

## Tier 1 Summary of Benefits

Tier Eligibility	Any person who first became a contributing member or participant under any <b>Designated Reciprocal Fund</b> <sup>(1)</sup> prior to January 1, 2011.
Benefits Structure	<p><u>Eligibility for Employee Annuity</u></p> <ul style="list-style-type: none"> <li>• Member is first eligible for unreduced minimum formula annuity as follows: <ul style="list-style-type: none"> <li>• 30 years of service at age 50 or greater; or</li> <li>• 25 years of service at age 55 or greater; or</li> <li>• 10 years of service at age 60 or greater</li> </ul> </li> <li>• Member is eligible for a reduced minimum formula annuity at age 55 with 20 years of service. Reduction for early retirement equals ¼ of 1% per month for each full month (equivalent to 3% for each full year) below age 60; or</li> <li>• Member is eligible for a money purchase annuity as follows: <ul style="list-style-type: none"> <li>• at 55 with 10 years of service; or</li> <li>• at age 60 with any number of years of service</li> </ul> </li> </ul> <p><u>Employee Annuity Amount</u></p> <ul style="list-style-type: none"> <li>• Minimum formula annuity benefit is 2.4% for each year of service multiplied by highest final average salary</li> <li>• Minimum Formula annuity benefit is subject to a maximum of 80% of the highest final average salary for any 4 consecutive years within the last 10 years of service</li> <li>• Annual increase in annuity (commonly referred to as “COLA”) is 3% compounded</li> </ul> <p><u>Eligibility for Annual Increase in Employee Annuity</u></p> <ul style="list-style-type: none"> <li>• Annual increase in employee annuity starts January 1 in the year of the latter of: <ul style="list-style-type: none"> <li>• attainment of age 53, and the third anniversary of the annuity start date; or</li> <li>• attainment of age 60, and the first anniversary of the annuity start date</li> </ul> </li> </ul> <p><u>Survivor Annuity Amounts (subject to eligibility)</u></p> <ul style="list-style-type: none"> <li>• Spouse annuity: <ul style="list-style-type: none"> <li>• Benefit is equal to 50% of participant’s annuity at death; or</li> <li>• \$800 minimum</li> </ul> </li> <li>• Child Annuity: <ul style="list-style-type: none"> <li>• Benefit is \$220 per month if a spouse survives, or \$250 per month if no spouse, payable until attainment of age 18</li> </ul> </li> </ul> <p><u>Eligibility for Annual Increase in Spouse Annuity</u></p> <ul style="list-style-type: none"> <li>• No increase</li> </ul>
Employee Contributions	8.5%

**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.

**Tier 2 Summary of Benefits** - Illinois Public Act 96-0889 Enacted April 14, 2010

Tier Eligibility	<ul style="list-style-type: none"> <li>• Tier 2 - Any person who first became a contributing member or participant under any <b>Designated Reciprocal Fund</b><sup>(1)</sup> on or after January 1, 2011, but prior to July 6, 2017 is a “Tier 2 Member”.</li> </ul>
Benefits Structure	<p><u>Eligibility for Employee Annuity:</u></p> <ul style="list-style-type: none"> <li>• Member is eligible for unreduced minimum formula annuity at age <b>67</b> with 10 years of service; or</li> <li>• Member is eligible for reduced minimum formula annuity at age <b>62</b> with 10 years of service; reduction for early retirement equal to ½ of 1% per month for each full month (equivalent to 6% for each full year) below age <b>67</b></li> </ul> <p><u>Employee Annuity Amount:</u></p> <ul style="list-style-type: none"> <li>• Minimum formula annuity benefit is 2.4% for each year of service multiplied by highest final average salary</li> <li>• 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, cap starts at \$106,800 in 2011, increased annually at 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, 2021, capped at \$116,740.42)</li> <li>• Annual increase in annuity (commonly referred to as the “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 (not compounded)</li> </ul> <p><u>Eligibility for Annual Increase in Employee Annuity</u></p> <ul style="list-style-type: none"> <li>• Annual increase in employee annuity starts on the January 1 occurring on or after the latter of:             <ul style="list-style-type: none"> <li>• attainment of age <b>67</b>, or</li> <li>• the first anniversary of the annuity start date</li> </ul> </li> </ul> <p><u>Survivor Annuity Amounts (subject to eligibility):</u></p> <ul style="list-style-type: none"> <li>• Spouse annuity:             <ul style="list-style-type: none"> <li>• Benefit is equal to 66⅔% of participant’s annuity at date of death or earned annuity</li> <li>• Annual increase in spouse annuity (commonly referred to as the “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 (not compounded)</li> </ul> </li> <li>• Child Annuity:             <ul style="list-style-type: none"> <li>• Benefit is \$220 per month if a spouse survives or \$250 per month if no spouse; child annuity is payable until attainment of age 18</li> </ul> </li> </ul> <p><u>Eligibility for Annual Increase in Spouse Annuity</u></p> <ul style="list-style-type: none"> <li>• Annual increase in spouse annuity starts on the January 1 occurring on or after:             <ul style="list-style-type: none"> <li>• the start date of the spouse annuity if the deceased member was in receipt of annuity at death, or</li> <li>• the first anniversary of the spouse annuity start date</li> </ul> </li> </ul>
Employee Contributions	<ul style="list-style-type: none"> <li>• 8.5% (as percentage of capped salary)</li> </ul>

**INTERESTED IN AN ESTIMATE OF YOUR RETIREMENT BENEFIT?**

You may calculate an annuity estimate on the LABF website at [www.labfchicago.org](http://www.labfchicago.org). Click on MEMBER LOGIN and follow the steps, which include projecting your years of service and salary, to calculate an estimate for a future date. Registration is required and it may take up to 48 hours for access to be granted.

If you are within two (2) years of first being eligible to retire (unreduced at age 67 with 10 years of service, reduced at age 62 with 10 years of service) or are currently eligible to retire, you may call the LABF to request a customized annuity estimate which includes all available retirement options.

**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 apply for disability benefits in a timely manner to prevent any loss of disability benefits or service credit for annuity purposes. To determine if you are eligible or to apply, please contact LABF.

**Footnote:**

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

**Tier 3 Summary of Benefits** - Illinois Public Act 100-0023 Enacted July 6, 2017

Tier Eligibility	<ul style="list-style-type: none"> <li>Any person who first became a contributing member or participant under any <b>Designated Reciprocal Fund</b><sup>(1)</sup> on or after July 6, 2017; or</li> <li>Any Tier 2 Member who irrevocably elected to be subject to the Tier 3 benefit structure.</li> </ul>
Benefits Structure	<p><u>Eligibility for Employee Annuity</u></p> <ul style="list-style-type: none"> <li>Member is eligible for unreduced minimum formula annuity at age <b>65</b> with 10 years or more of service; or</li> <li>Member is eligible for reduced minimum formula annuity at age <b>60</b> 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 <b>65</b></li> </ul> <p><u>Employee Annuity Amount</u></p> <ul style="list-style-type: none"> <li>Minimum formula annuity benefit is 2.4% for each year of service multiplied by highest final average salary</li> <li>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, 2021, the cap is \$116,740.42</li> <li>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</li> </ul> <p><u>Eligibility for Annual Increase in Employee Annuity</u></p> <ul style="list-style-type: none"> <li>Annual increase in employee annuity starts on the January 1 occurring on or after the latter of:             <ul style="list-style-type: none"> <li>attainment of age <b>65</b>; or</li> <li>the first anniversary of the annuity start date</li> </ul> </li> </ul> <p><u>Survivor Annuity Amounts (subject to eligibility)</u></p> <ul style="list-style-type: none"> <li>Spouse annuity:             <ul style="list-style-type: none"> <li>Benefit is equal to 66⅔% of participant’s annuity at date of death or earned annuity</li> <li>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</li> </ul> </li> <li>Child Annuity:             <ul style="list-style-type: none"> <li>Benefit is \$220 per month if spouse survives, or \$250 per month if no spouse, payable until attainment of age 18</li> </ul> </li> </ul> <p><u>Eligibility for Annual Increase in Spouse Annuity</u></p> <ul style="list-style-type: none"> <li>Annual increase in spouse annuity starts on the January 1 occurring on or after:             <ul style="list-style-type: none"> <li>the start date of the spouse annuity if the deceased member was in receipt of annuity at death; or</li> <li>the first anniversary of the spouse annuity start date</li> </ul> </li> </ul>
Employee Contributions	<p>Note: All percentages are percentages of capped salary</p> <ul style="list-style-type: none"> <li>Required Tier 3 Member:             <ul style="list-style-type: none"> <li>11.5% beginning immediately</li> <li>11.5% or normal cost (subject to 8.5% floor), whichever is less, beginning January 1, 2019</li> </ul> </li> <li>Elective Tier 3 Member:             <ul style="list-style-type: none"> <li>9.5% beginning July 6, 2017</li> <li>10.5% beginning January 1, 2018</li> <li>11.5% or normal cost (subject to 8.5% floor), whichever is less, beginning January 1, 2019</li> </ul> </li> </ul> <p>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%.</p>

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