Tier 3 Summary of Benefits - Illinois Public Act 100-0023 Enacted July 6, 2017	
Tier Eligibility	• Any person who first became a contributing member or participant under any **Designated Reciprocal Fund**[(1)] on or after July 6, 2017; or • Any Tier 2 Member who irrevocably elected to be subject to the Tier 3 benefit structure.

Benefits Structure	Eligibility for Employee Annuity
	• Member is eligible for unreduced minimum formula annuity at age **65** with 10 years or more of service; or
	• Member is eligible for reduced minimum formula annuity at age **60** with 10 years or more of service. Reduction for early retirement is equal to ½ of 1% per month for each full month (equivalent to 6% for each full year) below age **65**
	
	Employee Annuity Amount
	• Minimum formula annuity benefit is 2.4% for each year of service multiplied by highest final average salary
	• Minimum formula annuity benefit is subject to a maximum of 80% of the highest final average salary for any 8 consecutive years within the last 10 years of service subject to a cap. The cap started at $106,800 in 2011, increased annually by the lesser of 3% or 50% of the percentage increase in CPI-U for the 12 months ending with the September preceding each November 1. As of January 1, 2022, the cap is $119,892.41
	• Annual increase in annuity (commonly referred to as "COLA") is the lesser of 3% or 50% of the percentage change in CPI-U for the 12 months ending each preceding September applied to original employee annuity amount
	
	Eligibility for Annual Increase in Employee Annuity
	• Annual increase in employee annuity starts on the January 1 occurring on or after the latter of:
	  • attainment of age **65**; or
	  • the first anniversary of the annuity start date
	
	Survivor Annuity Amounts (subject to eligibility)
	• Spouse annuity:
	  • Benefit is equal to 66⅔% of participant's annuity at date of death or earned annuity
	  • Annual increase in spouse annuity (commonly referred to as "COLA") is the lesser of 3% or 50% of CPI-U for the 12 months ending each preceding September applied to original spouse annuity amount
	• Child Annuity:
	  • Benefit is $220 per month if spouse survives, or $250 per month if no spouse, payable until attainment of age 18
	
	Eligibility for Annual Increase in Spouse Annuity
	• Annual increase in spouse annuity starts on the January 1 occurring on or after:
	  • the start date of the spouse annuity if the deceased member was in receipt of annuity at death; or
	  • the first anniversary of the spouse annuity start date

Employee Contributions	Note: All percentages are percentages of capped salary
	• Required Tier 3 Member:
	  • 11.5% beginning immediately
	  • 11.5% or normal cost (subject to 8.5% floor), whichever is less, beginning January 1, 2019
	• Elective Tier 3 Member:
	  • 9.5% beginning July 6, 2017
	  • 10.5% beginning January 1, 2018
	  • 11.5% or normal cost (subject to 8.5% floor), whichever is less, beginning January 1, 2019
	
	Note: When 90% funded status is reached, employee contributions drop from 11.5% to 7.5% and remain at 7.5% unless the funded ratio falls below 75%.

INTERESTED IN AN ESTIMATE OF YOUR RETIREMENT BENEFIT?

You may call the LABF to request a customized annuity estimate.

IMPORTANT NOTE REGARDING CERTAIN DISABILITY BENEFITS:
An active employee participant of the LABF who becomes disabled may be eligible for disability benefits. It is necessary to contact the LABF in a timely manner for the required application to prevent any loss of disability benefits or service credit for annuity purposes.

[(1)] **Footnote:**

Designated Reciprocal Fund shall refer to any of the following pension funds or retirement systems: (1) Laborers Annuity and Benefit Fund of Chicago, (2) Municipal Employees Annuity and Benefit Fund of Chicago, (3) Illinois Municipal Retirement Fund, (4) Cook County Employees Benefit Fund, (5) Forest Preserve District Benefit Fund, (6) Park Employees Annuity and Benefit Fund, (7) Metropolitan Water Reclamation District Retirement Fund, (8) State Employees' Retirement System, (9) State Universities Retirement System, (10) Teachers Retirement System of Illinois, (11) Public School Teachers' Pension Fund of Chicago, (12) Judges Retirement System, and, (13) General Assembly Retirement System.