

# BENEFIT



Autumn 2019 ISSUE 39

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

## HEALTHCARE SUBSIDIES

### *Here's What You Need To Know*

The Circuit Court of Cook County has ordered that all eligible City of Chicago employee annuitants (both current and future employee annuitants, but not spousal or child annuitants) of the LABF are entitled to receive a health insurance premium subsidy of \$25 per month from the LABF. This amount represents a partial reimbursement for healthcare costs, for each month after December 31, 2016 in which they qualify. The eligibility requirements are as follows:

- Annuitant must have retired on or after August 23, 1989;
- Annuitant must have been hired prior to April 4, 2003;
- Annuitant must have at least 15 years of City of Chicago service;
- Annuitant must be 65 years old or older; and
- Annuitant must have either:
  - ◇ participated in a group healthcare plan for which the LABF offers to deduct health insurance premiums from monthly annuities (currently either the Blue Cross Blue Shield plans sponsored by the City of Chicago or the Aetna plans sponsored by the Labor Benefits Association);

OR

- ◇ for the period between January 1, 2017 and December 31, 2019, participated in any health insurance plan and paid their healthcare insurance coverage themselves, either through an account on which the annuitant is named or an account established for the benefit of the annuitant.

Notices were sent to all employee annuitants who either qualify or may qualify for the subsidy. Please refer to the notices for details. Sample copies of the notices may be viewed by visiting LABF's website at: [LABFChicago.org/SubsidyNotices](http://LABFChicago.org/SubsidyNotices).

If you have any questions regarding the subsidies, please contact the LABF and a representative will assist you.

## RETIREE HEALTHCARE

As a convenience to City of Chicago employee annuitants and their beneficiaries, the LABF is including the information below from the City of Chicago regarding available Blue Cross Blue Shield of Illinois plans and from the Labor Benefits Association (LBA) regarding available AETNA plans. Additionally, eligible annuitants should expect to receive more detailed information by mail directly from the providers in the coming weeks.

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

### MESSAGE FROM THE CITY OF CHICAGO

*Regarding Blue Cross Blue Shield of Illinois Plans*

The City again is sponsoring several fully-insured healthcare coverage options for retirees through Blue Cross Blue Shield of Illinois (BCBSIL). For the 2020 Plan Year, BCBSIL will continue to offer three Medicare Advantage Plan options for those eligible for Medicare and two Non-Medicare Plan options for those who do not have Medicare. Certain options will have different benefit terms for 2020 than for 2019.

***Continued on page 4***

### MESSAGE FROM THE LBA

*Regarding AETNA Plans*

Many of the unions which represent City employees have taken the step of forming 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.

***Continued on page 4***

# THE LABF WELCOMES FOUR NEW TRUSTEES



**MELISSA CONYEARS-ERVIN**

Melissa Conyears-Ervin, having won the election for City Treasurer in February, was officially sworn in on May 20, 2019. As City Treasurer, Ms. Conyears-Ervin serves as an ex-officio member on the LABF's Board of Trustees.

Prior to serving as City Treasurer, Mrs. Conyears-Ervin served as a State Representative for the 10th District. She also has more than 15 years of experience in the insurance industry serving as a manager for Allstate and CS Insurance Strategies. She earned a bachelor's degree in finance from Eastern Illinois University and an M.B.A. in finance from Roosevelt University.



**JENNIE BENNETT**

In May of 2019, Mayor Lori Lightfoot named Jennie Bennett as Chief Finance Officer for the City of Chicago. Subsequently, Ms. Bennett was appointed by the City of Chicago's Department of Human Resources to serve as a member of the LABF's Board of Trustees.

Ms. Bennett previously served in various roles for Chicago Public Schools (CPS), including Chief Financial Officer, acting Chief Internal Auditor and Treasurer. Prior to CPS, Ms. Bennett spent over a decade as a senior investment banker in municipal securities. She earned a bachelor's degree in economics and political science from the University of Pennsylvania.



**RESHMA SONI**

In July of 2019, Mayor Lori Lightfoot named Reshma Soni as City Comptroller for the City of Chicago. As City Comptroller, Ms. Soni serves as an ex-officio member of the LABF's Board of Trustees.

Previously, Ms. Soni had served in various senior roles for the City of Chicago, including Chief Financial Officer for the Department of Aviation, First Deputy Budget Director and Managing Deputy Comptroller. Prior to joining the City of Chicago, she served as Comptroller for Cook County and worked as a Senior Auditor for Deloitte & Touche. She earned a master's degree in accounting and a bachelor's degree in economics from the University of Michigan.



**STEPHEN SKARDON**

Stephen Skardon serves as a senior advisor and counsel to Chicago Mayor, Lori Lightfoot. Mr. Skardon was appointed by the City of Chicago's Department of Human Resources to serve as a member of the LABF's Board of Trustees.

Mr. Skardon worked as a litigation attorney for approximately 15 years, focusing on complex insurance coverage matters. He subsequently served as the policy director for *Lightfoot for Chicago*. He earned a bachelor's degree in political science from The Ohio State University, a J.D. from the University of Illinois College of Law, and an LL.M. in financial services law from Chicago-Kent College of Law.

# SUMMARY ANNUAL FINANCIAL REPORT

FOR YEAR ENDED DECEMBER 31 2018

This section summarizes information contained in the 2018 Actuarial Valuation Report and the 2018 Financial Statements. The LABF encourages you to review the full reports which are available on our website at [LABFChicago.org/publications](http://LABFChicago.org/publications).

## ACTUARIAL VALUATION

The funded ratio represents the percentage of assets available to pay future benefits. According to the December 31, 2018 Actuarial Valuation Report, the LABF's funded ratio based on the actuarial value of assets was 44.7%, compared to 48.3% as of December 31, 2017. The decline in 2018 is largely attributable to investment returns of less than the long-term assumed rate of return and contributions of less than the Actuarially Determined Contribution. The passage of Public Act 100-0023 by the Illinois General Assembly in July 2017 remains significant in that it provides a funding policy that puts the LABF on a path toward long-term solvency. Nevertheless, contributions in the short run continue to be insufficient to adequately finance the LABF and will result in further decreases in the funded ratio. Under the current funding policy, the funded ratio is projected to decline from 44.7% in 2018 to 37.4% in 2022, then increase gradually to 52.1% in 2049 and ultimately to 90% in 2058.

## FINANCIALS

As of December 31, 2018, the LABF's net position was \$1.1 billion, representing a decrease of \$172.9 million, or an approximate 13.6% decline, from the prior year as shown in the table below. The decrease is largely attributable to a decline in the value of invested assets as well as inadequate contributions.

CONDENSED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (in 000's)			
	2018	2017	Net Change
<b>Additions</b>			
Employer contributions	\$47,844	\$35,457	\$12,387
Employee contributions	17,837	17,411	426
Investment gain (loss)	(75,219)	207,981	(283,200)
Misc. Income	661	-	661
Total additions	(8,877)	260,849	(269,726)
<b>Deductions</b>			
Benefits and refunds	160,061	157,050	3,011
Admin & OPEB expense	3,933	3,985	(52)
	163,994	161,035	2,959
<b>Net increase (decrease)</b>	(172,871)	99,814	(272,685)
<b>Net Position - restricted for pension benefits</b>			
Beginning of year	1,267,555	1,167,741	99,814
Ending of year	\$1,094,684	\$1,267,555	\$ (172,871)

Employer contributions, employee contributions, and investment income are the funding sources for the LABF. In 2018, total additions were a negative \$8.9 million, a \$269.7 million decrease from 2017 that was primarily due to the difference in investment returns from the prior year. The LABF experienced negative returns from its investment portfolio in 2018 largely due to the overall decline in stock values throughout the global financial markets. U.S. stocks, as measured by the Russell 3000 index, were down 5.2% for the year, while non-U.S. stocks, as measured by the ACWI Ex-U.S., were down 14.2%. The LABF's total investment return, net of fees, was -6.7% in 2018 as compared to 18.7% in 2017. In absolute terms, all asset classes were detractors from performance in 2018 except for real estate, private debt and private equity. 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 has achieved its investment return goal: the 10-year rate of return, net of fees, as of December 31, 2018

is 8.2%. Although the employer contribution increased by \$12.4 million in 2018 to \$47.8 million, total contributions, representing those from both the employees and the employer, continue to be less than are actuarially required to avoid a deterioration in LABF's financial position. In 2018, the increased employer contribution only minimally offset the decline in the value of invested assets.

Deductions shown in the table are expenses of the LABF. The LABF's most significant expenses were benefit and refund payments which represented 97.6% of the LABF's total 2018 expenditures. Administrative and OPEB expenses comprise the remaining 2.4% of overall expenditures.

# IMPORTANT INFORMATION

## MESSAGE FROM THE CITY OF CHICAGO *(continued from page 1)*

BCBSIL will communicate directly with the retirees as to the rates and the specific changes to their healthcare coverage options. Again this year, the City will not send a mailing to retirees. The City understands that current BCBSIL PPO participants will remain enrolled for 2020 in their current BCBSIL plan unless they choose to cancel or change the health coverage directly with BCBSIL.

Non-Medicare Retiree packets and Medicare Advantage Prescription Drug Plan Annual Notice of Change and Medicare Retiree packets were mailed out the week of October 28, 2019.

The Member Service Center is open seven days a week from 8:00 a.m. to 8:00 p.m. for Medicare Eligible retirees and from 8:00 a.m. to 5:30 p.m., Monday through Friday for Non-Medicare Eligible retirees to answer questions. The telephone numbers are:

**Medicare: (877) 566-8520**

**Non-Medicare: (800) 292-6398**

The City makes no representations or promises that it will sponsor any future healthcare plans for non-Korshak/Window retirees after 2020. These changes do not apply to retirees who are part of the Korshak/Window group, which includes those who retired from the City prior to August 23, 1989. They will receive a separate notice from the City regarding annuitant contribution rates for 2020.

## MESSAGE FROM THE LBA *(continued from page 1)*

Eligible annuitants do not have to be a current or former union member to join. The LBA will be sponsoring several plans offered by Aetna, allowing its members to cover themselves and their dependents. Enrollment will take place in late November and is ongoing for those who retire at a future date.

Annuitants will receive a brochure pertaining to the Aetna plans and the LBA in the mail. Questions regarding the Aetna plans may be directed to the plan administrator:

- **Doyle Rowe LTD: (866) 201-2524** (8:30 a.m. to 4:30 p.m. CT, Monday through Friday)

Questions may also be referred to Aetna:

- **Medicare Plans: (800) 307-4830** (7:00 a.m. to 8:00 p.m. CT, Monday through Friday)
- **Non-Medicare Plans: (866) 307-6210** (8:00 a.m. to 6:00 p.m. CT, Monday through Friday)

Annuitants should inform the call taker that they are calling to learn more about the new plans offered by the LBA.

## CONTACT INFORMATION

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

**AETNA Incorporated  
(2020 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.org/benefits (877) 299-5111

**Blue Cross Blue Shield (Active Employees)**  
PPO: (800) 772-6895  
HMO: (800) 730-8504  
BCBSIL.com

**Blue Cross Blue Shield  
(2020 Healthcare Options for Retirees)**  
Medicare Advantage: (877) 566-8520  
Non-Medicare: (800) 292-6398  
BCBSIL.com/CityofChicago

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

**Prudential (Active Employee Life Ins.)**  
Prudential.com (800) 778-3827

**MetLife  
(Underwritten by TexasLife)**  
EmpBen.com/CityofChicagoUL (800) 638-6855

## FOR DOCUMENTS IN COOK COUNTY:

**Cook County Clerk's Office**  
*For Birth, Death, or Marriage Certificates*  
CookCountyClerk.com (312) 603-7790

*For Divorce Decrees*  
CookCountyClerkofCourt.org (312) 603-6300

*Birth and death certificates may also be obtained, for a 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 the appropriate local government office.*



# MORE THINGS YOU NEED TO KNOW

## ANNUAL SIGNATURE VERIFICATION FORMS

The LABF requires that its annuitants submit an Annual Signature Verification Form. The 2019 forms were mailed in September and were due back by October 18, 2019.

If you are an annuitant, and you have not yet returned the completed form to the LABF, please do so immediately to limit interruption of annuity benefits. If you need a replacement form or if you have any questions regarding the process, please contact the LABF.

## BENEFICIARY DESIGNATIONS

In accordance with the applicable provisions of the Illinois Pension Code, LABF members may designate beneficiaries to receive accumulated employee contributions that may become refundable upon a member's death. The LABF recently revised its Beneficiary Designation Form so that it may be used for ANY amount payable to a member.

Additionally, non-member payees, including surviving spouse annuitants (widows), are permitted to designate beneficiaries to receive any amount that is payable to them at the time of death or becomes payable to them after death.

The LABF encourages all members and eligible payees to file a Beneficiary Designation Form with the LABF. For more information, or to obtain a Beneficiary Designation Form, visit the LABF website at [LABFChicago.org/Forms-Notifications](http://LABFChicago.org/Forms-Notifications)

## UNCLAIMED CONTRIBUTIONS

Currently, the LABF holds contributions from members who have left their employment with the City of Chicago, Chicago Public Schools, or a retirement board, and never filed for a refund of contributions or pension benefits. The LABF is trying to find these members.

To review the unclaimed contributions list and to see if you or someone you know may be owed a refund of contributions or a benefit, visit: [LABFChicago.org/members/inactive-members](http://LABFChicago.org/members/inactive-members). If so, contact the LABF by following the corresponding link on the site.

Also, the heirs of deceased members may be entitled to a refund or a benefit. If you know the heirs of a deceased member whose name appears on the unclaimed contributions list, please refer them to the website to request a call from a counselor regarding determining eligibility. Thank you for your help with this matter.

## 2020 OFFICE HOLIDAY OBSERVANCES AND CLOSURES

♦ Jan 1—New Year's Day	♦ Jul 3—Independence Day	♦ Nov 26 & 27 Thanksgiving
♦ Jan 20—Dr. M. L. King Day	♦ Sep 7—Labor Day	♦ Dec 24 & 25 Christmas
♦ Feb 17—President's Day	♦ Oct 12—Columbus Day	<i>The LABF will remain open on Feb 12<sup>th</sup> (Lincoln's Birthday) and Mar 2<sup>nd</sup> (Pulaski Day)</i>
♦ May 25—Memorial Day	♦ Nov 11—Veteran's Day	

## 2019 NOTICE OF TRUSTEE ELECTION CERTIFICATION

Notice is hereby given that the trustee election which was to be held on Thursday, October 10, 2019, has concluded because the incumbent candidate, Michael LoVerde, ran unopposed.

In accordance with State law, LABF's Board of Trustees must conduct an election each year, under the rules adopted by it, for the purpose of selecting a trustee responsible for representing the members of the LABF. The 2019 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, 2019 and ending December 1, 2022.

The LABF's election committee certified that Michael LoVerde was the only eligible candidate to submit a valid nominating petition and, therefore, is the winner.

Mr. LoVerde has been a member of the LABF for twenty-five years and currently works for the Department of Water Management. He has served on the Board of Trustees of the LABF for eight years.

The LABF congratulates Mr. LoVerde and is grateful for his continued service on the LABF's Board of Trustees.





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

# THE LATEST PENSION FUND NEWS

## RETIREE HEALTHCARE SUBSIDIES And Healthcare Plan Information

## THE LABF WELCOMES FOUR NEW TRUSTEES And Trustee Election Results. Who Ran... Who Won...

## SUMMARY ANNUAL FINANCIAL REPORT For the Year Ended December 31, 2018



**VICTOR ROA**  
President/Appointed Trustee, Secretary 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

**RESHMA SONI**  
Ex-Officio Trustee, City Comptroller  
**STEPHEN SKARDON**  
Appointed Trustee, Assistant to the Mayor