469	1,094,683,851	92,865,618
Ending of year	\$1,269,742,433	\$1,187,549,469	\$ 82,192,964

2020 FINANCIALS

As of December 31, 2020, the LABF's net position was \$1.27 billion, representing an increase of \$82 million from the prior year as shown in the table above. The increase is largely attributable to growth in the value of invested assets.

In 2020, total additions were \$255 million, a \$6.7 million decrease from 2019. The difference was primarily due to lower investment returns as compared to the prior year. Although investment returns were significant in 2020, they were higher in 2019. Deductions shown in the table are expenses of the LABF. The LABF's most significant expenses were benefit and refund payments which represented 98% of the LABF's total 2020 expenditures. Administrative and Other Post-Employment Benefits expenses decreased in 2020 and comprise the remaining 2% of overall expenditures.

Despite uncertainty related to the pandemic in 2020, the LABF experienced impressive returns from its investment portfolio largely due to the overall strong performance throughout the broad financial markets. U.S. stocks, as measured by the Russell 3000 index, were up 20.9% for the year, while non-U.S. stocks, as measured by the MSCI ACWI Ex-U.S., were up 10.7%. Fixed income, as measured by the Barclay's Global Aggregate index, was up 5.6% at year end. The LABF's total investment return in 2020, net of fees, was 15.5% as compared to 18.0% in 2019. In absolute terms, all asset classes, except Global equity, positively contributed to performance in 2020. In relative terms, fixed income international equity, private debt, real estate, and hedge funds exceeded their benchmarks. The LABF aims to earn an annual investment return greater than the assumed rate of return of 7.25%. Over longer time horizons, the LABF continues to achieve its investment return goal: the 10-year rate of return, net of fees, as of December 31, 2020 was 7.8%.



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

Presorted
First Class
U.S. Postage
PAID
Chicago, IL
Permit #5052

RETIREE HEALTHCARE OPEN ENROLLMENT And Healthcare Plan Information

TRUSTEE ELECTION RESULTS Congratulations James Joiner

SUMMARY OF ANNUAL REPORTS For the Year Ended December 31, 2020

THE LATEST PENSION FUND NEWS

VICTOR ROA
President/Appointed Trustee, Secretary-Treasurer of Local 1001

JAMES M. JOINER
Vice President/Elected Trustee, Safety Specialist

MICHAEL LOVERDE
Secretary/Elected Trustee, Construction Laborer

JAMES CAPASSO, JR.
Elected Trustee, Retiree

MELISSA CONYEARS-ERVIN
Ex-Officio Trustee, City Treasurer

JENNIE BENNETT
Appointed Trustee, Chief Financial Officer—City of Chicago

RESHMA SONI
Ex-Officio Trustee, City Comptroller

STEPHEN SKARDON
Appointed Trustee, Senior Advisor and Counsel, Office of the Mayor

**Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago**
LABFChicago.org (312) 236-2065

AETNA Incorporated
(2022 Healthcare Options for Retirees)
Medicare Plans: (800) 307-4830
Non-Medicare Plans: (866) 307-6210
Plan Administrator Doyle Rowe, LTD
DoyleRowe.com (866) 201-2524

Benefits Management Office (City of Chicago)
CityofChicago.gov/benefits (877) 299-5111

Blue Cross Blue Shield (For Active Employees)
PPO: (800) 772-6895
HMO: (800) 730-8504

Blue Cross Blue Shield
(2022 Healthcare Options for Retirees)
Medicare Advantage: (877) 566-8520
Non-Medicare: (800) 292-6398

Nationwide Retirement Solutions
(Deferred Compensation)
Chicagodeferredcomp.com (312) 443-1975

MetLife
MetLife.com/mybenefits (800) 638-6855