



Autumn 2020  
ISSUE 40

# B FOR YOUR BENEFIT

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

## MESSAGE FROM THE CITY

The City of Chicago ("City") is again sponsoring several fully insured healthcare coverage options for retirees through Blue Cross Blue Shield of Illinois ("BCBSIL"). For the 2021 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 2021.

BCBSIL will communicate directly with enrolled retirees as to the rates and specific changes to their healthcare coverage options. The City will not send a mailing to enrolled retirees. Current BCBSIL PPO participants will remain enrolled for 2021 in their current BCBSIL plan unless they choose to cancel or change the health coverage directly with BCBSIL.

Medicare Advantage Prescription Drug Plan ("MAPD") Annual Notice of Change and Medicare Retiree packets were mailed the week of **October 26, 2020**. The MAPD Open Enrollment Period will be November 16, 2020 to November 30, 2020.

Non-Medicare Retiree packets were mailed the week of **October 12, 2020**. The Open Enrollment Period is November 16, 2020 to November 30, 2020.

The BCBSIL Member Service Center will answer questions beginning on the date of the respective mailings. Call Member Services at:

- **Medicare Plans: (877) 566-8520**  
Monday - Friday, 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 AETNA HEALTH INSURANCE 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, 2020 through November 23, 2020 for a January 1, 2021 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).

Questions may also be referred to Aetna:

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

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

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

## HEALTHCARE SUBSIDY REMINDER

### Subsidy Eligibility for 1/1/2017 – 12/31/2019

Pursuant to the Circuit Court of Cook County's order, the LABF notified all annuitants who were eligible to receive the health insurance premium subsidy of \$25 per month for all or a portion of the period between January 1, 2017 and December 31, 2019. **The deadline to submit a completed Health Insurance Subsidy Eligibility Form and Sworn Statement ("Form") is December 31, 2020.**

The LABF is unable to process any subsidy payment until it has received and accepted the completed and signed Form. Please refer to the notices for details. Sample copies of the notices may be viewed at: [LABFChicago.org/SubsidyNotices](http://LABFChicago.org/SubsidyNotices).

### Subsidy Eligibility After 12/31/2019

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.

# THE LABF WELCOMES TINA CONSOLA



The Board of Trustees appointed Tina Consola as the new executive director of the LABF. Tina is a dedicated public servant with over 26 years of experience in fiscal and operational management. After obtaining her Bachelor of Science in Accountancy from DePaul University, Tina began her career with the City of Chicago as a tax compliance auditor. Driven by her desire to make a difference, she took on various roles throughout the City's Departments of Revenue and Finance implementing efficiencies and solutions which cut costs, maximized revenue, enhanced customer service and improved compliance. In 2017, Tina obtained a Master of Information Systems with a concentration in Business Analytics from Morris Graduate School of Management. In Tina's most recent role as First Deputy Comptroller for the City of Chicago, under the Comptroller, she provided oversight of the operations and administration of the Department of Finance, including accounting and finance functions, cash management, tax administration, billing and collections, parking enforcement, risk management, internal audit, payroll and employee benefits.

The Board of Trustees and the LABF staff welcome Tina to the team and are happy to be working with her.



## 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](https://LABFChicago.org/members/inactive-members).

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 to determine eligibility.

## SIGNATURE VERIFICATION

In response to the COVID-19 pandemic and social distancing restrictions recommended by the Centers for Disease Control and Prevention, LABF did not send Annual Signature Verification Forms in 2020. The LABF plans to mail the next Annual Signature Verification Form in early Spring 2021. Be on the watch for the mailing in March 2021 and be sure to respond to avoid suspension of your benefits.

## 2021 OFFICE CALENDAR

### HOLIDAY OBSERVANCES AND CLOSURES

◆ Jan 1—New Year's Day	◆ Oct 11—Columbus Day
◆ Jan 18—Dr. M. L. King Day	◆ Nov 11—Veterans Day
◆ Feb 15—Presidents' Day	◆ Nov 25 and 26— Thanksgiving & Day After
◆ May 31—Memorial Day	◆ Dec 24—Christmas
◆ Jul 5—Independence Day	◆ Dec 31—New Year's Eve
◆ Sep 6—Labor Day	

*The LABF will remain open on Feb 12<sup>th</sup> (Lincoln's Birthday) and Mar 1<sup>st</sup> (Pulaski Day)*

## ANNUITANT MEMBER TRUSTEE ELECTION RESULTS



The trustee election which was to be held on Thursday, October 15, 2020, has concluded because the candidate, James Capasso, ran unopposed.

In accordance with State law, LABF's Board of Trustees must conduct an election each year, for the purpose of selecting a trustee responsible for representing the annuitant members of the LABF. The 2020 election was to be held to select a trustee from among the retired members of the LABF to serve a three-year term beginning December 2, 2020 and ending December 1, 2023. The LABF's election committee certified that James Capasso is the winner.

***Congratulations Trustee Capasso!***

# SUMMARY OF ANNUAL REPORTS

This page summarizes information contained in the 2019 Actuarial Valuation Report and the 2019 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).

## 2019 FINANCIALS

As of December 31, 2019, the LABF's net position was \$1.19 billion, representing an increase of \$92.9 million from the prior year as shown in the table below. The increase is largely attributable to growth in the value of invested assets.

Employer contributions, employee contributions, and investment income are the funding sources for the LABF. In 2019, total additions were \$261.5 million, a \$270.4 million increase from 2018 that was primarily due to the difference in investment returns from the prior year. Deductions shown in the table are expenses of the LABF. The LABF's most significant expenses were benefit and refund payments which represented 97.8% of the LABF's total 2019 expenditures. Administrative and Other Post-Employment Benefits expenses comprise the remaining 2.2% of overall expenditures.

The LABF experienced robust returns from its investment portfolio in 2019 largely due to the overall strong performance throughout the broad financial markets. U.S. stocks, as measured by the Russell 3000 index, were up 31.0% for the year, while non-U.S. stocks, as measured by the MSCI ACWI Ex-U.S., were up 21.5%. Fixed income, as measured by the Barclay's Global Aggregate index, was up 8.2% at year end. The LABF's total investment return in 2019, net of fees, was 18.0% as compared to -6.7% in 2018. In absolute terms, all asset classes positively contributed to performance in 2019. In relative terms, both fixed income and international equity 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 has achieved its investment return goal: the 10-year rate of return, net of fees, as of December 31, 2019 was 7.9%.

### CONDENSED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	2019	2018	Net Change
<b>Additions</b>			
Employer contributions	\$59,346,056	\$47,844,184	\$11,501,872
Employee contributions	18,143,163	17,836,801	306,362
Investment gain (loss)	184,026,828	(75,219,068)	259,245,896
Misc. Income	-	661,530	(661,530)
Total additions	261,516,047	(8,876,553)	270,392,600
<b>Deductions</b>			
Benefits and refunds	164,959,258	160,060,768	4,898,490
Admin & OPEB expense	3,691,171	3,933,389	(242,218)
	168,650,429	163,994,157	4,656,272
<b>Net increase (decrease)</b>	92,865,618	(172,870,710)	265,736,328
<b>Net Position - restricted for pension benefits</b>			
Beginning of year	1,094,683,851	1,267,554,561	(172,870,710)
Ending of year	\$1,187,549,469	\$1,094,683,851	\$ 92,865,618

## 2019 ACTUARIAL VALUATION

The funded ratio represents the percentage of assets available to pay future benefits. According to the December 31, 2019 Actuarial Valuation Report, the LABF's funded ratio based on the actuarial value of assets was 42.6%, compared to 44.7% as of December 31, 2018. The decline in 2019 is largely attributable to contributions of less than the Actuarially Determined Contribution. 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 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 in the short term. Under the current funding policy, the funded ratio is projected to decline from 42.6% in 2019 to 41.3% in 2022, then increase gradually to 57.3% in 2050 and ultimately to 90% in 2058.



Laborers' and Retirement Board Employees'  
Annuity and Benefit Fund of Chicago  
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## RETIREE HEALTHCARE OPEN ENROLLMENT And Healthcare Plan Information

## THE LABF WELCOMES NEW EXECUTIVE DIRECTOR Trustee Election Results. Who Ran... Who Won...

## SUMMARY OF ANNUAL REPORTS For the Year Ended December 31, 2019

# THE LATEST PENSION FUND NEWS

**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—City of Chicago

**RESHMA SONI**  
Ex-Officio Trustee, City Comptroller

**STEPHEN SKARDON**  
Appointed Trustee, Assistant to the Mayor

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

**AETNA Incorporated  
(2021 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 (For Active Employees)**  
PPO: (800) 772-6895  
HMO: (800) 730-8504

**Blue Cross Blue Shield  
(2021 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