

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

Actuarial Valuation Report for the Year Ending
December 31, 2023
April 2024





April 12, 2024

Retirement Board of the
Laborers' and Retirement Board Employees'
Annuity and Benefit Fund of Chicago
321 North Clark Street, Suite 1300
Chicago, Illinois 60654

Subject: Actuarial Valuation Report for the Year Ending December 31, 2023

Dear Members of the Board:

At your request, we have performed an actuarial valuation of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago ("the Fund") as of December 31, 2023. An actuarial valuation of the Fund is performed annually. The purposes of the actuarial valuation are to review the funded status of the Fund as of December 31, 2023, develop the statutory contribution for fiscal year 2025, and develop the Actuarial Determined Contribution ("ADC") for fiscal year 2024 as defined in GASB Statement Nos. 67 and 68. The actuarial assumptions and methods used were recommended by the actuary and approved by the Board. Disclosure information required under GASB Statement Nos. 67 and 68 is provided in a separate report.

We have provided the supporting schedules for the actuarial section of the comprehensive annual financial report, including:

- Active Member Valuation Data;
- Retirees and Beneficiaries Added to and Removed from Rolls;
- Solvency (Termination) Test; and
- Analysis of Financial Experience.

We have also provided the following schedules for the financial sections of the report:

- Schedule of Funding Progress; and
- Schedule of Employer Contributions.

This actuarial valuation is based upon:

- a. **Data Relative to the Members of the Fund** – Data utilized for active members and persons receiving benefits from the Fund was provided by the Fund's staff. We have tested this data for reasonableness; however, we have not audited the data.

- b. **Asset Values** – The values of assets of the Fund were provided by the Fund's staff. An actuarial value of assets was used in determining the Actuarial Determined Contribution ("ADC").
- c. **Actuarial Method** – The actuarial method utilized by the Fund is the Entry-Age Normal Actuarial Cost Method. The objective of this method is to recognize the costs of Fund benefits over the entire career of each member as a level percentage of compensation. Any Unfunded Actuarial Accrued Liability ("UAAL") under this method is separately amortized. All actuarial gains and losses under this method are reflected in the UAAL.
- d. **Actuarial Assumptions** – The discount rate has been updated from 7.25 percent to 6.75 percent for the December 31, 2023 valuation. In addition, the assumed number of members electing to receive the health insurance premium subsidy was decreased. There have been no other changes to the actuarial assumptions since the last actuarial valuation as of December 31, 2022. The current actuarial assumptions were adopted by the Board for first use beginning with the December 31, 2020, actuarial valuation, based on the recommendations of the experience study performed for the period from January 1, 2017, to December 31, 2019. All actuarial assumptions used in this report are reasonable for the purposes of this valuation. The combined effect of the assumptions, excluding prescribed assumptions or methods set by law, is expected to have no significant bias (i.e., not significantly optimistic or pessimistic). All actuarial assumptions and methods used in the valuation follow the guidance in the applicable Actuarial Standards of Practice.
- e. **Plan Provisions** – The actuarial valuation is based on plan provisions in effect as of December 31, 2023.

The funding objective is to provide employer and employee contributions sufficient to provide the benefits of the Fund when due. Pursuant to Public Act ("P.A.") 100-0023, effective July 6, 2017, the funding policy was amended and requires City contributions to equal \$36 million in payment year 2018, \$48 million in payment year 2019, \$60 million in payment year 2020, \$72 million in payment year 2021, and \$84 million in payment year 2022. For payment years after 2022, the City contribution equals the sum of the net employer normal cost plus a level percent of payroll amortization of the unfunded liability needed to attain a 90 percent funded ratio by 2058 on an open group basis. After 2058, the City contribution equals the amount necessary to maintain the 90 percent funded ratio. While the new statutory funding policy is an improvement over the prior funding policy, it does not comply with generally accepted actuarial standards for the funding of retirement plans and, therefore, we recommend strengthening the policy.



The actuarial valuation of the Fund on the State reporting basis indicates that a contribution of \$169 million is needed in Fiscal Year 2024 to adequately finance the Fund on an actuarial basis under a policy of contributing normal cost plus 30-year level dollar amortization of the unfunded liability. This compares to the statutory required City Contribution of \$127 million in tax levy year 2024. It should be noted that the statutory employer contributions have been less than the Actuarial Determined Contribution for the past 18 years and are again expected to be less than the ADC for 2024.

The actuarial valuation results set forth in this report are based on the data and actuarial techniques previously described, and upon the provisions of the Fund as of the actuarial valuation date. Based on these items, we certify these results to be true and correct. Alex Rivera and Jeffrey T. Tebeau are Members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

This report may be provided to parties other than the Fund only in its entirety and only with the permission of the Fund. GRS is not responsible for unauthorized use of this report.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the plan's funded status); and changes in plan provisions or applicable law.

This report was prepared using our proprietary valuation model and related software which, in our professional judgment, has the capability to provide results that are consistent with the purposes of the actuarial valuation, and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

This report should not be relied on for any purpose other than the purpose stated.

The signing actuaries are independent of the plan sponsor.

Respectfully submitted,

Gabriel, Roeder, Smith & Company



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Senior Consultant



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Summary of Actuarial Valuation

	December 31, 2022	December 31, 2023	% Change
Actuarial Values			
Actuarial Liability	\$ 2,785,868,436	\$ 3,032,269,280	8.84 %
Assets - Actuarial Value	1,239,401,823	1,275,667,826	2.93 %
Unfunded Liability (Surplus)	1,546,466,613	1,756,601,454	13.59 %
Funded Ratio	44.49%	42.07%	(5.44)%
Actuarial Determined Contribution (ADC)	\$ 153,404,709	\$ 168,827,824	10.05 %
Market Values			
Actuarial Liability	\$ 2,785,868,436	\$ 3,032,269,280	8.84 %
Assets - Market Value	1,126,898,385	1,183,981,025	5.07 %
Unfunded Liability	1,658,970,051	1,848,288,255	11.41 %
Funded Ratio	40.45%	39.05%	(3.46)%
Book Values			
Actuarial Liability	\$ 2,785,868,436	\$ 3,032,269,280	8.84 %
Assets - Book Value	1,006,666,762	993,383,742	(1.32)%
Unfunded Liability (Surplus)	1,779,201,674	2,038,885,538	14.60 %
Funded Ratio	36.13%	32.76%	(9.34)%

Retiree healthcare subsidies due to the Underwood v. City of Chicago court order are financed on a term cost basis and are included in the ADC beginning with the December 31, 2019, valuation.

Summary of Actuarial Valuation

	December 31, 2022	December 31, 2023	% Change
Assets			
Market Value - Beginning of Year	\$1,334,101,764	\$1,126,898,385	(15.53)%
Income			
Investment Income	(161,680,009)	98,494,522	160.92 %
Employer Contributions & Misc.	116,175,957	123,795,653	6.56 %
Employee Contributions	19,069,792	19,136,631	0.35 %
Subtotal	<u>(26,434,260)</u>	<u>241,426,806</u>	1,013.31 %
Outgo (Refunds, Benefits, & Expenses)	180,769,119	184,344,166	1.98 %
Net Change	<u>(207,203,379)</u>	<u>57,082,640</u>	127.55 %
Market Value - End of Year	\$1,126,898,385	\$1,183,981,025	5.07 %
Gain (Loss) on Investment Return	(\$250,541,827)	\$25,551,718	
Estimated Rate of Return ¹	(13.22)%	9.79 %	
Book Value - Beginning of Year	\$1,022,150,921	\$1,006,666,762	(1.51)%
Income			
Investment Income	30,039,211	28,128,862	(6.36)%
Employer Contributions & Misc.	116,175,957	123,795,653	6.56 %
Employee Contributions	19,069,792	19,136,631	0.35 %
Subtotal	<u>165,284,960</u>	<u>171,061,146</u>	3.49 %
Outgo (Refunds, Benefits, & Expenses)	180,769,119	184,344,166	1.98 %
Net Change	<u>(15,484,159)</u>	<u>(13,283,020)</u>	14.22 %
Book Value - End of Year	\$1,006,666,762	993,383,742	(1.32)%
Gain (Loss) on Investment Return	(36,206,171)	(36,097,149)	
Estimated Rate of Return ¹	3.29%	3.18 %	
Actuarial Value - Beginning of Year	\$1,228,645,505	\$1,239,401,823	0.88 %
Income			
Investment Income	56,279,688	77,677,885	38.02 %
Employer Contributions & Misc.	116,175,957	123,795,653	6.56 %
Employee Contributions	19,069,792	19,136,631	0.35 %
Subtotal	<u>191,525,437</u>	<u>220,610,169</u>	15.19 %
Outgo (Refunds, Benefits, & Expense)	180,769,119	184,344,166	1.98 %
Net Change	<u>10,756,318</u>	<u>36,266,003</u>	237.16 %
Actuarial Value - End of Year	\$1,239,401,823	\$1,275,667,826	2.93 %
Gain (Loss) on Investment Return	(\$24,936,552)	(\$3,421,418)	
Estimated Rate of Return ¹	5.02%	6.94 %	

¹ Net of investment expenses.

Numbers may not add due to rounding.



Summary of Actuarial Valuation

	2022	2023	% Change
Member Counts			
Actives ¹	2,624	2,643	0.72%
Inactives	1,388	1,397	0.65%
Retirees	2,524	2,519	-0.20%
Survivors	951	942	-0.95%
Reversionary Annuitants ²	29	31	6.90%
Disabilities	90	69	-23.33%
Children	23	22	-4.35%
Payroll Data			
Valuation Payroll	\$ 214,083,061	\$ 238,725,119	11.51%
Average Salary	81,587	90,324	10.71%
Present Value Future Pay	1,892,415,499	2,228,525,169	17.76%
Accumulated EE Contributions	307,656,069	310,392,113	0.89%

	2022	2023	% Change
Annual Payments			
Employees' Annuities	\$ 149,875,203	\$ 154,877,949	3.34%
Spouses' Annuities	18,448,513	18,808,566	1.95%
Compensation Annuities	-	-	0.00%
Children's Annuities	90,690	71,900	-20.72%
Duty Disability	2,061,383	1,660,434	-19.45%
Duty Disability Payments in Lieu	1,085,885	813,539	-25.08%
Ordinary Disability	2,075,592	2,061,271	-0.69%
Ordinary Disability Payments in Lieu	-	-	0.00%

	2022	2023	% Change
APV of Projected Benefits			
<u>(1) Values for Active and Inactive Members</u>			
(a) Retirement	\$ 1,061,759,559	\$ 1,240,362,371	16.82%
(b) Termination - Vested	26,559,943	34,011,272	28.05%
(c) Termination - Non Vested	6,129,980	7,285,020	18.84%
(d) Death (Survivor Benefits)	17,459,016	20,561,317	17.77%
(e) Post-Retirement Spouse Annuity	-	-	0.00%
(f) Inactive Vested	27,265,080	28,581,618	4.83%
(g) Inactive Non-Vested	5,304,945	5,769,792	8.76%
(h) Disability	-	-	0.00%
(i) Expense of Administration	-	-	0.00%
Total for Active and Inactive Members	\$ 1,144,478,523	\$ 1,336,571,390	16.78%
<u>(2) Values for Members in Pay Status</u>			
(a) Retirees	1,584,116,504	1,684,676,805	6.35%
(b) Future Widows	155,081,003	170,701,981	10.07%
(c) Spouse Beneficiaries	142,062,622	150,992,856	6.29%
(d) Reversionary Annuitants	305,862	318,270	4.06%
(e) Children	178,749	151,826	-15.06%
Total for Members in Pay Status	\$ 1,881,744,740	\$ 2,006,841,738	6.65%
<u>(3) Grand Totals</u>	\$ 3,026,223,263	\$ 3,343,413,128	10.48%

¹ Active participants include disabled employees.

² Includes 23 Reversionary Annuitants as of December 31, 2022, and 25 Reversionary Annuitants as of December 31, 2023, who are also Survivors.



Summary of Actuarial Valuation

Normal Cost - EAN Numbers ¹	2022	2023	% Change
(1) Values for Active Members			
(a) Retirement	\$ 24,919,651	\$ 31,022,036	24.49%
(b) Termination - Vested	2,055,892	2,582,934	25.64%
(c) Termination - Non-Vested	1,214,660	1,362,125	12.14%
(d) Death (Survivor Benefits)	774,272	938,295	21.18%
(e) Post-Retirement Spouse Annuity	-	-	0.00%
(f) Disability	6,651,234	7,399,516	11.25%
(g) Health Insurance Premium Subsidy	94,540	77,824	-17.68%
(h) Expense of Administration	3,687,997	3,472,926	-5.83%
(i) Other	-	-	0.00%
Total for Actives	\$ 39,398,246	\$ 46,855,656	18.93%
(2) Values for Members in Pay Status	\$ -	\$ -	0.00%
(3) Grand Totals	\$ 39,398,246	\$ 46,855,656	18.93%

Actuarial Liability - EAN Numbers	2022	2023	% Change
(1) Values for Active and Inactive Members			
(a) Retirement	\$ 858,341,864	\$ 976,458,173	13.76%
(b) Termination - Vested	7,647,929	8,863,022	15.89%
(c) Termination - Non-Vested	(4,940,162)	(5,868,686)	18.80%
(d) Death (Survivor Benefits)	10,504,040	11,623,623	10.66%
(e) Post-Retirement Spouse Annuity	-	-	0.00%
(f) Inactive Vested	27,265,080	28,581,618	4.83%
(g) Inactive Non-Vested	5,304,945	5,769,792	8.76%
(h) Disability	-	-	0.00%
(i) Expense of Administration	-	-	0.00%
Total for Active and Inactive Members	\$ 904,123,696	\$ 1,025,427,542	13.42%
(2) Values for Members in Pay Status			
(a) Retirees	1,584,116,504	1,684,676,805	6.35%
(b) Future Widows	155,081,003	170,701,981	10.07%
(c) Spouse Beneficiaries	142,062,622	150,992,856	6.29%
(d) Reversionary Annuitants	305,862	318,270	4.06%
(e) Children	178,749	151,826	-15.06%
Total for Members in Pay Status	\$ 1,881,744,740	\$ 2,006,841,738	6.65%
(3) Grand Totals	\$ 2,785,868,436	\$ 3,032,269,280	8.84%
UNFUNDED AAL (USING SMOOTHED ASSETS)	\$ 1,546,466,613	\$ 1,756,601,454	13.59%
UNFUNDED AAL (USING MARKET ASSETS)	\$ 1,658,970,051	\$ 1,848,288,255	11.41%

¹ Normal cost is measured as of middle of year.



Discussion of Actuarial Valuation Results

This report sets forth the results of the actuarial valuation of the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago as of December 31, 2023. The purposes of this actuarial valuation are:

1. To review the funding status of the Fund as of December 31, 2023;
2. To develop the statutory contribution for fiscal year 2025; and
3. To develop the Actuarial Determined Contribution for fiscal year 2024, under GASB Statement Nos. 67 and 68.

The results of the Fund's actuarial valuation for GASB Statement Nos. 67 and 68 financial reporting purposes are provided in a separate report.

The funded status, in basic terms, is a comparison of the Fund's liabilities to assets expressed as either an unfunded liability or as a ratio of assets to liabilities. This comparison can be measured in various ways. Fund liabilities are dependent on the actuarial assumptions and actuarial cost method. Fund assets can be measured at market value, book value, or some variation to smooth the fluctuations that invariably occur from year to year.

For Fund and City financial reports, the funding status is measured using liabilities under the Entry Age Normal funding method and the Actuarial Value of Assets. The Actuarial Value of Assets is determined by annually spreading the difference between expected and actual investment earnings over a five-year period.

Actuarial Obligations of the Fund

The value of all future pension payments, calculated using the actuarial assumptions contained in this report, is the sum of payments to two major groups of beneficiaries – the retired lives and the active lives.

1. Retired Lives:

For those currently receiving known benefits; i.e., current retirees, widows, widowers, and children, the value is determined based on estimated future longevity with future benefit payments discounted to present time at the assumed investment earnings rate.

2. Active Lives:

The value of future payments for active employees who will receive benefits in the future is estimated, because the amount of pension is only known at the actual time of retirement. This estimate is made using various assumptions as to future salary increases; probable retirement age; and probability of death, withdrawal, or disablement before retirement. For active employees, the goal is to have enough assets on hand at retirement to pay for all future benefits promised. To provide for an orderly accumulation of these required assets, an actuarial funding method is used. Using the "Entry Age Normal" funding method, assets are allocated as a level amount (expressed as a percentage of salary) over the employee's working lifetime. These allocated costs are called "normal costs" and are sufficient, if set aside each year, to fully fund each active member's benefits when and if she or he retires. The actuarial reserve (amount of



Discussion of Actuarial Valuation Results

assets needed now) is the present value of future benefits less the present value of future normal costs to be paid.

The difference between the sum of actuarial reserves for active and retired lives (“the Actuarial Accrued Liability”) and the Actuarial Value of Assets is called the “Unfunded Actuarial Accrued Liability.” If assets exceed the liability, there is a surplus. The unfunded liability depends upon the benefits, the characteristics of the covered group of employees and retirees, the actuarial assumptions, and the actuarial funding method. The unfunded liability can be thought of as the amount of assets that will be needed in future years to provide for all future benefits payable when added to the future normal costs determined by the actuarial funding method, and current assets.

3. Actuarial Balance:

For the pension fund to be in balance (funded ratio of 100 percent), the present value of all benefits payable in the future must equal the sum of present assets plus the present value of all future contributions. If a plan is 100 percent funded, it does not mean that no contributions are ever needed again. It simply means that the plan is where it should be at a particular point in time; i.e., the assets of the plan are sufficient to provide for future benefits payable based on service to the date of valuation. **Future contributions are still needed** to fund the “normal costs” for service after the date of the valuation in order to have sufficient assets at retirement to provide the future payments of the total projected benefit.

Summary of Results

The term Annual Required Contribution (“ARC”) is no longer defined in the GASB Statements. However, under GASB Statement Nos. 67 and 68, the Actuarial Determined Contribution (“ADC”) is defined as:

A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with the Actuarial Standards of Practice based on the most recent measurement date available when the contribution for the reporting period was adopted.

The ADC is presented in the financial statements as Required Supplementary Information and is compared to the actual contributions to the Fund that are calculated under the current statutory funding policy. The ADC under GASB Statement Nos. 67 and 68 for the year ending December 31, 2024, is \$168.83 million. This amount is net of estimated employee contributions of \$20.56 million and is based on a 30-year open amortization period.

Effective with Fiscal Year Ending December 31, 2014, GASB Statement No. 67 replaced GASB Statement No. 25 for pension plan financial reporting requirements. GASB Statement No. 68 replaced GASB Statement No. 27 for employer financial reporting effective with fiscal year ending December 31, 2015.

The significant provisions of GASB Statement Nos. 67 and 68 include:

1. Recognizing the entire Net Pension Liability (similar to the Unfunded Actuarial Liability) on the balance sheet. The Net Pension Liability is comparable to the Net Pension Obligation which was recognized under GASB Statement No. 27.



Discussion of Actuarial Valuation Results

2. Use of a Single Equivalent Discount Rate based on:
 - a. The full funding rate (6.75 percent) during the period that projected benefits for all current members can be paid from current assets and projected investment return, future employee contributions from current members, and future employer contributions attributable to current members; and
 - b. The municipal bond rate (3.77 percent as of December 31, 2023) during the period that plan assets, attributable to current members, are projected to be depleted.
3. Use of Market Value of Assets to calculate Net Pension Liability.
4. Elimination of the Annual Pension Cost and replacing it with the Pension Expense, which is determined under a much shorter amortization period than 30 years.

Due to the single equivalent discount rate and shorter amortization periods required under GASB Statement Nos. 67 and 68, the unfunded liabilities and pension expense will be much higher and more volatile than under the prior GASB standards. The measurements required under GASB Statement Nos. 67 and 68 are provided in a separate report.

The Unfunded Actuarial Accrued Liability based on the Actuarial Value of Assets increased from \$1,546.47 million to \$1,756.60 million during the year, resulting in a decrease in the funded ratio from 44.49 percent to 42.07 percent. The increase in the Unfunded Actuarial Accrued Liability is mainly due to the decrease in the assumed discount rate from 7.25 percent to 6.75 percent, salary increases that were larger than expected, and contributions less than normal cost plus interest. A more thorough examination of this and other factors can be found in the Reconciliation of Unfunded Actuarial Accrued Liability (gain/loss analysis) in Table 2 and the Reconciliation of Funded Ratio in Table 2A.

Based on the Market Value of Assets, the Unfunded Actuarial Accrued Liability increased from \$1,658.97 million to \$1,848.29 million, and the funded ratio decreased from 40.5 percent to 39.1 percent.

According to the 50-year projections provided in Table 4 of this report, the funded ratio is projected to decrease from 42.1 percent in 2023 to 39.5 percent in 2026 and then increase gradually to 90.0 percent in 2058. However, the funded ratio does not reach 50 percent until 2046. Table 4 shows most of the increase in the funded ratio occurs after 2046, which indicates the funding policy is deferring the contributions into the future, or "back-loading." In addition to placing greater burden on future taxpayers, back-loading could result in underfunding of the Fund, since a majority of the investment income earned until the mid-2040s is scheduled to pay benefits. This results in relatively little annual progress in the funded ratio and a heavy reliance on the investments to perform as assumed. For payment years after 2023, the level percent of payroll amortization of the unfunded liability is equal to 44.160 percent.

Discussion of Actuarial Valuation Results

Plan Membership

The major characteristics of the data on the members of the Fund are summarized as follows:

	December 31, 2022	December 31, 2023
Active Members¹		
Number	2,624	2,643
Vested	1,627	1,604
Non-vested	997	1,039
Average Age	47.6	47.4
Average Service	15.6	15.2
Average Annual Salary	\$81,587	\$90,324
Inactive Members		
Number	1,388	1,397
Average Age	63.3	63.4
Average Service	2.4	2.5
Retirees³		
Number	2,524	2,519
Average Age	71.2	71.4
Average Annual Benefit	\$59,495	\$61,267
Surviving Spouses⁴		
Number	951	942
Average Age	77.2	77.4
Average Annual Benefit	\$19,077	\$19,933
Reversionary Annuitants²		
Number	29	31
Average Age	73.7	74.6
Average Annual Benefit	\$5,900	\$5,639
Children	23	22
Total Members	7,539	7,554

¹ Active members include disabled employees.

² Includes 23 Reversionary Annuitants as of December 31, 2022, and 25 Reversionary Annuitants as of December 31, 2023, who are also Survivors.

³ Includes 7 Employee Annuitants with suspended benefits as of December 31, 2022, and 3 Employee Annuitants with suspended benefits as of December 31, 2023.

⁴ Includes 6 Spouse Annuitants with suspended benefits.

Total participants receiving benefits under the Fund, including disability, surviving spouses, reversionary annuitants, and children, decreased 0.94 percent during 2023, from 3,617 to 3,583. Total expenditures for benefits increased from \$173 million in 2022 to \$178 million during 2023, or 2.89 percent.

Discussion of Actuarial Valuation Results

Changes in Provisions of the Fund

There were no significant Public Acts passed in 2023 that made changes to the Fund provisions.

A detailed description of the provisions of the Public Acts can be found in the Historical Information section of this report.

Discussion of Actuarial Assumptions

Actuarial assumptions are used to project future demographic and economic expectations for purposes of valuing the liabilities of the plan. The assumptions should reflect current patterns; however, their primary orientation is the long-term outlook for each factor affecting the actuarial valuation. Thus, while actual experience will fluctuate over the short run, actuarial assumptions are chosen in an attempt to model the future long-term experience.

There are two general types of actuarial assumptions:

1. **Demographic Assumptions** – reflect the flow of participants into and out of a retirement system; and
2. **Economic Assumptions** – reflect the effects of the economic climate on a retirement system.

Demographic assumptions can be readily studied over recent plan experience. Economic assumptions can be studied against recent experience; however, future experience is more likely to be a result of outside factors than of plan specifics. The most significant demographic assumptions are active turnover, retirement, and post-retirement mortality. The most significant economic assumptions are pay increases, investment return and inflation. Other actuarial assumptions include disability incidence, active mortality, and percent married.

The actuarial assumptions used for this report are based on the results of the experience study performed for the period January 1, 2017, through December 31, 2019. The discount rate was updated from 7.25 percent to 6.75 percent in the December 31, 2023, valuation. Decreasing the discount rate to 6.75 percent increased the actuarial liability as of December 31, 2023, by \$155 million. In addition, the assumed number of members electing to receive the health insurance premium subsidy was decreased from 35 percent to 15 percent based on recent experience. There were no other changes in actuarial assumptions from the previous actuarial valuation as of December 31, 2022.

Experience Analysis

On a market value of assets basis, the Fund experienced an investment gain of \$25.6 million and a return of 9.79 percent relative to the assumed return of 7.25 percent. On an actuarial value of assets basis, the fund experienced an investment loss of \$3.4 million and a return of 6.94 percent relative to the assumed return of 7.25 percent.

Individual salary increases varied among plan participants, but the overall increase was greater than anticipated by the actuarial assumptions, resulting in an experience loss of \$47.3 million.

Discussion of Actuarial Valuation Results

Combined City and employee contributions were less than Normal Cost plus interest on the Unfunded Actuarial Accrued Liability, which resulted in an increase in the Unfunded Actuarial Accrued Liability of \$12.2 million. Contributions lower than Normal Cost plus interest have increased the Unfunded Actuarial Accrued Liability for the past 20 years.

There was an additional gain of \$8.0 million from all other factors, including actual retirement, termination, disability, mortality experience, and data changes. This is about 0.26 percent of the liabilities at December 31, 2023, which is a reasonable variation in aggregate.

Tables 2 and 2A summarize the experience gains and losses for the year.

Funding Analysis

The charts beginning on page 16 summarize the various measures of benefit security (funded ratio) examined in this valuation and highlight the trends of the measures.

Conclusion

When measured using the Actuarial Value of Assets, which smooths gains and losses over a five-year period, the funded ratio decreased slightly from 44.49 percent in 2022 to 42.07 percent in 2023. On a market value of assets basis, the funded ratio decreased from 40.45 percent in 2022 to 39.05 percent in 2023. There are deferred losses that will be recognized in the Actuarial Value of Assets in the next four years. Therefore, the funded ratio using the Actuarial Value of Assets is expected to decrease toward the funded ratio using the Market Value of Assets. Contributions continue to be insufficient to adequately finance the plan, and will result in relatively little funding progress over the next 20 years. Under the current funding policy, the funded ratio is projected to decrease from 42.1 percent in 2023 to 39.5 percent in 2026 and then increase gradually to 90.0 percent in 2058. For payment years after 2023, the level percent of payroll amortization of the unfunded liability is equal to 44.160 percent.

The current statutory funding policy tends to back-load contributions and defers funding into the future and places a higher burden on future generations of taxpayer; thus, we recommend strengthening the current statutory funding policy.

We recommend the following changes:

1. Implement a funding policy that contributes normal cost plus closed-period amortization as a level percentage of capped payroll amortization of the unfunded liability. Implement a policy which recognizes unfunded liability at the valuation date and not projected liability in the year 2058.
2. Target 100 percent funded; and
3. Shorten the amortization period to 15 or 20 years to avoid negative amortization of the unfunded actuarial accrued liability.

Finally, we strongly recommend that stress testing be performed and we will work with the Fund on developing specific stress testing scenarios.

We recognize that the State Statute governs the funding policy of the Fund. The purpose of these recommendations is to highlight the difference between the Statutory appropriation methodology and an actuarially sound funding policy and to highlight the risks and additional costs of continuing to underfund the Fund.

Risk Measures

The determination of the accrued liability and the statutory contribution requires the use of actuarial assumptions regarding future economic and demographic experience. Risk measures, as illustrated in this report, are intended to aid in the understanding of the effects of future experience differing from the actuarial assumptions used in the course of the actuarial valuation. Risk measures may also help with illustrating the potential volatility in the accrued liability and the total required employer contribution that result from the differences between actual experience and the actuarial assumptions.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Fund's funded status); and changes in plan provisions or applicable law. The scope of an actuarial valuation does not include an analysis of the potential range of such future measurements.

Examples of risk that may reasonably be anticipated to significantly affect the Fund's future financial condition include:

1. **Investment Risk** – actual investment returns may differ from the expected returns;
2. **Asset/Liability Mismatch** – changes in asset values may not match changes in liabilities, thereby altering the gap between the accrued liability and assets and consequently altering the funded status and contribution requirements;
3. **Contribution Risk** – actual contributions may differ from expected future contributions. For example, actual contributions may not be made in accordance with the Fund's funding policy or material changes may occur in the anticipated number of covered employees, covered payroll, or other relevant contribution base;
4. **Salary and Payroll Risk** – actual salaries and total payroll may differ from expected, resulting in actual future accrued liability and contributions differing from expected;
5. **Longevity Risk** – members may live longer or shorter than expected and receive pensions for a period of time other than assumed; and
6. **Other Demographic Risks** – members may terminate, retire, or become disabled at times or with benefits other than assumed resulting in actual future accrued liability and contributions differing from expected.

The effects of certain trends in experience can generally be anticipated. For example, if the investment return since the most recent actuarial valuation is less (or more) than the assumed rate, the cost of the plan can be expected to increase (or decrease). Likewise, if longevity is improving (or worsening), increases (or decreases) in cost can be anticipated.

The statutory contribution for payment year 2025 shown in Table 1 should be considered as the minimum contribution that complies with the funding policy governed by statute. The timely receipt of the statutory contribution is critical to support the financial health of the System. Users of this report should be aware that contributions made at the statutorily determined amount do not necessarily guarantee benefit security.

Risk Measures

Plan Maturity Measures

Risks facing a pension plan evolve over time. A young plan with virtually no investments and paying few benefits may experience little investment risk. An older plan with a large number of members in pay status and a significant trust may be much more exposed to investment risk. Generally accepted plan maturity measures include the following:

	2023	2022	2021	2020
Ratio of the Market Value of Assets to Covered Payroll	4.96	5.26	6.29	6.13
Ratio of Actuarial Accrued Liability to Covered Payroll	12.70	13.01	13.01	13.20
Ratio of Actives to Retirees and Beneficiaries	0.76	0.75	0.74	0.71
Ratio of Net Cash Flow to Market Value of Assets	-3.50%	-4.04%	-5.53%	-6.37%

Ratio of Market Value of Assets to Payroll

The relationship between assets and payroll is a useful indicator of the potential volatility of contributions. For example, if the market value of assets is 5.0 times the payroll, a return on assets 5 percent different than assumed would equal 25 percent of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in plan sponsor contributions as a percentage of payroll.

Ratio of Actuarial Accrued Liability to Payroll

The relationship between actuarial accrued liability and payroll is a useful indicator of the potential volatility of contributions for a fully funded plan. A funding policy that targets a funded ratio of 100 percent is expected to result in the ratio of assets to payroll and the ratio of liability to payroll converging over time.

The ratio of liability to payroll may also be used as a measure of sensitivity of the liability itself. For example, if the actuarial accrued liability is 13 times the payroll, a change in liability 2 percent other than assumed would equal 26 percent of payroll. A higher (lower) or increasing (decreasing) level of this maturity measure generally indicates a higher (lower) or increasing (decreasing) volatility in liability (and also plan sponsor contributions) as a percentage of payroll.

Risk Measures

Ratio of Actives to Retirees and Beneficiaries

A young plan with many active members and few retirees will have a high ratio of actives to retirees. A mature open plan may have close to the same number of actives to retirees, resulting in a ratio near 1.0. A super-mature or closed plan may have significantly more retirees than actives, resulting in a ratio below 1.0.

Ratio of Net Cash Flow to Market Value of Assets

A positive net cash flow means contributions exceed benefits and expenses. A negative cash flow means existing funds are being used to make payments. A certain amount of negative net cash flow is generally expected to occur when benefits are prefunded through a qualified trust. Large negative net cash flows as a percent of assets may indicate a super-mature plan or a need for additional contributions.

The ratio of net cash flow to assets illustrates the portion of the assets that is expected to be needed to cover the benefit payments that are not covered by that year's contributions. When this ratio is a large negative number, investment income is relied upon to make benefit payments. If a large negative cash flow persists for an extended period of time when the plan is underfunded, it can result in little or no progress in the funded ratio since the investment returns are used primarily to pay benefits and are no longer present to earn additional income. If investment income is not sufficient to pay benefits in a particular year, then the corpus of the trust may need to be utilized through liquidation to pay benefit payments, which further impedes funding progress.

Additional Risk Assessment

Additional risk assessment is outside the scope of the annual actuarial valuation. Additional assessment may include scenario tests, sensitivity tests, stochastic modeling, stress tests, and a comparison of the present value of accrued benefits at low-risk discount rates with the actuarial accrued liability. At the Board's request, we conducted additional risk assessment of investment and contribution risk through stress testing the investment return assumption and future active population growth.

Low-Default-Risk Obligation Measure

Introduction

In December 2021, the Actuarial Standards Board (ASB) adopted a revision to Actuarial Standard of Practice (ASOP) No. 4, Measuring Pension Obligations and Determining Pension Plan Costs or Contributions. The revised ASOP No. 4 requires the calculation and disclosure of a liability referred to by the ASOP as the “Low-Default-Risk Obligation Measure” (LDRM).

What is the LDRM?

The LDRM is a particular measure of the benefits earned (or costs accrued if appropriate under the actuarial cost method used for this purpose) as of the measurement date.

How is the LDRM calculated?

The LDRM is calculated using an immediate gain actuarial cost method, one in which gains and losses become part of the unfunded actuarial accrued liabilities. Examples would be Entry Age Normal Cost, Projected Unit Credit, and Traditional Unit Credit. It is based upon a discount rate or discount rates derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future.

What does the LDRM tell me?

The LDRM gives an approximate measure of the cost as of the measurement date of securing benefits by constructing a hypothetical Low-Default-Risk Bond portfolio, whose cash flows match the pattern of benefits expected to be paid in the future. The LDRM is very dependent upon market interest rates at the time of the LDRM measurement. The lower the market interest rates, the higher the LDRM, and vice versa.

Is the LDRM the “right” liability that should be reported?

No single number, including the LDRM, can provide all of the information necessary to understand the financial condition of a pension plan. The rationale that the ASB cited for the calculation and disclosure of the LDRM was included in the Transmittal Memorandum of ASOP No. 4 and is presented below (emphasis added):

“The ASB believes that the calculation and disclosure of this measure provides **appropriate, useful information for the intended user regarding the funded status of a pension plan**. The calculation and disclosure of this additional measure is **not intended to suggest that this is the “right” liability measure** for a pension plan. However, the ASB does believe that **this additional disclosure provides a more complete assessment of a plan’s funded status and provides additional information regarding the security of benefits that members have earned as of the measurement date.**”

Low-Default-Risk Obligation Measure

Comparing the Accrued Liabilities and the LDROM

The LDROM results presented in this report are based on the Entry Age Normal (EAN) actuarial cost method and discount rates based upon the December 2023 (end of month) FTSE Pension Discount Curve (PDC). The PDC is calculated based on a universe of AA rated corporate bonds from the FTSE US Broad Investment-Grade Bond Index (USBIG®) of varying maturities and the yields of the Treasury model curve.

Representative 1-, 5-, 10-, 20-, and 30-year annual spot rates as of December 31, 2023 are 5.13 percent, 4.29 percent, 4.56 percent, 5.10 percent, and 4.79 percent, respectively. Discount rates based on the spot rates were applied to LABF expected benefit payments to calculate a single equivalent rate of 4.80% on a present value of benefits basis.

The funding valuation actuarial accrued liability is based on the EAN actuarial cost method and discount rate (the expected long-term rate of return on assets) of 6.75 percent.

Presented below is a comparison of the statutory funding actuarial accrued liability and the LDROM as of December 31, 2023, for LABF:

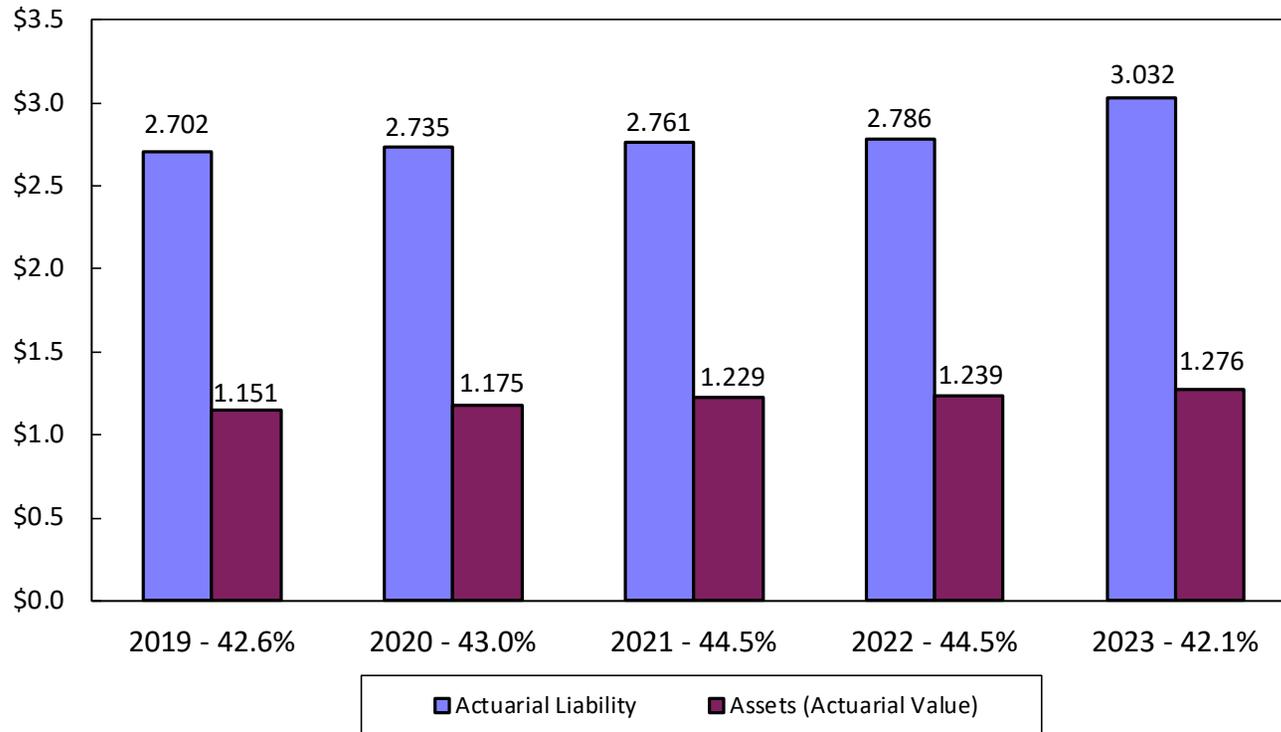
Funding Valuation Actuarial Accrued Liability	\$ 3,032,269,280
LDROM	3,789,155,685
Difference	756,886,405

The difference between the funding actuarial liability and the LDROM illustrates the potential present value of future contribution savings due to investing in a well-diversified portfolio, consistent with the assumed long-term investment return assumption, instead of a hypothetical low default risk bond portfolio.

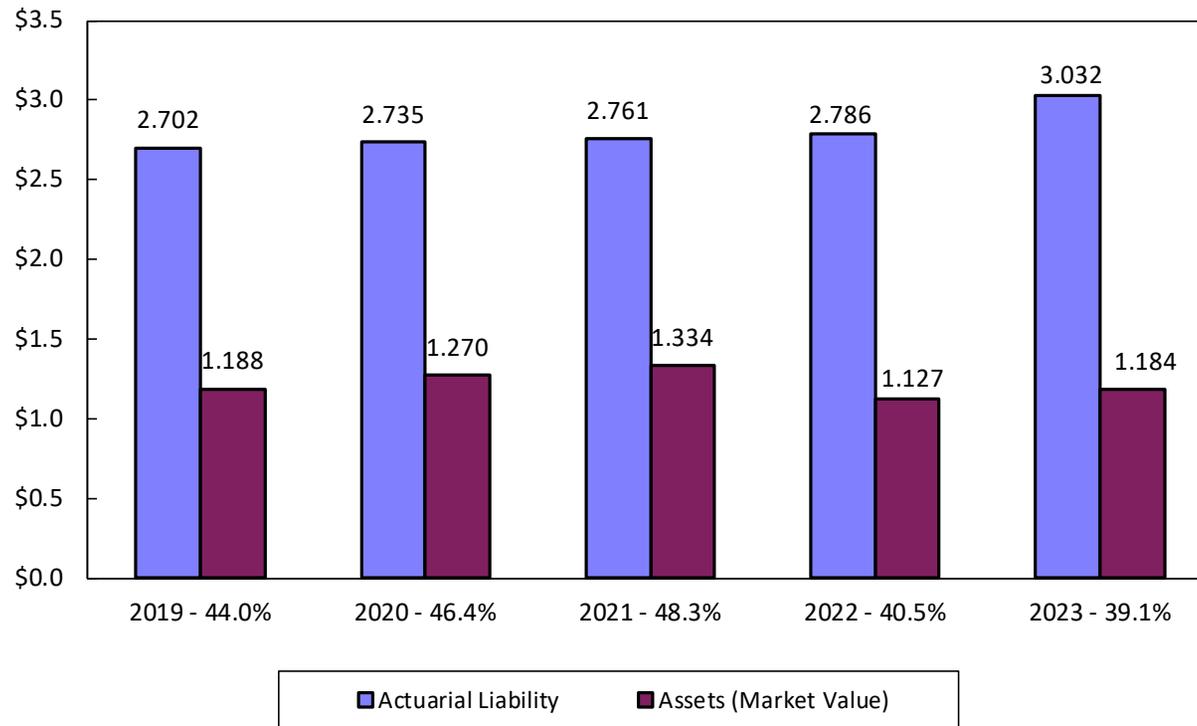
Since plan assets are actually invested in a well-diversified portfolio and not a low-default-risk bond portfolio, LDROM does not provide relevant information on the funded status or contribution requirements. Benefit security for members of the plan relies on a combination of the current assets in the plan, the future investment returns generated on those assets, and the promise of future contributions from the plan sponsor.

The LDROM liability contained in this report was provided solely to comply with the requirements of ASOP 4 section 3.11 and should not be used for any other purpose. This measure is not appropriate for assessing the need for or amount of future contributions. This measure is not appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the plan's benefit obligation.

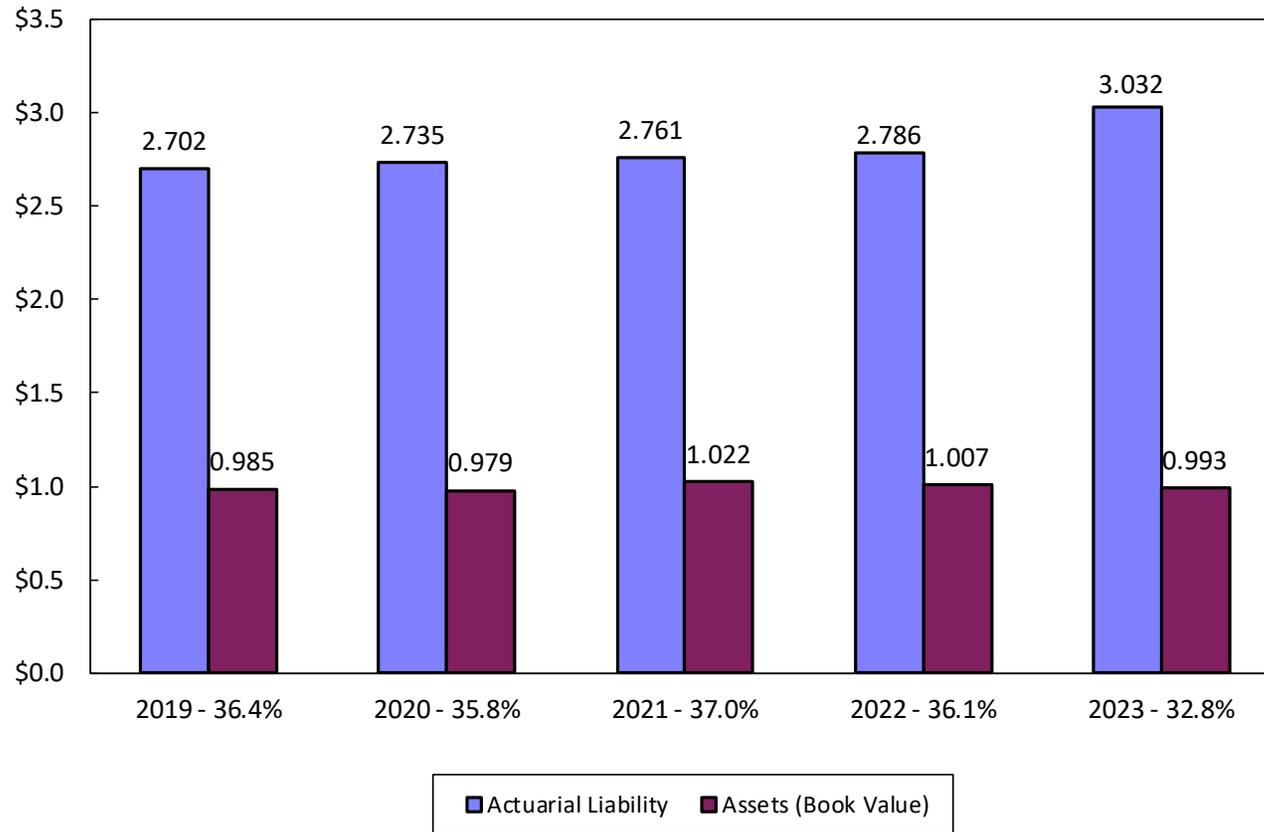
Components of Funding Ratio Based on Actuarial Value (\$ in Billions)



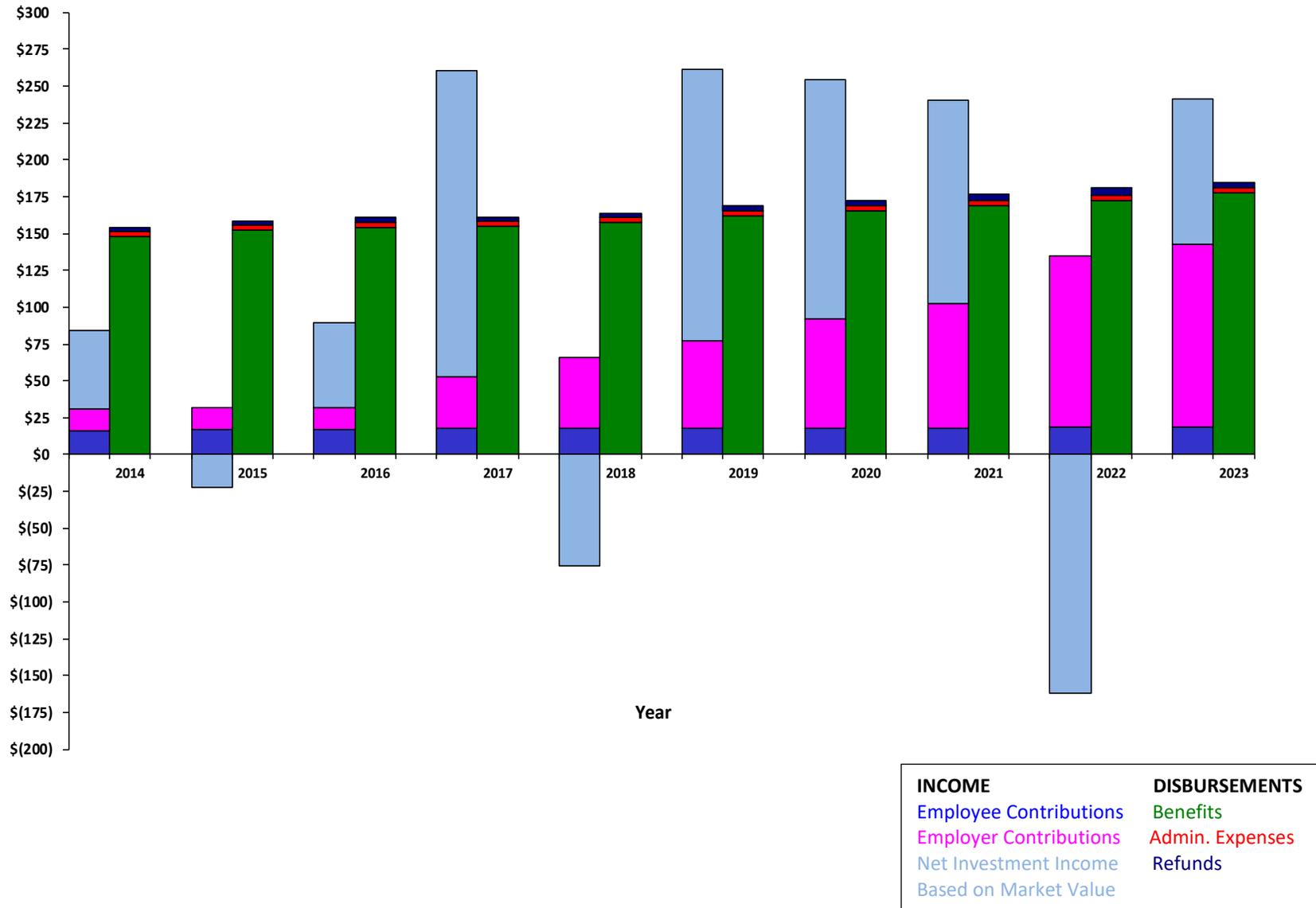
Components of Funding Ratio Based on Market Value (\$ in Billions)



Components of Funding Ratio Based on Book Value (\$ in Billions)



Summary of Income and Disbursements (\$ in Millions)



ACTUARIAL COMPUTATIONS

Table 1
Development of Actuarial Determined Contribution under
GASB Statement Nos. 67 and 68 for 2024

Fiscal Year	2023	2024
Payment Year	2024	2025
(1) Normal Cost ^{1,5}	\$ 39,398,246	\$ 46,855,656
(2) Actuarial Accrued Liability (AAL)	2,785,868,436	3,032,269,280
(3) Unfunded AAL (UAAL)		
(a) Actuarial Value of Assets	1,239,401,823	1,275,667,826
(b) UAAL [2-3(a)]	1,546,466,613	1,756,601,454
(4) Covered Payroll	214,083,061	238,725,119
(5) Amortization (30-Year Level \$) Payable at Mid-year ¹	123,374,409	133,585,082
(6) Minimum Actuarially Calculated Contribution		
(a) Interest Adjustment for May 1st Payment Date ²	8,691,689	8,944,150
(b) Total Minimum Contribution [1+5+6(a); but not less than zero]	171,464,344	189,384,888
(c) Total Minimum Contribution (Percent of Pay)	80.09%	79.33%
(7) Estimated Member Contributions ³	18,059,635	20,557,064
(8) Actuarial Determined Contribution (ADC)		
(a) Actuarial Determined Contribution [6(b)-7]	\$ 153,404,709	\$ 168,827,824
(b) Actuarial Determined Contribution (Percent of Pay)	71.66%	70.72%
(9) Estimated City Contribution ⁴	111,974,969	127,349,567
(10) City Contribution Deficiency/(Excess)		
(a) in Dollars [(8(a)-9)]	41,429,740	41,478,257
(b) as a Percentage of Pay	19.35 %	17.37 %
(11) Combined City/Member Contributions Deficiency/(Excess)		
(a) in Dollars [6(b)-7-9]	\$ 41,429,740	\$ 41,478,257
(b) as a Percentage of Pay	19.35 %	17.37 %

¹ Normal cost is measured as of the middle of the fiscal year. Fiscal years 2023 and 2024 include administrative expenses of \$3,687,997 and \$3,472,926, respectively.

Amortization measured at mid-year for fiscal year 2023 and 2024.

² Interest adjustment based on May 1st payment for fiscal year 2023 and 2024.

³ Projected contributions for fiscal year 2023 and 2024 based on expected pay during the year. Future projected member contributions are reduced by 5 percent to account for seasonal and/or temporary employees.

⁴ Pursuant to P.A. 100-0023, statutory City contributions beginning in payment year 2024 are based on the net employer normal cost plus a level percent of payroll amortization of the unfunded actuarial accrued liability needed to attain a 90 percent funded ratio by 2058 on an open group basis. For payment year 2024, the City contribution is \$112 million as calculated in the 2021 valuation and for payment year 2025, the City contribution is \$127 million as calculated in the 2022 valuation.

⁵ Fiscal year end 2023 and 2024 normal cost includes \$94,540 and \$77,824, respectively in term costs for health insurance premium subsidies pursuant to the Underwood case. Please see table 9 for a seven-year projection of projected health insurance premium subsidy payments and term cost financing.



Table 1A
Projection of City Contribution Requirements

Fiscal/Tax Levy Year	2024	2025	2026	2027	2028	2029
Payment Year	2025	2026	2027 ²	2028 ²	2029 ²	2030 ²
Statutory City Contribution ¹	\$ 127,349,567	\$ 136,089,914	\$ 138,623,746	\$ 141,301,174	\$ 144,033,313	\$ 146,717,908
GASB Statement Nos. 67 and 68 ADC	168,827,824	172,308,748	176,516,545	181,420,274	182,145,380	183,083,778
Actuarial Liability at Valuation Date	3,032,269,280	3,084,354,410	3,132,475,186	3,177,822,320	3,219,852,370	3,258,213,373
Actuarial Value of Assets at Valuation Date	1,275,667,826	1,280,348,988	1,273,705,039	1,254,865,652	1,284,387,244	1,306,886,801
Funded Ratio	42.07%	41.51%	40.66%	39.49%	39.89%	40.11%

¹ Pursuant to Public Act 100-0023, contributions beginning in payment year 2023 are based on the net employer normal cost plus a level percent of payroll amortization of the unfunded actuarial accrued liability needed to attain a 90 percent funded ratio by 2058 on an open group basis. City contributions are \$127 million in payment year 2025 as calculated in the 2022 valuation. Beginning in payment year 2023, projected statutory City contributions include term cost contributions for health insurance premium subsidies. Please see table 9 for a seven-year projection of projected health insurance premium subsidy payments and term cost financing.

² Statutory City Contribution amounts for Payment Years 2025 and 2026 are now determined, 2027 through 2030 are estimates.

Table 1B

Active Accrued Liability and Normal Cost by Tier

	Tier 1 Members	Tier 2 Members ¹	Tier 3 Members ^{2,3}	Total
(1) Count	1,402	506	735	2,643
- Vested	1,326	260	18	1,604
- Non-vested	76	246	717	1,039
- Average Age	54.5	42.7	37.0	47.4
- Average Service	23.7	9.5	2.9	15.2
(2) Actuarial Accrued Liability (AAL)	\$ 909,180,598	\$ 59,838,306	\$ 22,057,228	\$ 991,076,132
(3) Uncapped Payroll	\$ 136,184,849	\$ 48,180,931	\$ 54,433,569	\$ 238,799,349
(4) Capped Payroll	\$ 136,184,849	\$ 48,167,045	\$ 54,373,225	\$ 238,725,119
(5) Average Capped Payroll	\$ 97,136	\$ 95,192	\$ 73,977	\$ 90,324
(6) Expected Capped Payroll	\$ 131,360,784	\$ 48,326,438	\$ 55,353,049	\$ 235,040,271
(7) Total Normal Cost	\$ 29,504,043	\$ 7,650,377	\$ 9,701,236	\$ 46,855,656
(8) Total Normal Cost as a Percent of Expected Capped Pay	22.46%	15.83%	17.53%	19.94%
(9) Estimated Member Contributions	\$ 10,607,383	\$ 3,902,360	\$ 6,047,321	\$ 20,557,064
(10) Member Contributions as a Percent of Expected Pay ⁴	8.50%	8.50%	11.50%	8.75%
(11) Net Employer Normal Cost	\$ 18,896,660	\$ 3,748,017	\$ 3,653,915	\$ 26,298,592
(12) Net Employer Normal Cost as a Percent of Expected Pay	14.39%	7.76%	6.60%	11.19%

¹ Members who began participating on or after January 1, 2011, but prior to July 6, 2017, and did not irrevocably elect the Tier 3 benefit structure.

² Members who began participating on or after July 6, 2017.

³ 29 Tier 2 members who elected Tier 3 began participating on or after July 6, 2017.

⁴ Future projected member contributions are reduced by 5 percent to account for seasonal and/or temporary employees.

Table 2
Reconciliation of Unfunded Actuarial Accrued Liability

	2019	2020	2021	2022	2023
Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) Beginning of Year	\$1,467,582,766	\$1,550,423,597	\$1,560,047,326	\$1,532,109,654	\$1,546,466,613
(Gains) Losses during the Year Attributable to:					
Contributions Less Than (in Excess of) Normal Cost plus Interest	72,783,777	63,253,817	51,995,574	18,375,867	12,179,762
(Gain) Loss on Investment Return on the Actuarial Value of Assets	22,038,004	(28,281,754)	(49,242,182)	24,936,552	3,421,418
(Gain) Loss from Salary Changes	(5,812,795)	(9,538,445)	214,064	(12,687,729)	47,277,451
(Gain) Loss from Retirement, Termination, & Mortality	(7,092,912)	(10,631,968)	(30,772,981)	(16,236,774)	(7,328,314)
(Gain) Loss from Data Corrections and Unexpected Service Changes	924,757	(215,743)	(132,147)	(30,957)	(688,647)
Change in Methodology	-	-	-	-	-
Change in Assumptions	-	(4,962,178)	-	-	155,273,171
Plan Amendments	-	-	-	-	-
Net Increase (Decrease) in UAAL	82,840,831	9,623,729	(27,937,672)	14,356,959	210,134,841
Unfunded (Overfunded) Actuarial Accrued Liability (UAAL) End of Year	\$1,550,423,597	\$1,560,047,326	\$1,532,109,654	\$1,546,466,613	\$1,756,601,454

Table 2A
Reconciliation of Funded Ratio (Based on Actuarial Value of Assets)

	2019	2020	2021	2022	2023
Funded Ratio Beginning of Year	44.68%	42.62%	42.97%	44.50%	44.49%
Expected Increase if All Assumptions Realized	1.24%	1.22%	1.14%	1.07%	1.01%
Expected Funded Ratio	45.92%	43.84%	44.11%	45.57%	45.50%
Gains (Losses) during the Year Attributable to:					
Contributions in Excess of (Less Than) Normal Cost plus Interest	-2.68%	-2.29%	-1.86%	-0.65%	-0.43%
Gain (Loss) on Investment Return on the Smoothed Value of Assets	-0.81%	1.02%	1.76%	-0.89%	-0.12%
Gain (Loss) from Salary Changes	0.09%	0.15%	0.00%	0.20%	-0.73%
Gain (Loss) from Retirement, Termination, & Mortality	0.11%	0.17%	0.49%	0.26%	0.11%
Gain (Loss) from Data Corrections	-0.01%	0.00%	0.00%	0.00%	0.01%
Change in Methodology	0.00%	0.00%	0.00%	0.00%	0.00%
Change in Assumptions	0.00%	0.08%	0.00%	0.00%	-2.27%
Plan Amendments	0.00%	0.00%	0.00%	0.00%	0.00%
Total Gains (Losses) during the Year	-3.30%	-0.87%	0.39%	-1.08%	-3.43%
Funded Ratio End of Year	42.62%	42.97%	44.50%	44.49%	42.07%

Table 3
Summary of Basic Actuarial Values

APV of Projected Benefits	Tier 1	Tier 2	Tier 3	Total
(1) Values for Active and Inactive Members				
(a) Retirement	\$ 1,036,042,018	\$ 105,793,355	\$ 98,526,998	\$ 1,240,362,371
(b) Termination	14,563,389	11,650,438	15,082,465	41,296,292
(c) Death	11,798,811	4,793,897	3,968,609	20,561,317
(d) Inactive Vested	28,113,451	468,167	-	28,581,618
(e) Inactive Non-Vested	4,142,278	1,244,834	382,680	5,769,792
(f) Disability	-	-	-	-
(g) Expenses of Administration	-	-	-	-
Total for Active and Inactive Members	\$ 1,094,659,947	\$ 123,950,691	\$ 117,960,752	\$ 1,336,571,390
(2) Values for Members in Payment Status				
(a) Retirees	\$ 1,684,403,576	273,229	-	\$ 1,684,676,805
(b) Future Widows of Current Retirees	170,673,697	28,284	-	170,701,981
(c) Surviving Spouses	150,982,768	10,088	-	150,992,856
(d) Reversionary Annuitants	318,270	-	-	318,270
(e) Children	98,317	53,388	121	151,826
Total for Members in Payment Status	\$ 2,006,476,628	\$ 364,989	\$ 121	\$ 2,006,841,738
(3) Grand Totals	\$ 3,101,136,575	\$ 124,315,680	\$ 117,960,873	\$ 3,343,413,128

Actuarial Accrued Liability	Tier 1	Tier 2	Tier 3	Total
(1) Values for Active and Inactive Members				
(a) Retirement	\$ 900,391,308	\$ 54,983,033	\$ 21,083,832	\$ 976,458,173
(b) Termination	24,236	2,722,400	247,700	2,994,336
(c) Death	8,765,054	2,132,873	725,696	11,623,623
(d) Inactive Vested	28,113,451	468,167	-	28,581,618
(e) Inactive Non-Vested	4,142,278	1,244,834	382,680	5,769,792
(f) Disability	-	-	-	-
(g) Expenses of Administration	-	-	-	-
Total for Active and Inactive Members	\$ 941,436,327	\$ 61,551,307	\$ 22,439,908	\$ 1,025,427,542
(2) Values for Members in Payment Status	\$ 2,006,476,628	\$ 364,989	\$ 121	\$ 2,006,841,738
(3) Grand Totals	\$ 2,947,912,955	\$ 61,916,296	\$ 22,440,029	\$ 3,032,269,280

Normal Cost for Fiscal Year 2024	Tier 1	Tier 2	Tier 3	Total
(1) Values for Active and Inactive Members				
(a) Retirement	\$ 20,541,250	\$ 4,520,231	\$ 5,960,555	\$ 31,022,036
(b) Termination	2,204,224	714,459	1,026,376	3,945,059
(c) Death	478,374	221,978	237,943	938,295
(d) Inactive Vested	-	-	-	-
(e) Inactive Non-Vested	-	-	-	-
(f) Disability	4,221,181	1,492,984	1,685,351	7,399,516
(g) Health Insurance Premium Subsidy	77,824	-	-	77,824
(h) Expenses of Administration	1,981,190	700,725	791,011	3,472,926
Total for Active and Inactive Members	\$ 29,504,043	\$ 7,650,377	\$ 9,701,236	\$ 46,855,656
(2) Values for Members in Payment Status	\$ -	\$ -	\$ -	\$ -
(3) Grand Totals	\$ 29,504,043	\$ 7,650,377	\$ 9,701,236	\$ 46,855,656
Actuarial Present Value of Future Compensation	\$ 862,276,713	\$ 592,754,083	\$ 773,494,373	\$ 2,228,525,169

Table 4 50-Year Projections

Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago Actuarial Valuation Projection Results as of December 31, 2023 Based on the Provisions in Effect as of December 31, 2023 (\$ in Thousands)															
PYE 12/31	Present Value of Benefits	Actuarial Accrued Liability	Market Value of Assets	Actuarial Value of Assets	Unfunded Liability	Funded Ratio	Capped Payroll	Actuarial Determined Contribution	ADC as % of Pay ¹	Total Statutory Contribution ²	Statutory Contribution % of Pay ¹	Total Normal Cost	Total Employee Contribution	Benefits	Administrative Expenses
2023	\$ 3,343,413	\$ 3,032,269	\$ 1,183,981	\$ 1,275,668	\$ 1,756,601	42.1%	\$ 238,725	\$ 153,405	64.3%	\$ 123,796	51.9%	\$ 39,398	\$ 19,137	\$ 180,948	\$ 3,397
2024	3,401,474	3,084,354	1,206,168	1,280,349	1,804,005	41.5%	243,044	168,828	69.5%	127,350	52.4%	46,856	20,557	191,072	3,473
2025	3,453,052	3,132,475	1,233,817	1,273,705	1,858,770	40.7%	249,320	172,309	69.1%	136,090	54.6%	47,412	21,422	198,791	3,551
2026	3,502,581	3,177,822	1,259,976	1,254,866	1,922,957	39.5%	255,465	176,517	69.1%	138,624	54.3%	48,088	22,278	205,215	3,631
2027	3,549,374	3,219,852	1,284,387	1,284,387	1,935,465	39.9%	262,065	181,420	69.2%	141,301	53.9%	48,731	23,158	211,949	3,713
2028	3,592,724	3,258,213	1,306,887	1,306,887	1,951,327	40.1%	268,851	182,145	67.7%	144,033	53.6%	49,400	24,092	218,832	3,796
2029	3,632,635	3,292,242	1,326,938	1,326,938	1,965,304	40.3%	275,649	183,084	66.4%	146,718	53.2%	50,025	25,034	226,071	3,882
2030	3,668,184	3,321,488	1,344,315	1,344,315	1,977,172	40.5%	282,665	183,804	65.0%	149,435	52.9%	50,642	26,032	233,453	3,969
2031	3,698,934	3,346,154	1,359,602	1,359,602	1,986,552	40.6%	290,232	184,359	63.5%	152,400	52.5%	51,317	27,084	240,382	4,058
2032	3,725,688	3,366,195	1,372,942	1,372,942	1,993,253	40.8%	297,847	184,715	62.0%	155,387	52.2%	51,995	28,138	247,056	4,150
2033	3,747,555	3,380,997	1,383,945	1,383,945	1,997,052	40.9%	305,561	184,833	60.5%	158,395	51.8%	52,666	29,207	254,015	4,243
2034	3,764,910	3,391,854	1,394,217	1,394,217	1,997,638	41.1%	313,542	184,737	58.9%	161,540	51.5%	53,392	30,312	259,429	4,338
2035	3,777,248	3,398,718	1,403,846	1,403,846	1,994,872	41.3%	321,351	184,449	57.4%	164,671	51.2%	54,177	31,415	264,692	4,436
2036	3,785,742	3,402,170	1,413,620	1,413,620	1,988,550	41.6%	329,111	183,920	55.9%	167,807	51.0%	54,942	32,470	269,107	4,536
2037	3,790,168	3,402,777	1,424,407	1,424,407	1,978,370	41.9%	337,022	183,146	54.3%	171,049	50.8%	55,757	33,538	272,799	4,638
2038	3,792,384	3,400,757	1,436,504	1,436,504	1,964,254	42.2%	344,508	182,067	52.8%	174,107	50.5%	56,499	34,528	276,019	4,742
2039	3,791,491	3,396,212	1,450,128	1,450,128	1,946,084	42.7%	351,650	180,641	51.4%	176,984	50.3%	57,214	35,519	278,939	4,849
2040	3,788,166	3,390,120	1,466,565	1,466,565	1,923,555	43.3%	358,870	178,936	49.9%	179,939	50.1%	57,952	36,490	280,768	4,958
2041	3,783,295	3,383,758	1,487,436	1,487,436	1,896,322	44.0%	366,221	176,981	48.3%	183,047	50.0%	58,771	37,448	281,339	5,070
2042	3,778,681	3,378,012	1,513,852	1,513,852	1,864,160	44.8%	373,364	174,705	46.8%	186,117	49.8%	59,586	38,347	281,029	5,184
2043	3,774,833	3,373,450	1,546,671	1,546,671	1,826,780	45.8%	380,406	172,048	45.2%	189,156	49.7%	60,394	39,225	280,198	5,300
2044	3,772,596	3,370,697	1,586,768	1,586,768	1,783,929	47.1%	387,220	168,994	43.6%	192,116	49.6%	61,186	40,067	278,822	5,420
2045	3,772,826	3,369,716	1,634,321	1,634,321	1,735,395	48.5%	393,669	165,461	42.0%	194,876	49.5%	61,887	40,855	277,506	5,541
2046	3,774,502	3,371,017	1,690,404	1,690,404	1,680,613	50.1%	400,538	161,484	40.3%	197,835	49.4%	62,652	41,695	275,873	5,666
2047	3,779,330	3,375,287	1,756,077	1,756,077	1,619,210	52.0%	407,303	157,075	38.6%	200,812	49.3%	63,437	42,490	273,743	5,794

¹ Contribution rate is shown as a percentage of capped payroll.

² Contribution receivable to be paid in the following fiscal year. The funded ratio includes receivable contributions.

Projections include contribution amounts and payments for health insurance premium subsidies pursuant to the Underwood case. Please see table 9 for a seven-year projection of estimated subsidy amounts.



Table 4 50-Year Projections

Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago Actuarial Valuation Projection Results as of December 31, 2023 Based on the Provisions in Effect as of December 31, 2023 (\$ in Thousands)																
PYE 12/31	Present Value of Benefits	Actuarial Accrued Liability	Market Value of Assets	Actuarial Value of Assets	Unfunded Liability	Funded Ratio	Capped Payroll	Actuarial Determined Contribution	ADC as % of Pay ¹	Total Statutory Contribution ²	Statutory Contribution % of Pay ¹	Total Normal Cost	Total Employee Contribution	Benefits	Administrative Expenses	
2048	\$ 3,787,495	\$ 3,382,792	\$ 1,832,049	\$ 1,832,049	\$ 1,550,744	54.2%	\$ 414,056	\$ 152,138	36.7%	\$ 203,789	49.2%	\$ 64,227	\$ 43,285	\$ 271,550	\$ 5,924	
2049	3,799,220	3,393,926	1,919,229	1,919,229	1,474,697	56.5%	420,907	146,663	34.8%	206,836	49.1%	65,049	44,086	269,218	6,057	
2050	3,815,511	3,408,823	2,018,151	2,018,151	1,390,672	59.2%	427,495	140,595	32.9%	209,782	49.1%	65,851	44,852	266,969	6,194	
2051	3,836,959	3,426,751	2,128,521	2,128,521	1,298,230	62.1%	433,854	133,888	30.9%	212,628	49.0%	66,597	45,560	265,615	6,333	
2052	3,861,201	3,447,263	2,250,514	2,250,514	1,196,749	65.3%	440,340	126,530	28.7%	215,554	49.0%	67,450	46,351	264,994	6,475	
2053	3,888,735	3,470,313	2,384,662	2,384,662	1,085,651	68.7%	446,755	118,473	26.5%	218,474	48.9%	68,309	47,123	264,593	6,621	
2054	3,918,813	3,495,888	2,531,525	2,531,525	964,363	72.4%	452,998	109,673	24.2%	221,346	48.9%	69,206	47,904	264,401	6,770	
2055	3,951,490	3,523,987	2,691,814	2,691,814	832,173	76.4%	459,296	100,066	21.8%	224,253	48.8%	70,092	48,665	264,364	6,922	
2056	3,986,631	3,554,763	2,866,443	2,866,443	688,320	80.6%	465,656	89,598	19.2%	227,201	48.8%	70,998	49,432	264,358	7,078	
2057	4,024,348	3,588,640	3,056,626	3,056,626	532,015	85.2%	472,021	78,196	16.6%	230,153	48.8%	71,913	50,204	264,123	7,237	
2058	4,065,531	3,625,487	3,262,989	3,262,989	362,498	90.0%	478,197	65,805	13.8%	233,033	48.7%	72,771	50,911	264,159	7,400	
2059	4,108,931	3,665,468	3,298,921	3,298,921	366,547	90.0%	484,448	71,407	14.7%	63,167	13.0%	73,683	33,626	264,276	7,567	
2060	4,156,449	3,708,402	3,337,562	3,337,562	370,840	90.0%	490,603	72,168	14.7%	63,633	13.0%	74,505	34,036	264,683	7,737	
2061	4,207,609	3,753,248	3,377,923	3,377,923	375,325	90.0%	496,733	72,962	14.7%	64,183	12.9%	75,334	34,438	266,291	7,911	
2062	4,261,364	3,798,905	3,419,014	3,419,014	379,890	90.0%	502,834	73,807	14.7%	64,893	12.9%	76,189	34,835	269,114	8,089	
2063	4,313,612	3,846,114	3,461,502	3,461,502	384,611	90.0%	509,204	74,913	14.7%	65,789	12.9%	77,280	35,226	271,503	8,271	
2064	4,368,943	3,895,386	3,505,847	3,505,847	389,539	90.0%	515,463	75,884	14.7%	66,497	12.9%	78,189	35,573	273,313	8,457	
2065	4,425,851	3,946,225	3,551,602	3,551,602	394,622	90.0%	521,800	76,849	14.7%	67,245	12.9%	79,165	36,011	275,802	8,648	
2066	4,484,380	3,998,459	3,598,613	3,598,613	399,846	90.0%	528,173	77,841	14.7%	68,037	12.9%	80,153	36,447	278,566	8,842	
2067	4,544,195	4,051,931	3,646,738	3,646,738	405,193	90.0%	534,577	78,861	14.8%	68,871	12.9%	81,165	36,890	281,594	9,041	
2068	4,605,141	4,106,539	3,695,885	3,695,885	410,654	90.0%	541,012	79,905	14.8%	69,739	12.9%	82,194	37,337	284,814	9,244	
2069	4,667,132	4,162,176	3,745,958	3,745,958	416,218	90.0%	547,479	80,968	14.8%	70,635	12.9%	83,235	37,786	288,218	9,452	
2070	4,730,019	4,218,755	3,796,879	3,796,879	421,875	90.0%	553,965	82,050	14.8%	71,557	12.9%	84,289	38,239	291,782	9,665	
2071	4,793,645	4,276,195	3,848,575	3,848,575	427,619	90.0%	560,489	83,147	14.8%	72,502	12.9%	85,355	38,696	295,494	9,883	
2072	4,858,037	4,334,419	3,900,978	3,900,978	433,442	90.0%	567,017	84,251	14.9%	73,462	13.0%	86,420	39,152	299,330	10,105	

¹ Contribution rate is shown as a percentage of capped payroll.

² Contribution receivable to be paid in the following fiscal year. The funded ratio includes receivable contributions.

Table 5
Actuarial Accrued Liability Prioritized
Solvency Test

Valuation Date 12/31	(1)	(2)	(3)	Actuarial Value of Assets	Portion (%) of Present Value Covered By Assets		
	Active and Inactive Member Contributions	Retirees and Beneficiaries	Active and Inactive Members (ER Financed Portion)		(1)	(2)	(3)
2014 ¹	\$ 264,822,986	\$ 1,364,252,443	\$ 482,628,690	\$ 1,357,451,362	100.00%	80.09%	0.00%
2015 ¹	272,689,815	1,588,566,637	608,622,867	1,308,676,494	100.00%	65.22%	0.00%
2016	284,417,732	1,595,221,142	629,633,637	1,263,664,871	100.00%	61.39%	0.00%
2017 ^{1,2}	293,443,711	1,683,342,341	601,958,998	1,245,119,356	100.00%	56.53%	0.00%
2018	298,252,627	1,729,825,028	624,797,227	1,185,292,117	100.00%	51.28%	0.00%
2019	304,592,335	1,761,316,163	635,997,937	1,151,482,838	100.00%	48.08%	0.00%
2020	306,392,494	1,822,590,242	606,472,907	1,175,408,317	100.00%	47.68%	0.00%
2021	309,988,829	1,837,575,395	613,190,935	1,228,645,505	100.00%	49.99%	0.00%
2022	307,656,069	1,881,744,740	596,467,627	1,239,401,823	100.00%	49.51%	0.00%
2023 ²	310,392,113	2,006,841,738	715,035,429	1,275,667,826	100.00%	48.10%	0.00%

¹ Change in benefits.

² Change in actuarial assumptions.

The prioritized solvency test is another means of checking a system's progress under its funding program, based on the Actuarial Accrued Liability. In this test, the plan's present assets (cash and investments) are compared with obligations in order of priority: (1) active and inactive member contributions on deposit; (2) the present value of future benefits to present retired lives; and (3) the employer financed portion for present active and inactive members. In a system that has been following the discipline of financing, the obligation for active and inactive member contributions on deposit (present value 1) and the present value of future benefits to present retired lives (present value 2) will be fully covered by present assets (except in rare circumstances). In addition, the Actuarial Accrued Liability for present active and inactive members (present value 3) is covered by the remainder of present assets. Generally, if the system has been following a system of amortizing the Unfunded Liability, the funded portion of present value (3) will increase over time.

Due to the inadequacy of funding, the current assets are only sufficient to cover active and inactive member contributions and 48 percent of retiree liabilities. **The present value of employer financed benefits for active and inactive members is completely unfunded.**

Table 6
Statutory Reserves as of December 31, 2023

	New in 2023			Continuing from 2022			Total		
	Annuity Payment Fund	Prior Service Fund	Total	Annuity Payment Fund	Prior Service Fund	Total	Annuity Payment Fund	Prior Service Fund	Total
Statutory Reserve ¹									
Retirees	\$ 32,563,432	\$ 64,296,853	\$ 96,860,285	\$ 318,234,403	\$1,164,818,001	\$ 1,483,052,404	\$ 350,797,835	\$ 1,229,114,854	\$ 1,579,912,689
Future Surviving Spouses	\$ 7,204,357	\$ 4,351,111	\$ 11,555,468	\$ 80,229,525	\$ 106,972,816	\$ 187,202,341	\$ 87,433,882	\$ 111,323,927	\$ 198,757,809
Spouses ²	\$ 6,195,815	\$ 5,974,987	\$ 12,170,802	\$ 66,763,699	\$ 46,750,832	\$ 113,514,531	\$ 72,959,514	\$ 52,725,819	\$ 125,685,333
Annual Benefits									
Retirees	\$ 2,952,736	\$ 3,347,132	\$ 6,299,868	\$ 38,152,783	\$ 109,878,817	\$ 148,031,600	\$ 41,105,519	\$ 113,225,949	\$ 154,331,468
Future Surviving Spouses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Spouses ²	\$ 852,131	\$ 867,308	\$ 1,719,439	\$ 9,490,938	\$ 7,741,185	\$ 17,232,123	\$ 10,343,069	\$ 8,608,493	\$ 18,951,562

¹As required by State statutes, calculated using the Combined Annuity Mortality Table with interest at 3.00 percent per annum, except for employees and spouses of employees who were participants on or before January 1, 1952, for whom the American Experience Table of Mortality with interest at 4.00 percent per annum is used.

²Surviving spouses also include reversionary annuitants.

Table 7 State Reporting Disclosure

	2022	2023
Actuarial Present Value of Earned Benefits ¹		
Payable to Retirees and Beneficiaries	\$ 1,881,744,740	\$ 2,006,841,738
Current Active and Inactive Employees:		
Accumulated Employee Contributions	307,656,069	310,392,113
Payable to Vested and Non-Vested Employees	545,853,171	660,611,987
Total APV	\$ 2,735,253,980	\$ 2,977,845,838
Net Assets Available for Benefits, Actuarial Value	\$ 1,239,401,823	\$ 1,275,667,826
Unfunded AAL (AAL in excess of assets)	\$ 1,495,852,157	\$ 1,702,178,012
Percent Funded	45.31 %	42.84 %
Unfunded AAL as Percent of Payroll	698.73%	713.03%
Payroll	\$ 214,083,061	\$ 238,725,119

¹ Referred to under State reporting disclosures as the actuarial present value of credited projected benefits.

For 2022 and 2023, the actuarial present value of credited projected benefits is based on the PUB-2010 Below-median Income General Healthy Retiree Mortality Tables, sex distinct, with scaling factors of 109 percent for males, and 108 percent for females and applying generational mortality improvement using MP-2020 2-dimensional mortality improvement scales.

For 2022 a discount rate of 7.25 percent was used.

For 2023 the discount rate was updated to be 6.75 percent.

Table 8

Actuarial Reserve Liabilities for the Fiscal Year Ended December 31, 2023

Accrued Liabilities for Active and Inactive Participants ¹	\$ 1,025,427,542
Reserves for Members in Payment Status:	
Service Retirement Pension	\$ 1,684,676,805
Future Widows of Current Retirees	170,701,981
Surviving Spouse Pension	151,311,126
Children Annuitants	151,826
Subtotal Reserves	<u>\$ 2,006,841,738</u>
Total Accrued Liabilities	\$ 3,032,269,280
Actuarial Value of Assets	\$ 1,275,667,826
Unfunded Actuarial Accrued Liabilities (Surplus)	\$ 1,756,601,454

¹ Accrued liabilities for active participants includes retirement liability for members in ordinary or duty disabled status. Liability for disability benefits is recognized as a one-year term cost of 3.00 percent of pay added to the normal cost.

The actuarial present value of credited projected benefits is based on the PUB-2010 Below-median Income General Healthy Retiree Mortality Tables, sex distinct, with scaling factors of 109 percent for males, and 108 percent for females and applying generational mortality improvement using MP-2020 2-dimensional mortality improvement scales, and a discount rate of 6.75 percent.

Table 9
Estimated Health Insurance Premium Subsidies

Payment Year	Healthcare Premium Subsidy Payment
2024	\$ 77,824
2025	78,507
2026	79,010
2027	79,035
2028	77,938
2029	76,716
2030	75,424

Year Ending 12/31	Actual Reported Counts
2019	426
2020	382
2021	312
2022	287
2023	254

ASSETS OF THE PLAN

Assets of the Plan

The book value of plan assets, net of accounts payable, decreased from \$1.007 billion as of December 31, 2022, to \$0.993 billion as of December 31, 2023, and the market value of plan assets increased from \$1.13 billion as of December 31, 2022, to \$1.18 billion as of December 31, 2023. Table 10 details the development of asset values during 2023 and Table 11 shows the development of the actuarial value of assets as of December 31, 2023.

Table 10
Reconciliation of Asset Values as of December 31, 2023

	Market Value	Book Value	Actuarial Value
(1) Value of Assets as of 12/31/2022	\$ 1,126,898,385	\$ 1,006,666,762	\$ 1,239,401,823
(2) Income for Plan Year:			
(a) Member Contributions	\$ 19,136,631	\$ 19,136,631	\$ 19,136,631
(b) City Contributions & Miscellaneous	123,795,653	\$ 123,795,653	123,795,653
(c) Investment Income Net of Expenses	98,316,674	\$ 27,951,014	77,500,037
(d) Income from Securities Lending	177,848	\$ 177,848	177,848
(e) Total Income	\$ 241,426,806	\$ 171,061,146	\$ 220,610,169
(3) Disbursements for Plan Year:			
(a) Benefit Payments - Pension	\$ 177,480,120	\$ 177,480,120	\$ 177,480,120
(b) Benefit Payments - Health Insurance Supplement	82,450	\$ 82,450	82,450
(c) Refunds and Rollovers	3,385,091	\$ 3,385,091	3,385,091
(d) Administration and OPEB Expenses	3,396,505	\$ 3,396,505	3,396,505
(e) Total Disbursements	\$ 184,344,166	\$ 184,344,166	\$ 184,344,166
(4) Value of Assets as of 12/31/2023	\$ 1,183,981,025	\$ 993,383,742	\$ 1,275,667,826
(5) Estimated Rate of Return in 2023:			
(a) Gross (Investment Expense of \$7,062,978) ¹	10.49%	3.97%	7.07%
(b) Net of Investment Expense ¹	9.79%	3.18%	6.94%
(c) Gain (Loss) on Investment Return	\$ 25,551,718	\$ (36,097,149)	\$ (3,421,418)

¹ The City Contribution for fiscal year 2022 of \$116,175,957 is assumed to be deposited May 1, 2023, and the contribution for fiscal year 2023 of \$123,795,653 is assumed to be deposited May 1, 2024.

Numbers may not add due to rounding.

Table 11

Development of Actuarial Value of Assets as of December 31, 2023

Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago DEVELOPMENT OF THE ACTUARIAL VALUE OF ASSETS

Year Ending December 31	2023	2024	2025	2026	2027
Beginning of Year:					
(1) Market Value of Assets	\$ 1,126,898,385				
(2) Actuarial Value of Assets	1,239,401,823				
End of Year:					
(3) Market Value of Assets	1,183,981,025				
(4) Contributions and Disbursements					
(4a) City Contributions & Misc.	123,795,653				
(4b) Member Contributions	19,136,631				
(4c) Benefit Payouts & Refunds	(180,947,661)				
(4d) Administrative and OPEB Expenses	(3,396,505)				
(4e) Net of Contributions and Disbursements	(41,411,882)				
(5) Total Investment Income					
=(3)-(1)-(4e)	98,494,522				
(6) Projected Rate of Return	7.25%				
(7) Projected Investment Income ¹	72,942,804				
(8) Investment Income in Excess of Projected Income	25,551,718				
(9) Excess Investment Income Recognized					
This Year (5-year recognition)					
(9a) From This Year	5,110,344				
(9b) From One Year Ago	(50,108,365) \$	5,110,344			
(9c) From Two Years Ago	10,705,020	(50,108,365) \$	5,110,344		
(9d) From Three Years Ago	16,786,882	10,705,020	(50,108,365) \$	5,110,344	
(9e) From Four Years Ago	22,241,200	16,786,880	10,705,022	(50,108,367) \$	5,110,342
(9f) Total Recognized Investment Gain	4,735,081	(17,506,121)	(34,292,999)	(44,998,023)	5,110,342
(10) Change in Actuarial Value of Assets					
=(4e)+(7)+(9f)	36,266,003				
End of Year:					
(3) Market Value of Assets	\$ 1,183,981,025				
(11) Actuarial Value of Assets					
= (2)+(10)	\$ 1,275,667,826				

¹ The City Contribution is assumed to be deposited May 1, 2024.



PLAN MEMBER DATA

Exhibit A
Summary of Changes in Active and Inactive Participants for the
Year Ending December 31, 2023

Active Participants ¹	Number at Beginning of Year	New	Inactive to Active	Total Increases	Decreases	Number at End of Year
Males	2,107	194	9	203	188	2,122
Females	517	46	6	52	48	521
Active Total	2,624	240	15	255	236	2,643
Inactive Participants	Number at Beginning of Year	New	Active to Inactive	Total Increases	Decreases	Number at End of Year
Males	1,220	17	89	106	98	1,228
Females	168	-	21	21	20	169
Inactive Total	1,388	17	110	127	118	1,397
Total - Actives and Inactives	4,012	257	125	382	354	4,040

¹ All employees receiving ordinary and duty disability benefits are included in the active count.

Exhibit B

Summary of Changes in Annuitants and Beneficiaries for the Year Ending December 31, 2023

Annuitants and Beneficiaries	Number at Beginning of Year	Additions during Year	Terminations during Year	Number at End of Year
Employee Annuitants ²	2,524	109	114	2,519
Surviving Spouse Annuitants ³	951	55	64	942
Reversionary Annuitants ¹	29	3	1	31
Child Annuitants	23	4	5	22
Annuitant Totals	3,527	171	184	3,514
Actives Receiving Disability				
Ordinary Disability Benefit	28	47	50	25
Duty Disability Benefit	62	113	131	44
Disability Totals	90	160	181	69
Totals	3,617	331	365	3,583

¹ Includes 23 Reversionary Annuitants as of December 31, 2022, and 25 Reversionary Annuitants as of December 31, 2023, that are also Survivors.

² Includes 3 Employee Annuitants with suspended benefits.

³ Includes 6 Spouse Annuitants with suspended benefits.

Exhibit C

Part I – Total Lives and Annual Salaries of Active Male Participants Classified by Age and Years of Services as of December 31, 2023

Attained Age	Completed Years of Service										Total	
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over			
Under 20	-	-	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20-24	9	60	1	-	-	-	-	-	-	-	-	70
	\$ 490,813	\$ 4,079,861	\$ 76,336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,647,010
25-29	5	93	26	2	-	-	-	-	-	-	-	126
	\$ 297,519	\$ 6,801,549	\$ 2,400,439	\$ 195,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,695,422
30-34	14	93	58	32	-	-	-	-	-	-	-	197
	\$ 839,267	\$ 6,779,176	\$ 5,413,969	\$ 3,209,951	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,242,363
35-39	5	62	75	51	12	-	-	-	-	-	-	205
	\$ 250,141	\$ 4,739,145	\$ 7,000,319	\$ 5,049,439	\$ 1,179,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,218,344
40-44	7	58	46	56	38	45	8	-	-	-	-	258
	\$ 368,846	\$ 4,249,872	\$ 4,297,698	\$ 5,706,130	\$ 3,742,715	\$ 4,489,274	\$ 815,892	\$ -	\$ -	\$ -	\$ -	\$ 23,670,427
45-49	6	34	33	40	27	59	68	6	-	-	-	273
	\$ 297,648	\$ 2,382,559	\$ 3,040,871	\$ 3,938,672	\$ 2,564,009	\$ 5,652,413	\$ 7,123,891	\$ 615,992	\$ -	\$ -	\$ -	\$ 25,616,055
50-54	8	29	28	36	25	83	103	35	-	-	-	347
	\$ 409,656	\$ 2,059,138	\$ 2,587,526	\$ 3,611,313	\$ 2,340,600	\$ 8,081,834	\$ 10,581,022	\$ 3,749,052	\$ -	\$ -	\$ -	\$ 33,420,141
55-59	4	18	22	35	14	74	75	54	16	-	-	312
	\$ 345,704	\$ 1,320,544	\$ 1,902,000	\$ 3,490,017	\$ 1,223,314	\$ 7,046,940	\$ 7,458,839	\$ 5,626,677	\$ 1,684,167	\$ -	\$ -	\$ 30,098,202
60-64	1	9	11	8	22	45	64	33	27	-	-	220
	\$ 51,813	\$ 662,894	\$ 981,835	\$ 809,424	\$ 1,990,603	\$ 4,201,048	\$ 6,133,357	\$ 3,419,450	\$ 3,007,303	\$ -	\$ -	\$ 21,257,727
65-69	-	1	2	6	8	19	16	18	16	-	-	86
	\$ -	\$ 61,235	\$ 132,391	\$ 573,809	\$ 711,156	\$ 1,874,973	\$ 1,490,903	\$ 1,738,331	\$ 1,631,115	\$ -	\$ -	\$ 8,213,913
70 & Over	-	-	-	1	1	8	5	4	9	-	-	28
	\$ -	\$ -	\$ -	\$ 101,712	\$ 95,472	\$ 721,552	\$ 446,587	\$ 392,641	\$ 896,026	\$ -	\$ -	\$ 2,653,990
Total	59	457	302	267	147	333	339	150	68			2,122
	\$ 3,351,407	\$ 33,135,973	\$ 27,833,384	\$ 26,686,383	\$ 13,847,169	\$ 32,068,034	\$ 34,050,491	\$ 15,542,143	\$ 7,218,611	\$ -	\$ -	\$ 193,733,594



Exhibit C

Part II – Total Lives and Annual Salaries of Active Female Participants Classified by Age and Years of Services as of December 31, 2023

Attained Age	Completed Years of Service									Total	
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Under 20	-	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20-24	4	3	-	-	-	-	-	-	-	-	7
	\$ 228,709	\$ 224,724	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 453,433
25-29	1	17	6	-	-	-	-	-	-	-	24
	\$ 51,813	\$ 1,022,283	\$ 503,132	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,577,228
30-34	4	26	18	6	-	-	-	-	-	-	54
	\$ 191,193	\$ 1,852,349	\$ 1,510,103	\$ 572,727	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,126,372
35-39	4	18	21	14	6	-	-	-	-	-	63
	\$ 194,022	\$ 1,259,025	\$ 1,849,782	\$ 1,360,324	\$ 599,206	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,262,359
40-44	3	17	12	8	15	5	1	-	-	-	61
	\$ 186,813	\$ 1,153,112	\$ 1,137,738	\$ 779,914	\$ 1,403,443	\$ 478,524	\$ 94,203	\$ -	\$ -	\$ -	\$ 5,233,747
45-49	-	10	11	10	13	20	30	-	-	-	94
	\$ -	\$ 666,262	\$ 842,108	\$ 996,257	\$ 1,298,731	\$ 1,953,565	\$ 2,845,990	\$ -	\$ -	\$ -	\$ 8,602,913
50-54	3	7	12	9	12	18	21	2	-	-	84
	\$ 146,952	\$ 461,447	\$ 1,023,512	\$ 862,570	\$ 1,077,574	\$ 1,555,066	\$ 2,049,984	\$ 204,830	\$ -	\$ -	\$ 7,381,935
55-59	-	6	11	10	10	14	20	4	1	-	76
	\$ -	\$ 352,560	\$ 1,061,414	\$ 961,083	\$ 946,419	\$ 1,189,074	\$ 1,953,374	\$ 425,029	\$ 94,203	\$ -	\$ 6,983,156
60-64	-	1	6	6	7	11	8	4	2	-	45
	\$ -	\$ 47,256	\$ 452,615	\$ 586,747	\$ 648,832	\$ 1,011,178	\$ 731,255	\$ 448,720	\$ 217,773	\$ -	\$ 4,144,376
65-69	-	-	-	2	3	5	1	1	1	1	13
	\$ -	\$ -	\$ -	\$ 160,836	\$ 279,677	\$ 467,895	\$ 94,203	\$ 94,203	\$ 129,192	\$ -	\$ 1,226,006
70 & Over	-	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	19	105	97	65	66	73	81	11	4	521	
	\$ 999,502	\$ 7,039,018	\$ 8,380,404	\$ 6,280,458	\$ 6,253,882	\$ 6,655,302	\$ 7,769,009	\$ 1,172,782	\$ 441,168	\$ -	\$ 44,991,525



Exhibit C

Part III – Total Lives and Annual Salaries of Active Participants Classified by Age and Years of Services as of December 31, 2023

Attained Age	Completed Years of Service									Total	
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over		
Under 20	-	-	-	-	-	-	-	-	-	-	-
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20-24	13	63	1	-	-	-	-	-	-	-	77
	\$ 719,522	\$ 4,304,584	\$ 76,336	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,100,442
25-29	6	110	32	2	-	-	-	-	-	-	150
	\$ 349,332	\$ 7,823,832	\$ 2,903,571	\$ 195,915	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,272,650
30-34	18	119	76	38	-	-	-	-	-	-	251
	\$ 1,030,460	\$ 8,631,525	\$ 6,924,072	\$ 3,782,678	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,368,735
35-39	9	80	96	65	18	-	-	-	-	-	268
	\$ 444,163	\$ 5,998,170	\$ 8,850,101	\$ 6,409,763	\$ 1,778,506	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,480,703
40-44	10	75	58	64	53	50	9	-	-	-	319
	\$ 555,659	\$ 5,402,984	\$ 5,435,436	\$ 6,486,044	\$ 5,146,158	\$ 4,967,798	\$ 910,095	\$ -	\$ -	\$ -	\$ 28,904,175
45-49	6	44	44	50	40	79	98	6	-	-	367
	\$ 297,648	\$ 3,048,821	\$ 3,882,979	\$ 4,934,929	\$ 3,862,740	\$ 7,605,978	\$ 9,969,881	\$ 615,992	\$ -	\$ -	\$ 34,218,968
50-54	11	36	40	45	37	101	124	37	-	-	431
	\$ 556,608	\$ 2,520,585	\$ 3,611,038	\$ 4,473,883	\$ 3,418,174	\$ 9,636,900	\$ 12,631,006	\$ 3,953,882	\$ -	\$ -	\$ 40,802,076
55-59	4	24	33	45	24	88	95	58	17	-	388
	\$ 345,704	\$ 1,673,104	\$ 2,963,414	\$ 4,451,100	\$ 2,169,733	\$ 8,236,014	\$ 9,412,213	\$ 6,051,706	\$ 1,778,370	\$ -	\$ 37,081,358
60-64	1	10	17	14	29	56	72	37	29	-	265
	\$ 51,813	\$ 710,150	\$ 1,434,450	\$ 1,396,171	\$ 2,639,435	\$ 5,212,226	\$ 6,864,612	\$ 3,868,170	\$ 3,225,076	\$ -	\$ 25,402,103
65-69	-	1	2	8	11	24	17	19	17	-	99
	\$ -	\$ 61,235	\$ 132,391	\$ 734,645	\$ 990,833	\$ 2,342,868	\$ 1,585,106	\$ 1,832,534	\$ 1,760,307	\$ -	\$ 9,439,919
70 & Over	-	-	-	1	1	8	5	4	9	-	28
	\$ -	\$ -	\$ -	\$ 101,712	\$ 95,472	\$ 721,552	\$ 446,587	\$ 392,641	\$ 896,026	\$ -	\$ 2,653,990
Total	78	562	399	332	213	406	420	161	72	-	2,643
	\$ 4,350,909	\$ 40,174,990	\$ 36,213,789	\$ 32,966,841	\$ 20,101,051	\$ 38,723,336	\$ 41,819,500	\$ 16,714,925	\$ 7,659,779	\$ -	\$ 238,725,119



Exhibit D
Part I – Age and Service Distribution for Inactives – Males
as of December 31, 2023

(Males Only)

Attained Age	Years of Service									Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
Under 20	-	-	-	-	-	-	-	-	-	0
20-24	1	1	-	-	-	-	-	-	-	2
25-29	8	4	-	-	-	-	-	-	-	12
30-34	12	13	5	-	-	-	-	-	-	30
35-39	14	12	5	1	-	-	-	-	-	32
40-44	17	19	2	8	2	1	1	-	-	50
45-49	31	25	6	7	5	5	1	-	-	80
50-54	44	18	10	4	4	4	5	1	-	90
55-59	55	21	5	6	4	2	2	1	-	96
60-64	210	32	5	3	-	2	3	-	-	255
65-69	155	52	4	1	1	2	-	-	-	215
70 & Over	223	104	14	8	7	3	4	1	-	364
w/o DOB	1	1	-	-	-	-	-	-	-	2
Total	771	302	56	38	23	19	16	3	0	1,228
Average Age										64.7
Average Service										2.3

For inactives without a birthdate on record, we assumed an average age of 63.4.



Exhibit D
Part II – Age and Service Distribution for Inactives – Females
as of December 31, 2023

(Females Only)

Attained Age	Years of Service									Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
Under 20	-	-	-	-	-	-	-	-	-	0
20-24	-	1	-	-	-	-	-	-	-	1
25-29	3	3	-	-	-	-	-	-	-	6
30-34	5	4	2	-	-	-	-	-	-	11
35-39	5	4	2	1	-	-	-	-	-	12
40-44	4	7	2	1	-	-	-	-	-	14
45-49	18	17	-	-	1	-	-	-	-	36
50-54	7	8	1	2	3	2	1	-	-	24
55-59	10	5	3	3	1	1	-	-	-	23
60-64	11	3	-	3	-	-	-	-	-	17
65-69	4	-	-	-	-	-	-	-	-	4
70 & Over	9	3	5	2	1	-	1	-	-	21
w/o DOB	-	-	-	-	-	-	-	-	-	0
Total	76	55	15	12	6	3	2	0	0	169
Average Age										54.4
Average Service										3.4

For inactives without a birthdate on record, we assumed an average age of 63.4.



Exhibit D
Part III – Age and Service Distribution for Inactives – Total
as of December 31, 2023

(Males and Females Combined)

Attained Age	Years of Service									Total
	Under 1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
Under 20	-	-	-	-	-	-	-	-	-	0
20-24	1	2	-	-	-	-	-	-	-	3
25-29	11	7	-	-	-	-	-	-	-	18
30-34	17	17	7	-	-	-	-	-	-	41
35-39	19	16	7	2	-	-	-	-	-	44
40-44	21	26	4	9	2	1	1	-	-	64
45-49	49	42	6	7	6	5	1	-	-	116
50-54	51	26	11	6	7	6	6	1	-	114
55-59	65	26	8	9	5	3	2	1	-	119
60-64	221	35	5	6	-	2	3	-	-	272
65-69	159	52	4	1	1	2	-	-	-	219
70 & Over	232	107	19	10	8	3	5	1	-	385
w/o DOB	1	1	-	-	-	-	-	-	-	2
Total	847	357	71	50	29	22	18	3	0	1,397
Average Age										63.4
Average Service										2.5

For inactives without a birthdate on record, we assumed an average age of 63.4.



Exhibit E

Statistics on Employee Annuities Classified by Age as of December 31, 2023

Age	Male		Female		Total	
	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 50	3	\$ 14,592	-	\$ -	3	\$ 14,592
50-54	22	1,227,432	3	207,732	25	1,435,164
55-59	119	7,187,820	24	1,360,956	143	8,548,776
60-64	331	22,139,352	61	3,073,884	392	25,213,236
65-69	580	37,615,124	66	3,104,928	646	40,720,052
70-74	500	32,061,276	35	1,620,960	535	33,682,236
75-79	330	20,198,088	27	1,106,640	357	21,304,728
80-84	227	13,593,396	14	416,868	241	14,010,264
85-89	96	5,669,916	6	242,172	102	5,912,088
90-94	41	2,254,080	12	424,044	53	2,678,124
95-99	12	532,212	4	117,660	16	649,872
100 & over	1	55,536	5	106,800	6	162,336
Totals	2,262	\$ 142,548,824	257	\$ 11,782,644	2,519	\$ 154,331,468
Average Age	71.5		70.6		71.4	

Exhibit F

Part I – Statistics on Surviving Spouse Annuities Classified by Age as of December 31, 2023

Age	Male		Female		Total	
	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	-	\$ -	-	\$ -	-	\$ -
30-34	-	-	-	-	-	-
35-39	-	-	1	696	1	696
40-44	-	-	1	9,600	1	9,600
45-49	-	-	9	140,172	9	140,172
50-54	2	36,204	10	200,640	12	236,844
55-59	-	-	37	793,992	37	793,992
60-64	4	56,748	71	1,706,364	75	1,763,112
65-69	1	9,600	106	2,540,040	107	2,549,640
70-74	2	12,936	135	2,826,396	137	2,839,332
75-79	2	19,668	138	2,961,996	140	2,981,664
80-84	1	19,284	167	3,307,020	168	3,326,304
85-89	-	-	137	2,379,708	137	2,379,708
90-94	-	-	81	1,236,432	81	1,236,432
95-99	-	-	31	458,772	31	458,772
100 & over	-	-	6	60,480	6	60,480
Totals	12	\$ 154,440	930	\$ 18,622,308	942	\$ 18,776,748
Average Age	67.0		77.5		77.4	

Exhibit F
Part II – Statistics on Reversionary Annuities
Classified by Age as of December 31, 2023

Age	Male		Female		Total	
	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	-	\$ -	-	\$ -	-	\$ -
30-34	-	-	1	12,288	1	12,288
35-39	-	-	-	-	-	-
40-44	1	774	-	-	1	774
45-49	-	-	-	-	-	-
50-54	-	-	-	-	-	-
55-59	1	601	2	5,160	3	5,761
60-64	-	-	1	6,264	1	6,264
65-69	-	-	3	20,961	3	20,961
70-74	-	-	6	38,256	6	38,256
75-79	1	8,976	5	24,582	6	33,558
80-84	-	-	4	27,552	4	27,552
85-89	-	-	2	9,504	2	9,504
90-94	-	-	1	6,024	1	6,024
95-99	-	-	3	13,872	3	13,872
100 & over	-	-	-	-	-	-
Totals	3	\$ 10,351	28	\$ 164,463	31	\$ 174,814
Average Age	60.0		76.2		74.6	

Exhibit F
Part III – Statistics on Children Annuities
Classified by Age as of December 31, 2023

Age	Male		Female		Total	
	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 6	-	\$ -	-	\$ -	-	\$ -
6	-	-	-	-	-	-
7	-	-	-	-	-	-
8	-	-	-	-	-	-
9	1	2,640	1	2,640	2	5,280
10	1	2,640	-	-	1	2,640
11	-	-	-	-	-	-
12	1	3,000	2	5,640	3	8,640
13	1	3,000	-	-	1	3,000
14	1	2,640	-	-	1	2,640
15	3	8,640	1	2,640	4	11,280
16	1	3,000	1	3,000	2	6,000
17	7	19,560	1	3,000	8	22,560
18	-	-	-	-	-	-
Totals	16	\$ 45,120	6	\$ 16,920	22	\$ 62,040
Average Age	15.4		14.1		15.0	

Exhibit G
Part I – Number of Refund Payments Made during 2023 to Male Employees

Age at Date of Valuation	Length of Service at Date of Refund						Total
	Under 1 Year	Between 1 and 2	Between 2 and 3	Between 3 and 4	Between 4 and 5	Between 5 and Over	
Under 20	-	-	-	-	-	-	-
20 to 24	-	2	1	-	-	-	3
25 to 29	-	3	2	1	-	-	6
30 to 34	-	3	-	-	1	4	8
35 to 39	-	2	-	1	-	2	5
40 to 44	-	-	-	-	-	2	2
45 to 49	-	-	-	1	-	1	2
50 to 54	1	-	1	-	-	-	2
55 to 59	2	1	-	-	1	-	4
60 & Over	5	3	1	1	-	1	11
Totals	8	14	5	4	2	10	43

Exhibit G
Part II – Number of Refund Payments Made during 2023 to Female Employees

Age at Date of Valuation	Length of Service at Date of Refund						Total
	Under 1 Year	Between 1 and 2	Between 2 and 3	Between 3 and 4	Between 4 and 5	Between 5 and Over	
Under 20	-	-	-	-	-	-	-
20 to 24	-	-	-	-	-	-	-
25 to 29	-	1	-	-	1	-	2
30 to 34	-	-	-	-	-	-	-
35 to 39	1	-	-	-	1	1	3
40 to 44	1	-	1	-	-	-	2
45 to 49	-	-	-	-	-	1	1
50 to 54	1	1	-	-	-	-	2
55 to 59	-	-	-	-	1	-	1
60 & Over	1	-	-	-	1	-	2
Totals	4	2	1	-	4	2	13

Includes those who took a refund from both active and inactive status.

Exhibit G

Part III – Number of Refund Payments Made during 2023 to All Employees

Age at Date of Valuation	Length of Service at Date of Refund						Total
	Under 1 Year	Between 1 and 2	Between 2 and 3	Between 3 and 4	Between 4 and 5	5 and Over	
Under 20	-	-	-	-	-	-	-
20 to 24	-	2	1	-	-	-	3
25 to 29	-	4	2	1	1	-	8
30 to 34	-	3	-	-	1	4	8
35 to 39	1	2	-	1	1	3	8
40 to 44	1	-	1	-	-	2	4
45 to 49	-	-	-	1	-	2	3
50 to 54	2	1	1	-	-	-	4
55 to 59	2	1	-	-	2	-	5
60 & Over	6	3	1	1	1	1	13
Totals	12	16	6	4	6	12	56

Includes those who took a refund from both active and inactive status.

Exhibit I

Part I – Male Participants Receiving Duty Disability Classified by Age and Length of Service as of December 31, 2023

Service:	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
Attained Age	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
30 to 34	-	-	-	-	1	71,604	-	-	-	-	-	-	1	71,604
35 to 39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	1	54,288	2	105,128	3	159,416
45 to 49	-	-	-	-	-	-	1	62,712	-	-	3	165,688	4	228,400
50 to 54	-	-	-	-	-	-	-	-	1	54,288	4	262,361	5	316,649
55 to 59	-	-	-	-	-	-	-	-	-	-	9	521,040	9	521,040
60 & Over	-	-	1	33,899	1	34,913	2	135,876	2	134,285	8	519,136	14	858,109
Totals	-	\$ -	1	\$ 33,899	2	\$ 106,517	3	\$ 198,588	4	\$ 242,861	26	\$ 1,573,353	36	\$ 2,155,218

Part II – Female Participants Receiving Duty Disability Classified by Age and Length of Services as of December 31, 2023

Service:	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
Attained Age	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
30 to 34	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	1	71,604	-	-	1	71,604
45 to 49	-	-	-	-	-	-	-	-	-	-	1	60,091	1	60,091
50 to 54	-	-	-	-	-	-	-	-	-	-	2	110,016	2	110,016
55 to 59	-	-	-	-	-	-	-	-	-	-	3	167,512	3	167,512
60 & Over	-	-	-	-	-	-	-	-	-	-	1	54,756	1	54,756
Totals	-	\$ -	-	\$ -	-	\$ -	-	\$ -	1	\$ 71,604	7	\$ 392,375	8	\$ 463,979

Benefit payments are annual amount before Workers' Compensation offset.



Exhibit I

Part III – All Participants Receiving Duty Disability Classified by Age and Length of Service as of December 31, 2023

Service: Attained Age	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
30 to 34	-	-	-	-	1	71,604	-	-	-	-	-	-	1	71,604
35 to 39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	2	125,892	2	105,128	4	231,020
45 to 49	-	-	-	-	-	-	1	62,712	-	-	4	225,779	5	288,491
50 to 54	-	-	-	-	-	-	-	-	1	54,288	6	372,377	7	426,665
55 to 59	-	-	-	-	-	-	-	-	-	-	12	688,552	12	688,552
60 & Over	-	-	1	33,899	1	34,913	2	135,876	2	134,285	9	573,892	15	912,865
Totals	-	\$ -	1	\$ 33,899	2	\$ 106,517	3	\$ 198,588	5	\$ 314,465	33	\$ 1,965,728	44	\$ 2,619,197

Benefit payments are annual amount before Workers' Compensation offset.

Exhibit I

Part IV – Male Participants Receiving Ordinary Disability Classified by Age and Length of Services as of December 31, 2023

Service:	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
Attained Age	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
30 to 34	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	-	-	-	-	-	-	-	-
40 to 44	-	-	-	-	-	-	-	-	-	-	1	47,736	1	47,736
45 to 49	-	-	-	-	-	-	1	47,736	-	-	2	88,847	3	136,583
50 to 54	-	-	-	-	-	-	-	-	1	40,061	2	93,101	3	133,162
55 to 59	-	-	-	-	-	-	-	-	-	-	1	40,061	1	40,061
60 & Over	-	-	-	-	-	-	-	-	2	92,165	7	312,448	9	404,613
Totals	-	\$ -	-	\$ -	-	\$ -	1	\$ 47,736	3	\$ 132,226	13	\$ 582,193	17	\$ 762,155

Part V – Female Participants Receiving Ordinary Disability Classified by Age and Length of Services as of December 31, 2023

Service:	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
Attained Age	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
30 to 34	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	1	48,568	-	-	-	-	1	48,568
40 to 44	-	-	-	-	-	-	-	-	-	-	-	-	-	-
45 to 49	-	-	-	-	-	-	-	-	-	-	1	41,787	1	41,787
50 to 54	-	-	-	-	-	-	-	-	1	41,787	2	79,083	3	120,870
55 to 59	-	-	-	-	-	-	-	-	1	41,787	1	42,151	2	83,938
60 & Over	-	-	-	-	-	-	1	47,736	-	-	-	-	1	47,736
Totals	-	\$ -	-	\$ -	-	\$ -	2	\$ 96,304	2	\$ 83,574	4	\$ 163,021	8	\$ 342,899



Exhibit I

Part VI – All Participants Receiving Ordinary Disability Classified by Age and Length of Services as of December 31, 2023

Service:	Under 1 Year		1 to 4		5 to 9		10 to 14		15 to 19		20 & Over		Total	
Attained Age	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments	No.	Annual Payments
Under 30	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -
30 to 34	-	-	-	-	-	-	-	-	-	-	-	-	-	-
35 to 39	-	-	-	-	-	-	1	48,568	-	-	-	-	1	48,568
40 to 44	-	-	-	-	-	-	-	-	-	-	1	47,736	1	47,736
45 to 49	-	-	-	-	-	-	1	47,736	-	-	3	130,634	4	178,370
50 to 54	-	-	-	-	-	-	-	-	2	81,848	4	172,184	6	254,032
55 to 59	-	-	-	-	-	-	-	-	1	41,787	2	82,212	3	123,999
60 & Over	-	-	-	-	-	-	1	47,736	2	92,165	7	312,448	10	452,349
Totals	-	\$ -	-	\$ -	-	\$ -	3	\$ 144,040	5	\$ 215,800	17	\$ 745,214	25	\$ 1,105,054

Benefit payments are annual amount before Workers' Compensation offset.

Exhibit J

History of Average Annual Salaries

Year Ended	Members in Service	Percent Increase	Annual Salaries	Percent Increase	Average Salary	Percent Increase	Actuarial Salary Assumption	CPI Chicago ¹
2014	2,837	(0.25)%	\$ 202,673,014	1.16 %	\$ 71,439	1.41 %	3.75 %	1.48 %
2015	2,816	(0.74)%	204,772,903	1.04 %	72,718	1.79 %	3.75 %	0.00 %
2016	2,822	0.21 %	208,154,918	1.65 %	73,761	1.44 %	3.75 %	1.86 %
2017	2,794	(0.99)%	208,442,488	0.14 %	74,604	1.14 %	3.00 %	1.66 %
2018	2,715	(2.83)%	211,482,201	1.46 %	77,894	4.41 %	3.00 %	1.07 %
2019	2,662	(1.95)%	211,607,883	0.06 %	79,492	2.05 %	3.00 %	2.23 %
2020	2,564	(3.68)%	207,194,914	(2.09)%	80,809	1.66 %	3.00 %	0.89 %
2021	2,602	1.48 %	212,121,927	2.38 %	81,523	0.88 %	3.00 %	6.61 %
2022	2,624	0.85 %	214,083,061	0.92 %	81,587	0.08 %	3.00 %	5.46 %
2023	2,643	0.72 %	238,725,119	11.51 %	90,324	10.71 %	3.00 %	3.34 %
Average Increase (Decrease) for the Last Five Years		(0.54)%		2.45 %		3.01 %	3.00 %	3.69 %

¹ CPI-Chicago as of the valuation date.

Exhibit K

Part I – New Annuities Granted during 2023

	Male Annuitants	Female Annuitants	Spouse of Deceased Employees	Spouse of Deceased Annuitants
Number Retired/Deceased	91	18	3	55
Average Age Attained	61.7	59.3	53.6	75.5
Average Length of Service	28.2	27.2	25.3	28.6
Total Annual Final Average Salary	\$ 8,107,525	\$ 1,541,235	\$ 243,421	N/A
Average Annual Final Average Salary	\$ 89,094	\$ 85,624	\$ 81,140	N/A
Total Annual Annuity	\$ 5,298,984	\$ 1,000,884	\$ 75,216	\$ 1,637,654
Average Annual Annuity	\$ 58,231	\$ 55,605	\$ 25,072	\$ 29,776
Total Actuarial Liability	\$ 83,119,175	\$ 17,462,986	\$ 952,674	\$ 13,356,401
Average Actuarial Liability	\$ 913,398	\$ 970,166	\$ 317,558	\$ 242,844
Total Contributed by EE	\$ 11,393,975	\$ 2,143,257	\$ 224,404	N/A
Average Contribution	\$ 125,209	\$ 119,070	\$ 74,801	N/A
Liability/Contributions	7.30	8.15	4.25	N/A
Liability/Final Average Salary	10.25	11.33	3.91	N/A
Expected Future Lifetime (yrs.)	21.23	27.44	32.20	13.75
Payback Period (yrs.)	2.1502	2.1414	2.9835	N/A
Replacement Ratio ¹	65.36 %	64.94 %	30.90 %	N/A

¹ Ratio of average annual annuity to average annual final salary.



Exhibit K

Part II – Initial Year of Retirement Analysis

	Years of Credited Service								Total
	0-4	5-9	10-14	15-19	20-24	25-29	30-34	35+	
2017									
Avg Monthly Annuity	\$ 637	\$ 1,051	\$ -	\$ 2,188	\$ 3,411	\$ 4,260	\$ 4,432	\$ 5,661	\$ 3,747
Avg Monthly FAS	\$ 7,306	\$ 5,533	\$ -	\$ 5,853	\$ 6,678	\$ 6,434	\$ 6,124	\$ 7,057	\$ 6,452
Number of Retirees	4	5	-	13	20	17	17	17	93
2018									
Avg Monthly Annuity	\$ 291	\$ -	\$ 1,732	\$ 2,127	\$ 3,213	\$ 3,762	\$ 5,456	\$ 5,633	\$ 3,889
Avg Monthly FAS	\$ 4,398	\$ -	\$ 5,591	\$ 5,633	\$ 6,301	\$ 5,902	\$ 7,078	\$ 7,023	\$ 6,329
Number of Retirees	4	-	5	15	23	21	29	14	111
2019									
Avg Monthly Annuity	\$ 434	\$ 472	\$ 1,970	\$ 2,088	\$ 3,117	\$ 4,540	\$ 5,219	\$ 5,285	\$ 3,828
Avg Monthly FAS	\$ 10,407	\$ 5,645	\$ 5,894	\$ 6,131	\$ 6,211	\$ 6,951	\$ 6,831	\$ 6,553	\$ 6,696
Number of Retirees	4	2	5	9	26	30	20	10	106
2020									
Avg Monthly Annuity	\$ 389	\$ 1,142	\$ 1,385	\$ 2,731	\$ 3,534	\$ 4,289	\$ 5,459	\$ 5,887	\$ 3,950
Avg Monthly FAS	\$ 8,233	\$ 6,549	\$ 4,982	\$ 6,575	\$ 6,904	\$ 6,856	\$ 7,117	\$ 7,289	\$ 6,816
Number of Retirees	3	4	10	17	32	20	38	9	133
2021									
Avg Monthly Annuity	\$ 613	\$ 1,287	\$ 2,226	\$ 2,020	\$ 3,425	\$ 4,532	\$ 5,529	\$ 6,725	\$ 4,396
Avg Monthly FAS	\$ 10,485	\$ 6,996	\$ 6,509	\$ 5,093	\$ 6,691	\$ 6,879	\$ 7,239	\$ 8,330	\$ 7,056
Number of Retirees	4	1	2	10	16	26	33	9	101
2022									
Avg Monthly Annuity	\$ 604	\$ -	\$ 1,261	\$ 2,556	\$ 3,493	\$ 4,849	\$ 6,119	\$ 6,103	\$ 4,726
Avg Monthly FAS	\$ 8,386	\$ -	\$ 5,798	\$ 6,662	\$ 6,697	\$ 7,326	\$ 7,935	\$ 7,611	\$ 7,293
Number of Retirees	1	-	6	4	22	42	29	11	115
2023									
Avg Monthly Annuity	\$ 215	\$ 2,123	\$ 2,144	\$ 2,569	\$ 3,447	\$ 4,477	\$ 6,167	\$ 6,416	\$ 4,816
Avg Monthly FAS	\$ 8,687	\$ 12,268	\$ 7,826	\$ 6,182	\$ 6,609	\$ 6,949	\$ 8,025	\$ 7,911	\$ 7,377
Number of Retirees	1	1	2	8	24	23	35	15	109

Exhibit L

New Reciprocal Annuities Granted during 2023

	Reciprocal		
	Male Annuitants	Female Annuitants	Total Annuitants
Number Retired	8	0	8
Average Age Attained	64.2	0	64.2
Number with Spouses	6	0	6
Average Spouse Age	64.2	0	64.2
Percentage with Spouse	75.00%	0.00%	75.0%
Total Annual Annuity	\$ 352,368	\$ 0	\$ 352,368
Average Annual Annuity	\$ 44,046	\$ 0	\$ 44,046
Total Liability (6.75% PUB-2010 AW BM)	\$ 5,272,209	\$ 0	\$ 5,272,209
Average Liability	\$ 659,026	\$ 0	\$ 659,026

Exhibit M

Part I – History of Retirees and Beneficiaries by Type of Benefit

Years	Annuitants				Reciprocal		Disability		Compensation Annuitants ¹
	Employee	Spouse	Child	Reversionary ²	Employee	Spouse	Ordinary	Duty	
2014	2,394	1,092	30	26	296	64	53	163	1
2015	2,362	1,059	32	27	303	63	51	188	1
2016	2,324	1,016	36	27	309	57	48	197	1
2017	2,277	992	40	28	308	58	43	176	1
2018	2,284	972	37	27	310	58	35	133	1
2019	2,279	941	36	28	311	58	28	109	1
2020	2,281	934	34	29	311	57	27	102	1
2021	2,229	916	31	28	303	61	33	104	1
2022	2,231	888	23	29	293	63	28	62	1
2023	2,229	878	22	31	290	64	25	44	1

¹ Compensation Annuitant is also included as a Spouse Annuitant.

² Includes Reversionary Annuitants that are also Spouse Annuitants.

Part II – Members in Pay Status as of December 31, 2023: Counts, Annual Benefits, and Average Age by Tier

	Annuitants				Reciprocal		Disability	
	Employee	Spouse	Child	Reversionary	Employee	Spouse	Ordinary	Duty
Tier 1								
Counts	2,227	877	17	31	290	64	24	40
Annual Benefits	\$144,299,000	\$18,009,624	\$48,120	\$174,814	\$10,009,704	\$766,428	1,056,486	2,349,005
Average Age	71.2	77.3	15.6	74.6	72.9	79.1	57.4	56.0
Tier 2								
Counts	2	1	4	-	-	-	1	4
Annual Benefits	\$22,764	\$696	\$10,920	-	-	-	48,568	270,192
Average Age	52.2	35.5	11.8	NA	NA	NA	38.4	53.7
Tier 3								
Counts	-	-	1	-	-	-	-	-
Annual Benefits	-	-	3,000	-	-	-	-	-
Average Age	NA	NA	17.9	NA	NA	NA	NA	NA

Exhibit N

History of Average Employee Retirement Benefits Payable

Year Ended	Average Annual Benefit	Average Current Age of Retirees	Average Annual Benefit at Retirement Current Year	Average Age at Retirement Current Year	Average Years Service at Retirement Current Year ¹
2014	\$45,968	69.8	\$47,940	60.5	27.9
2015	47,474	69.9	46,460	60.6	28.1
2016	49,062	70.3	43,506	62.6	26.3
2017	50,807	70.5	44,964	61.6	25.2
2018	52,478	70.7	46,668	62.6	26.0
2019	54,069	70.9	45,936	61.7	25.0
2020	55,576	71.0	47,400	62.4	24.6
2021	57,571	71.1	52,752	61.4	26.7
2022	59,495	71.2	56,712	61.0	27.5
2023	61,267	71.4	57,792	61.3	28.1

¹ Excludes Reciprocal Service.

Exhibit O

Surviving Spouses Receiving Benefits as of December 31, 2023 by Age and Years in Pay Status

Attained Age	Number of Years in Pay Status						Total
	Under 1	1 to 4	5 to 9	10 to 14	15 to 19	20 & Over	
Under 30	-	-	-	-	-	-	-
30 to 34	-	1	-	-	-	-	1
35 to 39	-	-	1	-	-	-	1
40 to 44	-	-	-	2	-	-	2
45 to 49	1	4	1	1	1	1	9
50 to 54	-	5	5	2	-	-	12
55 to 59	1	13	9	5	9	3	40
60 to 64	2	23	18	14	6	13	76
65 to 69	8	32	23	16	16	15	110
70 to 74	11	28	32	19	23	30	143
75 to 79	11	31	30	24	15	35	146
80 to 84	8	34	28	29	21	52	172
85 & Over	6	30	32	34	41	118	261
Totals	48	201	179	146	132	267	973

Includes 25 Reversionary Annuitants that are also Spouse Annuitants and six Reversionary Annuitants that are not Spouse Annuitants.

Exhibit P

History of Annuities 2014–2023

Employee Annuitants (Male and Female)			
Year Ended	Number of Annuitants	Total Annuities	Average Annuities
2014	2,690	\$ 123,652,788	\$ 45,968
2015	2,665	126,518,076	47,474
2016	2,633	129,180,024	49,062
2017	2,585	131,336,039	50,807
2018	2,594	136,127,385	52,478
2019	2,590	140,039,228	54,069
2020	2,592	144,052,952	55,576
2021	2,532	145,770,800	57,571
2022	2,524	150,164,732	59,495
2023	2,519	154,331,468	61,267

Surviving Spouse and Reversionary Annuitants			
Year Ended	Number of Annuitants	Total Annuities	Average Annuities
2014 ¹	1,182	\$ 16,357,413	\$ 13,839
2015 ¹	1,149	16,567,370	14,419
2016 ²	1,100	16,397,000	14,906
2017 ¹	1,078	16,579,183	15,380
2018 ²	1,057	16,656,026	15,758
2019 ²	1,027	16,785,290	16,344
2020 ¹	1,020	17,593,487	17,249
2021 ¹	1,005	18,068,445	17,979
2022 ¹	980	18,313,737	18,687
2023 ³	973	18,951,562	19,477

¹ Includes 23 Reversionary Annuitants that are also Spouse Annuitants.

² Includes 22 Reversionary Annuitants that are also Spouse Annuitants.

³ Includes 25 Reversionary Annuitants that are also Spouse Annuitants.

Exhibit Q

Schedule of Retired Members by Amount and Type of Benefit as of December 31, 2023

Amount of Monthly Benefit	Number of Employee Annuitants	Number of Spouse Annuitants	Number of Reversionary Annuitants ¹	Number of Child Annuitants	Total Number of Annuitants
\$ 1 - 250	19	19	11	22	71
251 - 500	31	10	9	-	50
501 - 750	37	6	7	-	50
751 - 1,000	25	285	-	-	310
1,001 - 1,250	20	76	3	-	99
1,251 - 1,500	24	85	-	-	109
1,501 - 1,750	22	73	-	-	95
1,751 - 2,000	39	78	1	-	118
2,001 - 2,250	42	63	-	-	105
2,251 - 2,500	51	65	-	-	116
2,501 - 2,750	51	61	-	-	112
2,751 - 3,000	67	37	-	-	104
3,001 - 3,250	64	32	-	-	96
3,251 - 3,500	89	18	-	-	107
3,501 - 3,750	71	15	-	-	86
3,751 - 4,000	69	8	-	-	77
4,001 - 4,250	81	4	-	-	85
4,251 - 4,500	84	3	-	-	87
4,501 - 4,750	80	2	-	-	82
4,751 - 5,000	89	-	-	-	89
5,001 - 5,250	136	1	-	-	137
5,251 - 5,500	173	1	-	-	174
5,501 - 5,750	161	-	-	-	161
5,751 - 6,000	164	-	-	-	164
6,001 - 6,250	151	-	-	-	151
6,251 - 6,500	145	-	-	-	145
6,501 - 6,750	87	-	-	-	87
6,751 - 7,000	50	-	-	-	50
7,001 - 7,250	56	-	-	-	56
7,251 - 7,500	56	-	-	-	56
7,501 - 7,750	50	-	-	-	50
7,751 - 8,000	45	-	-	-	45
8,001 - 8,250	27	-	-	-	27
8,251 - 8,500	31	-	-	-	31
8,501 - 8,750	28	-	-	-	28
8,751 - 9,000	17	-	-	-	17
9,001 - 9,250	23	-	-	-	23
9,251 - 9,500	4	-	-	-	4
9,501 - 9,750	19	-	-	-	19
9,751 - 10,000	11	-	-	-	11
10,001 - 10,250	4	-	-	-	4
10,251 - 10,500	3	-	-	-	3
10,501 - 10,750	7	-	-	-	7
10,751 - 11,000	5	-	-	-	5
11,001 - 11,250	2	-	-	-	2
11,251 - 11,500	-	-	-	-	-
11,501 - 11,750	1	-	-	-	1
11,751 - 12,000	1	-	-	-	1
12,001 - 12,250	1	-	-	-	1
12,251 - 12,500	2	-	-	-	2
Over \$12,500	4	-	-	-	4
Totals	2,519	942	31	22	3,514

¹ Includes 25 reversionary annuitants that are also spouse annuitants.



**ACTUARIAL METHODS AND ASSUMPTIONS AS OF
DECEMBER 31, 2023**

Actuarial Methods and Assumptions as of December 31, 2023

Actuarial Cost Method

An Actuarial Cost Method is a set of techniques used by the actuary to develop contribution levels under a retirement plan. The principal Actuarial Cost Method used in this valuation is the Entry Age Normal Actuarial Cost Method. Under this Method, a Normal Cost is developed by spreading the actuarial value of benefits expected to be received by each active participant over the total working lifetime of that participant, from date of hire to termination, as a level percentage of pay.

To the extent that current assets and future Normal Costs do not support participants' expected future benefits, an Unfunded Actuarial Accrued Liability ("UAAL") develops. The UAAL is generally amortized over a defined period of time (e.g., 30 years). The total contribution developed under this method is typically the sum of the Normal Cost and the payment toward the UAAL.

Liability for disability benefits is recognized as a one-year term cost of 3.00 percent of pay added to the normal cost. Projected health insurance premium subsidies as a result of the Underwood Litigation are added to the normal cost to reflect term cost-based financing. Estimated annual administrative expenses are also added to the normal cost.

Current Actuarial Assumptions (Adopted as of December 31, 2020, unless otherwise stated)

Demographic Assumptions

Mortality:

Post Retirement Mortality: Scaling factors of 109 percent for males, and 108 percent for females of the Pub-2010 Amount-weighted Below-median Income General Healthy Retiree Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.

Pre-Retirement Mortality: Scaling factors of 111 percent for males, and 115 percent for females of the Pub-2010 Amount-weighted Below-median Income General Employee Mortality Tables, sex distinct, with generational mortality improvement using MP-2020 2-dimensional mortality improvement scales recently released by the SOA. This assumption provides a margin for mortality improvements.



Actuarial Methods and Assumptions as of December 31, 2023

Age	Future Life Expectancy (years) in 2023		Future Life Expectancy (years) in 2033	
	Postretirement		Postretirement	
	Male	Female	Male	Female
35	46.90	52.09	48.09	53.00
40	41.61	46.76	42.78	47.68
45	36.35	41.46	37.49	42.37
50	31.45	36.39	32.52	37.27
55	27.15	31.74	28.15	32.57
60	23.00	27.15	23.91	27.92
65	18.97	22.60	19.77	23.29
70	15.07	18.18	15.74	18.78
75	11.53	14.07	12.05	14.58

Disability: Liability for disability benefits is recognized as a one-year term cost of 3.00 percent of pay added to the normal cost.

Actuarial Methods and Assumptions as of December 31, 2023

Rate of Retirement:

Attained Age	Tier 1 Age-and-Service-Based Rates of Retirement								
	Years of Service								
	10	11-14	15-19	20-24	25-29	30-32	33-34	35-39	40+
50-54	-	-	-	-	-	14 %	23 %	23 %	100 %
55-57	-	-	-	8 %	11 %	11	18	18	100
58-59	-	-	-	6	8	11	18	18	100
60-62	6 %	5 %	5 %	6	8	11	18	18	100
63	6	6	6	6	8	11	18	18	100
64	8	6	6	8	11	11	18	18	100
65-66	10	10	14	14	14	14	23	23	100
67-68	6	6	8	8	8	14	14	15	100
69	8	8	9	11	14	15	15	15	100
70	8	8	9	11	14	15	15	15	100
71	8	8	9	15	15	20	22	25	100
72	14	14	14	40	40	40	66	66	100
73	14	14	14	40	40	40	66	66	100
74	14	14	14	40	40	40	66	66	100
75	14	14	14	25	25	25	60	60	100
76	14	14	20	47	47	47	65	80	100
77	14	14	20	67	67	67	80	90	100
78	14	14	20	80	80	80	89	88	100
79	14	14	20	90	90	90	100	100	100
80+	100	100	100	100	100	100	100	100	100

Attained Age	Tier 2 and Tier 3 Age-and-Service-Based Rates of Retirement	
	Years of Service	
	10-39	40+
60-64	15 %	100 %
65-69	30	100
70-79	50	100
80+	100	100

Actuarial Methods and Assumptions as of December 31, 2023

Rate of Termination:

Service ¹	Rate
0	15.00%
1	5.00%
2-3	3.50%
4	3.00%
5	2.00%
6-14	1.50%
15+	1.00%

¹ Based on service at beginning of valuation year.

Economic Assumptions

Investment Return Rate
and Discount Rate:

6.75 percent per year (net of investment expense). The 6.75 percent assumption is composed of a 2.25 percent inflation assumption and a 4.50 percent real rate of return assumption.

This assumption was first used in the December 31, 2023, valuation.

Future Salary Increases:

The assumed base rate of individual salary increase is 3.00 percent per year, plus a service-based increase in the first 15 years.

Completed Years of Service ¹	Additional Increase	Total Increase
1	12.00 %	15.00 %
2	9.00	12.00
3	7.00	10.00
4	2.50	5.50
5	2.25	5.25
6	2.00	5.00
7	2.00	5.00
8	0.50	3.50
9	0.10	3.10
10 – 30+	0.00	3.00

¹ Based on projected service at end of valuation year.

Asset Value:

The Actuarial Value of Assets is smoothed by using a five-year phase-in of each year's unexpected investment gains and losses.



Actuarial Methods and Assumptions as of December 31, 2023

Expenses:

Administrative expenses included in the normal cost are based on the previous years' administrative expenses increased by 2.25 percent. The assumption for fiscal year 2024 equals \$3,472,926. Future administrative expenses are assumed to increase at the assumed inflation assumption of 2.25 percent.

Actuarial Methods and Assumptions as of December 31, 2023

Projection Assumptions

Population: The active population is assumed to remain stable at the December 31, 2023, level.

New Entrant Profile: New entrants in the projection are assumed to have the following characteristics:

	Before Pay Cap	After Pay Cap
Average Age:	34.09	34.09
Average Salary:	\$ 65,909	\$ 65,909
Minimum Salary:	\$ 32,316	\$ 32,316
Maximum Salary:	\$120,931	\$120,931

New entrant characteristics are based upon current members who have been hired in the last 10 years. Approximately 78 percent of new entrants are assumed to be male.

Individual member new entrant uncapped pay at hire date is assumed to increase by 3.00 percent over the individual member new entrant pay during the prior period.

New entrant pay is calculated explicitly each year for each individual new entrant and is tested against the pensionable pay cap in the applicable year.

Individual new entrant pay once hired is assumed to increase in accordance with the salary increase assumptions used in the actuarial valuation until the pensionable pay cap is reached. Thereafter, pay increases at the same rate as the pay cap.

P.A. 96-0889 and P.A. 96-1490 Capped (pensionable pay) was \$125,773.73 for fiscal year 2024 and increases at ½ CPI thereafter.

Assumptions:

Employee and employer contributions and benefits are based on capped pay.

The annual increase in the Consumer Price Index-U is assumed to be 2.25 percent for all years.

Disability Payments in Lieu are assumed to reduce the applicable members' contributions used in the determination of the City's contribution by 7.6 percent.

Actuarial Methods and Assumptions as of December 31, 2023

Other Assumptions

Marital Status:	It is assumed that 75 percent of active members have an eligible spouse. The male spouse is assumed to be three years older than the female spouse. No assumption is made about other dependents.
Reciprocal Service:	No assumption for reciprocal service.
Benefit Service:	Exact fractional years of service are used to determine the amount of benefit payable.
Decrement Timing:	All decrements are assumed to occur mid-year.
Decrement Relativity:	Decrement rates are used directly from the experience study, without adjustment for multiple decrement table effects.
Decrement Operation:	Turnover decrements do not operate after member reaches retirement eligibility for a minimum annuity formula benefit.
Eligibility Testing:	Eligibility for benefits is determined based upon the age nearest birthday and service on the date the decrement is assumed to occur.
Pay Increase Timing:	Middle of (fiscal) year.
Loss in Tax Levy:	No loss on tax levy is assumed.
Health Insurance Premium Subsidies:	Current recipients of the \$25 per month health insurance premium subsidy were identified in the data provided by LABF staff. For purposes of projecting estimated future subsidies, current recipients are assumed to continue for life. It is assumed that 15 percent of members who become eligible for the subsidy after the valuation date will begin receiving payments. This assumption will be adjusted in future valuations as experience emerges. Health insurance premium subsidies are financed on a term cost basis.
Member Contributions:	Future projected member contributions are reduced by 5 percent to account for seasonal and/or temporary employees.

Actuarial Methods and Assumptions as of December 31, 2023

Three Methods of Financing Unfunded Liability

Normal Cost Plus

Interest Only Method: This is the method that was used in actuarial valuations prior to 1997. It is intended to continue the current provisions of the Article governing the Plan in full force and effect on a permanent basis and in the amount required each year to keep the unfunded liability from increasing if all assumptions are realized.

The normal cost plus interest only method of funding is that recommended by the former Illinois Public Employees' Pension Laws Commission. It was also the minimum required for private pension plans for IRS qualification before ERISA.

Normal Cost Plus

30-Year Level Dollar

Amortization Method: We have calculated the cost of amortizing the existing unfunded liability under a 30-year open amortization period.

Both of these cost methods, the normal cost plus interest method and the normal cost plus amortization method, express the past service costs as a level annual dollar amount. It assumes that there will be a stable membership with a growing payroll. Consequently, as the total payroll increases in the future, the level annual dollar amount becomes a decreasing percent of the total payroll.

Under both methods, level dollar amounts represent a greater percent of payroll initially and a decreasing percent of payroll as future payrolls increase.

Normal Cost Plus

30-Year Level %

of Payroll Method:

An alternative method for funding that is commonly used for public employee pension plans is a method that sets the funding standard cost objective as a level annual percent of payroll rather than as a level annual dollar amount. This method will result in increasingly greater dollar amounts each year as payrolls increase.

For the Retirement Board's guidance, we have estimated the financial effects of these different amortization methods. The costs under these funding methods are contingent upon all actuarial assumptions being met and continued active membership at the same level. These three methods meet the requirements set forth in Illinois Compiled Statutes, Chapter 40, and Section 5/1A-102.

Actuarial Methods and Assumptions as of December 31, 2023

Methods of Financing Unfunded Liability	Required Tax Levy	Employer Contribution	Multiple of Employee Contributions	Unfunded Liability Will	Employer Contribution Portion Applicable to Unfunded Liability
1. Normal Cost Plus Interest Only	N/A	\$148,950,000	8.84	Remain Constant	\$121,181,000
2. Normal Cost Plus 30-Year Level Dollar Amortization	N/A	\$168,828,000	10.02	Decrease	\$141,058,000
3. Normal Cost Plus 30-Year Level % of Payroll	N/A	\$130,090,000	7.72	Increase	\$102,321,000
4. Present Law 2024 ¹	\$127,350,000	\$127,350,000	7.56	Increase	\$99,580,000
Present Law 2025	\$136,090,000	\$136,090,000	7.46	Increase	\$108,646,000

¹ Pursuant to P.A. 100-0023, the employer multiple contribution no longer applies. For tax levy years 2024 through 2058, statutory contributions are determined as the sum of the net employer normal cost plus a fixed level percent of employee payroll needed to attain a 90 percent funded ratio by 2058.

When evaluating and selecting a funding policy, it is important to consider the projected improvement of the funded ratio over time. In addition, the current and projected future funded status can change significantly downward or upward due to unfavorable or favorable experience on investment returns, salary increases, retirement patterns, longevity, and changing plan membership.

**SUMMARY OF PROVISIONS OF THE FUND AS OF
DECEMBER 31, 2023**

Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

Plan Description

Any employee of the City of Chicago or the Board of Education employed under the provisions of the municipal personnel ordinance as labor service or any person employed by a retirement board of any annuity and benefit fund in the city is covered by the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago (Laborers' Plan) which is a defined benefit single employer pension plan with a money purchase minimum. Although this is a single employer plan, the defined benefits, as well as the employer and employee contribution levels, are mandated in Illinois Compiled Statutes (Chapter 40, Pensions, Article 5/11) and may be amended only by the Illinois legislature. The City of Chicago accounts for the plan as a pension trust fund. The City of Chicago payroll for employees covered by the Laborers' Plan for the year ended December 31, 2023, was \$238,725,119. At December 31, 2023, the Laborers' Plan membership consisted of:

Retiree, surviving spouse, reversionary annuitant, and child annuitants currently receiving benefits	3,514
Terminated inactive employees entitled to benefits or a refund of contributions but not yet receiving them	1,397
Current employees (includes 69 disabilities)	2,643

The Laborers' Fund provides retirement benefits as well as death and disability benefits. Employees age 55 or more with at least 10 years of service are entitled to receive a money purchase annuity with partial city contributions if under age 60 with less than 20 years of service. Employees age 55 or more with at least 20 years of service or age 50 or more with at least 30 years of service are entitled to receive a minimum formula annuity of 2.4 percent per year of service times the final average salary (highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of retirement). If the employee retires prior to age 60, the annuity shall be reduced by $\frac{1}{4}$ of 1.00 percent for each month the employee is under age 60, unless the employee is 50 or over with at least 30 years of service or 55 or over with at least 25 years of service. The original annuity is limited to 80 percent of the highest average annual salary. Beginning January 1, 1999, there is a 10-year deferred vested benefit payable at age 60. Employees who retire at age 60 or over with at least 10 years of service are entitled to a minimum of \$850 per month.

The monthly annuity is increased by 3.00 percent in January of the year of the first payment date following the later of age 60 or the first anniversary of retirement, and by 3.00 percent annually thereafter; except that for an employee retiring prior to age 60 the first increase will occur no later than January of the year of the first payment date following the later of (1) the third anniversary of retirement or (2) the attainment of age 53.

Participants who first became members on or after January 1, 2011, are subject to different retirement eligibility conditions and benefit provisions as described on the following pages.



Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

Plan Description (Concluded)

Covered employees are required to contribute 8.50 percent of their salary to the Laborers' Plan. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with 3.00 percent interest.

The City of Chicago is required by State statutes to contribute the remaining amounts necessary to finance the requirements of the Fund. In payment years prior to 2018, it is required to levy a tax at a rate not more than an amount equal to the total amount of contributions by the employees to the Fund made in the calendar year two years prior to the year for which the annual applicable tax is levied, multiplied by 1.00 annually. Beginning in payment year 2018, City contributions are equal to \$36 million in payment year 2018, \$48 million in payment year 2019, \$60 million in payment year 2020, \$72 million in payment year 2021, and \$84 million in payment year 2022. For payment years after 2022, the City contribution equals the sum of the net employer normal cost plus a level percent of payroll amortization of the unfunded liability needed to attain a 90 percent funded ratio by 2058 on an open group basis. After 2058, the City contribution equals the amount necessary to maintain the 90 percent funded ratio.

Participants that first became members on or after January 1, 2011, are subject to a cap on pensionable salary upon which contributions are made as described on the following pages.

Definitions

These terms are defined in Article 1A of the Illinois Pension Code *Regulation of Public Pensions*.

“Accrued liability” means the actuarial present value of future benefit payments and appropriate administrative expenses under a plan, reduced by the actuarial present value of all future normal costs (including any participant contributions) with respect to the participant included in the actuarial valuation of the plan.

“Actuarial present value” means the single amount, as of a given valuation date, that results from applying actuarial assumptions to an amount or series of amounts payable or receivable at various times.

“Actuarial value of assets” means the value assigned by the actuary to the assets of a plan for the purposes of an actuarial valuation.

“Beneficiary” means a person eligible for or receiving benefits from the pension fund.

“Credited projected benefit” means that portion of a participant’s projected benefit based on an allocation taking into account service to date determined in accordance with the terms of the plan based on anticipated future compensation.



Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

“Current value” means the fair market value when available; otherwise, the fair value as determined in good faith by a trustee, assuming an orderly liquidation at the time of the determination.

“Normal cost” means that part of the actuarial present value of all future benefit payments and appropriate administrative expenses assigned to the current year under the actuarial valuation method used by the plan (excluding any amortization of the unfunded accrued liability).

“Participant” means a participating member or deferred pensioner or annuitant of the pension fund, or a beneficiary thereof.

“Pension Fund” or “Fund” means the Laborers’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago established under Article 11 of the Illinois Pension Code.

“Plan year” means the calendar year for which the records of a given plan are kept.

“Projected benefits” means benefit amounts which are expected to be paid at various future times under a particular set of actuarial assumptions, taking into account, as applicable, the effect of advancement in age and past and anticipated future compensation and service credits.

“Supplemental annual cost” means that a portion of the unfunded accrued liability is assigned to the current year under one of the following bases:

1. Interest only on the unfunded accrued liability;
2. The level annual amount required to amortize the unfunded accrued liability over a period not exceeding 30 years (40 years for pension unfunded accrued liability prior to 2007); and
3. The amount required for the current year to amortize the unfunded accrued liability over a period not exceeding 30 years as a level percentage of payroll (40 years for pension unfunded accrued liability prior to 2007).

“Total annual cost” means the sum of the normal cost plus the supplemental annual cost.

“Unfunded accrued liability” means the excess of the accrued liability over the actuarial value of the assets of a plan.

“Vested pension benefit” means an interest obtained by a participant or beneficiary in that part of an immediate or deferred benefit under a plan which arises from the participant’s service and is not conditional upon the participant’s continued service for an employer any of whose employees are covered under the plan, and which has been forfeited under the terms of the plan.

Participants

Any person employed by the City or the Board of Education in a position classified as labor service of the employer, any person employed by the Board, and any person employed by the Retirement Board of any other Annuity and Benefit Fund which is in operation for the employer.



Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

Service

For minimum annuity, one half-year credit is given for one complete month of service and a full year credit is given for one complete month of service plus service in at least five other months. For money purchase annuity, 700 hours of service in any calendar year constitutes one year of service credit. For Ordinary Disability credit, the exact number of days, months, and years is used.

Retirement Annuity

Money Purchase Formula

Maximum is 60 percent of highest salary. Applies in cases where an employee is age 55 or older and has a minimum of 10 years of service. If employee is age 55 to 60 with service less than 20 years, the annuity is based on all employee deductions plus 1/10th of the City contributions for each year over 10. In the case of withdrawal before age 55 and application after age 55, the annuity is based on employee deductions plus 1/10th of the City contributions for each year over 10, with interest to date of application or age 55, whichever is later. The age factor for age 55 is used.

The annuity is based on all employee deductions and City contributions in cases where the employee is (a) age 55 to 60 with 20 or more years of service; (b) age 60 or older; or (c) resigning at the time of disability credit expiration.

Minimum Annuity Formula

Maximum is 80 percent of final average salary.

An employee age 60 or older with at least 10 years of service, or an employee age 55 or older, with at least 20 years of service, or an employee age 50 or older with at least 30 years of service, is entitled to an annuity equal to 2.40 percent, for each year of service of the final average salary during the four highest consecutive years within the last 10 years of service prior to retirement. If the employee withdraws from service before age 60 with less than 20 years of service, he can begin to receive an annuity no earlier than age 60. For an employee who is eligible to begin receiving an annuity before age 60, the annuity is discounted 0.25 percent for each month the employee is younger than age 60, unless he has at least 30 years of service and is age 50 or over, or has at least 25 years of service and is age 55 or over.

The employee will receive a minimum annuity of \$850 per month if the employee withdraws from service at age 60 or older with at least 10 years of service.

Participants who first became members on or after January 1, 2011, but prior to July 6, 2017, are first eligible for an unreduced annuity benefit upon attainment of age 67 with 10 years of service. Members are first eligible to begin receiving a reduced annuity benefit upon attainment of age 62 with 10 years of service. The annuity is discounted 0.50 percent for each full month the employee is younger than age 67. Final average salary is calculated using salary from the eight highest consecutive years within the last 10



Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

years of service prior to retirement. Pensionable salary is limited to \$106,800 in 2011, increased by the lesser of 3 percent and one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero) as measured in the preceding 12-month period ending with the September preceding the November 1, which is the date that the new amount will be calculated and made available to the pension funds.

Participants who first became members on or after July 6, 2017, or participants who first became members on or after January 1, 2011, but prior to July 6, 2017, and irrevocably elected this benefit structure are first eligible for an unreduced annuity benefit upon attainment of age 65 with 10 years of service. Members are first eligible to begin receiving a reduced annuity benefit upon attainment of age 60 with 10 years of service. The annuity is discounted 0.50 percent for each full month the employee is younger than age 65. Final average salary is calculated using salary from the eight highest consecutive years within the last 10 years of service prior to retirement. Pensionable salary is limited to \$106,800 in 2011, increased by the lesser of 3 percent and one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero) as measured in the preceding 12-month period ending with the September preceding the November 1, which is the date that the new amount will be calculated and made available to the pension funds.

Reversionary Annuity

An employee may elect to reduce his or her annuity by an amount less than or equal to \$400 to provide a reversionary annuity for a spouse, parent, child, brother or sister, to begin upon the employee's death. The election must be made before retirement and have been in effect one year prior to death. The one-year requirement is waived if the beneficiary is the employee's spouse. The death of the employee before retirement voids this election. The reversionary annuity cannot exceed 100 percent of the employee's reduced annuity. If the employee resigns after June 30, 1983, the 3.00 percent automatic annual increase in the annuity will be computed on the original, not the reduced, annuity; if the beneficiary dies before the employee annuitant, the full annuity is restored for annuities granted after June 30, 1983. The amount of the monthly reversionary annuity is determined by multiplying the amount of the monthly reduction in the employee's annuity by a factor based on the age of the employee and the difference between the ages of the employee and the reversionary annuitant at the starting date of the employee's annuity.

Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

Automatic Increase in Annuity

An employee annuitant is entitled to receive an increase of 3.00 percent of the currently payable annuity (compound). This increase begins in January of the year of the first payment date following the earlier of:

- 1.) The later of the third anniversary of retirement and age 53; and
- 2.) The later of the first anniversary of retirement and age 60.

Increases apply only to life annuities.

An employee annuitant that first became a member on or after January 1, 2011, that is eligible to receive an increase in annuity benefit, shall receive an annual increase equal to the lesser of 3 percent and one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero) as measured in the preceding 12-month period ending with the September preceding the increase. The increase is based on the amount of the originally granted benefit (simple). This increase begins on January 1 of the year of the first payment date following the later of:

- 1.) *Attainment of age 67 for members hired on or after January 1, 2011, but prior to July 6, 2017;*
- 2.) *Attainment of age 65 for members hired on or after July 6, 2017, or participants that first became members on or after January 1, 2011, but prior to July 6, 2017, and irrevocably elected the Tier 3 benefit structure; and*
- 3.) *The first anniversary of the annuity start date.*

Spouse Annuity

The surviving spouse annuity is the greater of the annuity under the money purchase formula or the minimum annuity formula. Surviving spouses who remarry on or after September 4, 2000, will not have their annuities terminated.

Money Purchase Formula

When an employee retires, the spouse's annuity is fixed, based on employee deductions and City contributions made for spouses' annuity purposes and a joint life age factor. (If the employee is a female, these are deductions accumulated since October 1974.)

If the employee dies in service, the spouse's annuity is based on all sums accumulated to their credit.

For 3.00 percent annuities fixed on or after August 1, 1983, the "Combined Annuity Mortality Table" shall continue to be used; however, surviving spouse's single life annuities and reversionary annuities shall be computed using the best factor (the factor producing the highest annuity), without regard to gender.

Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

Spouses' Minimum Annuity Formula

If the employee retires or dies in service and is at least age 55 with 20 or more years of service, or is at least age 50 with 30 or more years of service, the spouse's annuity is equal to half the amount of annuity the employee was entitled to receive at the time of retirement or death in service. This annuity must then be discounted 0.25 percent for each month the spouse is under age 55 (or age 50 if the employee had at least 25 years of service) at the time the employee retires or dies in service.

If the employee dies while receiving a retirement annuity, the spouse is eligible for an annuity of one-half of the employee's annuity at death. This annuity is discounted for his/her age under 55 at the time of the employee's death, unless the employee had at least 25 years of service and withdrew from service on or after June 27, 1997, in which case the spouse annuity would be discounted for spouse age under 50 at the time of the employee's death.

If the employee dies in service on or after January 1, 2002, with at least 10 years of service, the spouse is entitled to an annuity of half of the minimum formula annuity earned and accrued to the credit of the employee at the date of death. For the purposes of this benefit, the minimum formula annuity earned and accrued to the credit of the employee is equal to 2.40 percent for each year of service of the highest average annual salary for any four consecutive years within the last 10 years of service immediately preceding the date of death, up to a maximum of 80 percent of the highest average annual salary. This annuity is not reduced due to the age of the employee or spouse. The spouse is eligible for this annuity only if the marriage was in effect for 10 full years or more.

The spouse will receive a minimum annuity of \$800 per month if the employee retires with at least 10 years of service or dies in service with at least five years of service.

For participants that first became members on or after January 1, 2011, the annuity payable to the surviving spouse is equal to 66 2/3 percent of the participant's earned retirement annuity at the date of death without a reduction due to age.

Automatic Increase in Annuity

The widow or survivor of a participant that first became a member on or after January 1, 2011, shall receive an annual increase equal to the lesser of 3 percent and one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero) as measured in the preceding 12-month period ending with the September preceding the date of the increase. The increase is based on the amount of the originally granted survivor's benefit (simple). This annual increase begins on January 1 following the commencement of the widow's or survivor's annuity if the deceased member died while receiving an annuity benefit and on January 1 following the first anniversary of the commencement of the annuity otherwise.



Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

Child's Annuity

A child's annuity is provided for unmarried children of a deceased employee who are under the age of 18, if the child was conceived or born before the withdrawal from service. The annuity is \$220 per month while the spouse of the deceased employee is alive and \$250 per month if the spouse is deceased.

Family Maximum

Non-Duty Death: 60 percent of final monthly salary.

Duty Death: 70 percent of final monthly salary.

Disabilities

Duty Disability Benefits

Any employee who becomes disabled as the result of an injury incurred in the performance of any act of duty shall have a right to receive a duty disability benefit in the amount of 75 percent of salary at date of injury, plus \$10 a month for each unmarried child (the issue of the employee) less than age 18. Child's duty disability benefit is limited to 15 percent of the employee's salary as of the date of injury. Duty disability benefits begin one day after the later of the last day worked or the last day paid.

If the disability has resulted from any mental disorder, physical defect, or disease which existed at the time such injury was sustained, the duty disability benefit shall be 50 percent of salary at date of injury. Disablement because of heart attacks, strokes, or any disablement due to heart disease shall not be considered the result of an accident suffered in the performance of duty; however, the employee will receive service credit and the City will contribute salary deductions for annuity purposes if the employee is receiving Workers' Compensation.

A duty disability benefit is payable to age 65 if the disability benefits begin before age 60. For an employee who begins disability on or after age 60, disability will continue for five years. A duty disability benefit which continues for more than five years and which starts before the employee's age 60, will be increased by 10 percent on January 1st of the sixth year. The City contributes salary deductions for annuity purposes for the duty disability benefit. Such amounts contributed by the City after December 31, 1983, while the employee is receiving duty disability benefits, are not refundable to the employee and will be used for annuity purposes only.

Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

Ordinary Disability Benefit

This benefit is granted for disability incurred other than in performance of an act of duty and is 50 percent of salary as of the last day worked. The first payment shall be made one month after the disablement occurs. Disability is payable until age 65 and limited to a maximum of 25 percent of the employee's total service or five years, whichever occurs first.

For ordinary disability benefits paid on or after January 1, 2001, the Fund credits amounts equal to the amounts ordinarily contributed by an employee for annuity purposes for any period during which the employee receives ordinary disability. These amounts are used for annuity purposes but are not credited for refund purposes.

Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

Refunds

To Employees

An employee who resigns before age 55, or before age 60 with less than 10 years of service, is entitled to all salary deductions for retirement annuity and spouse annuity accumulated with interest to date of resignation, plus the 0.50 percent deducted for annuity increase purposes without interest.

If the annuity of an employee is less than \$800 a month, the employee may elect to receive a refund, as above, in lieu of an annuity.

Spouse's annuity deductions are payable to the employee if not married when the employee retires.

For participants that first became members on or after January 1, 2011, an employee who resigns before age 62 without regard to length of service or with less than 10 years of service regardless of age is entitled to all salary deductions for retirement annuity and spouse annuity accumulated with interest to date of resignation, plus the 0.50 percent deducted for annuity increase purposes without interest.

To Spouses

The spouse may choose a refund in lieu of annuity if the annuity would be less than \$800 per month.

Remaining Amounts

Amounts contributed by the employee excluding 0.50 percent deductions for annuity increases, and which have not yet been paid out as annuity, are refundable to the employee's estate with interest to his retirement or death if the employee died in service.

Deductions and Contributions

Tier 1 members (hired before January 1, 2011) are required to contribute 8.50 percent of their salary to the pension fund.

Tier 2 members (hired on or after January 1, 2011, and before July 6, 2017) are required to contribute 8.50 percent of their pensionable salary to the pension fund.

Required Tier 3 members (hired on or after July 6, 2017) are required to contribute the minimum of 11.50 percent or the total normal cost (subject to a floor of 8.50 percent) of their pensionable salary to the pension fund.



Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

Elective Tier 3 members (Tier 2 members who irrevocable elect to be subject to the Tier 3 benefit structure) are required to contribute a percentage of their pensionable salary to the pension fund, according to the following schedule:

- 9.50 percent beginning July 6, 2017;
- 10.50 percent beginning January 1, 2018; and
- Minimum of 11.50 percent or the total normal cost (subject to a floor of 8.50 percent) beginning January 1, 2019.

Beginning with the first pay period on or after the date when the funded ratio of the Fund is first determined to have reached the 90 percent funding goal and each pay period thereafter for as long as the Fund maintains a funding ratio of 75 percent or more, employee contributions for required and elective Tier 3 members shall be 7.50 percent of their pensionable salary.

For participants that first became members on or after January 1, 2011, pensionable salary, upon which member contributions are made, is limited to \$106,800 in 2011, increased by the lesser of 3 percent and one-half of the annual unadjusted percentage increase in the Consumer Price Index-U (but not less than zero) as measured in the preceding 12-month period ending with the September preceding the November 1, which is the date that the new amount will be calculated and made available to the pension funds.

Beginning in payment year 2019, the City's required annual contribution to the Fund for payment years 2019 through 2022 shall be:

- Payment year 2019 — \$48,000,000
- Payment year 2020 — \$60,000,000
- Payment year 2021 — \$72,000,000
- Payment year 2022 — \$84,000,000

For payment years 2023 through 2058, the City's required annual contribution to the Fund shall be equal to the sum of (1) the City's portion of the projected normal cost for that fiscal year, plus (2) an amount determined on a level percentage of applicable employee payroll basis that is sufficient to bring total assets of the Fund up to 90 percent of the total actuarial liabilities of the Fund by the end of 2058.

For payment years after 2058, the City's required annual contribution to the Fund shall be equal to the amount, if any, needed to bring the total actuarial assets of the Fund up to 90 percent of the total actuarial liabilities of the Fund as of the end of the year.

If the City does not make the statutorily required contributions, then the State, starting in payment year 2018, could withhold State grants to the City, and directly deposit the withheld funds in the Laborers' and Retirement Board Employees' Annuity and Benefit Fund of Chicago. The withheld funds are limited to 33 percent of total State grants to the City in payment year 2018, 67 percent in payment year 2019, and 100 percent on and after payment year 2020.



Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

Tax Shelter of Employee Salary Deductions

Beginning January 1, 1982, the City employee salary deductions were designated for income tax purposes to be made by the employer. The W-2 salary is therefore reduced by the amount of contributions. For pension purposes, the salary remains unchanged. Income tax will be paid when a refund or annuity is granted. For the purposes of benefits, refunds or financing, these contributions are treated as employee contributions.

Beginning September 1, 1981, the Board of Education paid contributions in the amount of 7.00 percent of the employee's salary. The 1985 amendments contained a provision whereby the amount of pick-up, if any, is included in the pensionable salary for contributions and benefits. Such provision was retroactive to September 1, 1981. Beginning May 28, 2000, the remainder of contributions due for Board of Education employee salary deductions was designated for income tax purposes to be made by the employer and treated in the same manner as City employee salary deductions.

Salary and COLA Development for Members Hired on or after January 1, 2011

Calendar Year	CPI-U	1/2 CPI-U	COLA	Maximum Annual Pensionable Earnings
2011				\$106,800.00
2012	3.90%	1.95%	1.95%	\$108,882.60
2013	2.00%	1.00%	1.00%	\$109,971.43
2014	1.20%	0.60%	0.60%	\$110,631.26
2015	1.70%	0.85%	0.85%	\$111,571.63
2016	0.00%	0.00%	0.00%	\$111,571.63
2017	1.50%	0.75%	0.75%	\$112,408.42
2018	2.20%	1.10%	1.10%	\$113,644.91
2019	2.30%	1.15%	1.15%	\$114,951.83
2020	1.70%	0.85%	0.85%	\$115,928.92
2021	1.40%	0.70%	0.70%	\$116,740.42
2022	5.40%	2.70%	2.70%	\$119,892.41
2023	8.20%	4.10%	3.00%	\$123,489.18
2024	3.70%	1.85%	1.85%	\$125,773.73

Summary of Principal Eligibility and Benefit Provisions as of December 31, 2023

Health Insurance Premium Subsidies

Certain employee annuitants of LABF are entitled to receive a monthly health insurance premium subsidy pursuant to the court order based on *Underwood, et al., v. City of Chicago, et al.* In order to be eligible for the Fund-paid subsidy, the employee annuitant must meet the following eligibility requirements to receive partial reimbursement for healthcare costs:

1. Annuitant must have retired on or after August 23, 1989;
2. Annuitant must have been hired prior to April 4, 2003;
3. Annuitant must have at least 15 years of City of Chicago service;
4. Annuitant must be 65 years old or older; and
5. Annuitant must have either:
 - a. participated in a group healthcare plan for which the Fund offers to deduct health insurance premiums from monthly annuities in accordance with the 1983 and 1985 amendments to the Illinois Pension Code Statutes (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
 - b. for the period between January 1, 2017, and December 31, 2019, participated in any health insurance plan and paid their healthcare insurance premiums themselves, either through an account on which the annuitant is named or an account established for the benefit of the annuitant.

Eligible employee annuitants are entitled to receive a health insurance premium subsidy payable from the Fund for the lifetime of the employee annuitant in the amount of \$25 per month. In order to continue to receive the monthly subsidy of \$25 after December 31, 2019, the eligible annuitant must participate in a group health insurance plan for which the Fund offers to deduct the annuitant's healthcare premium from the annuitant's monthly annuity benefit.

HISTORICAL INFORMATION

Exhibit R

Legislative Changes 1984 through 2023

1984

Public Act 83-1257 (HB 3128)

- Approved August 15, 1984.
- Direct deposit.
- Illinois Public Employees' Pension Laws Commission abolished.

1985

Public Act 84-0159 (HB 398)

- Approved August 15, 1985.
- 1.80, 2.00, 2.20, 2.40 percent benefit accrual rate for those born before January 1, 1936, and retiring after August 16, 1985.
- Reduction in age discount factor (employee and widow) from 0.50 percent to 0.25 percent for employees born before January 1, 1936, and retiring or dying in service after August 16, 1985.
- Health insurance supplement up to \$25 per month if the employee is age 65 or older with at least 15 years of service (for each employee annuitant in receipt of annuity and for each employee who retires on annuity in the future).
- Disability provisions extended to age 70 in certain cases.
- Unisex money purchase factors for widows/widowers.
- Membership provisions extended to age 70.
- Board of Education employee contribution "pick up" included in the definition of salary for contribution and benefit purposes.

1986

Public Act 84-1472 (HB 2630)

- Effective January 23, 1987.
- Cap removed on spouse maximum annuity.
- Automatic post-retirement increase to begin on first anniversary of retirement following attainment at age 60.

Exhibit R

Legislative Changes 1984 through 2023

1987

Public Act 85-0964 (HB 2715)

- Approved December 9, 1987.
- 1.80, 2.00, 2.20, 2.40 percent benefit accrual rate for those born on or after January 1, 1936, and retiring on or after January 1, 1988.
- Reduction in age discount factor (employee and widow) from 0.50 percent to 0.25 percent for employees born on or after January 1, 1936, and retiring or dying in service on or after January 1, 1988. No discount for employee age less than 60 if employee has at least 35 years of service.
- Minimum employee annuity of \$250 and minimum spouse annuity of \$200 under certain conditions.
- Change amount of children's benefits to \$120 or \$150 effective January 1, 1988.
- Provide for certain "Good Government" initiatives.
- Remove chronic alcoholism restriction for ordinary disability.

1988

- No changes.

1989

Public Act 86-0273 (SB 95)

- Approved August 23, 1989.
- Changed the amount of fund paid health insurance "supplement" from January 1, 1988, until December 31, 1992, to \$65 per month for each annuitant not qualified to receive Medicare benefits (and \$35 if qualified) and from January 1, 1993, until December 31, 1997, the amounts are \$75 and \$45, respectively. Widows will now be supplemented and employee annuitants will no longer be required to meet the age 65 and 15 years of service requirements. The City will be required to pay 50 percent of the aggregated cost of health care claims for the retired group under all health care plans offered by the City. A procedure was established for the City to determine, with the help of an independent actuary, the aggregate cost of claims and premiums for each calendar year from 1989 through 1997 for the retired group.

Exhibit R

Legislative Changes 1984 through 2023

Public Act (HB 332)

- Approved August 23, 1989.
- Eliminated age-related discriminatory provisions as required by Federal law or regulation. Provided for Age Discrimination changes effective January 1, 1988, to eliminate age 65 requirements for marriage in service and children's benefits, provided contributions after age 65 for spouse benefits, provided employee accumulation annuities be computed after age 70, provided employee and spouse accumulation annuities not be "fixed" at age 65, provided no age 70 restriction on disability benefits, provided for active members over age 65 that their accounts be "unfixed" and accumulate interest until the date of withdrawal, and provided that there be no age 70 membership limitation and removed the permitted "no spouse" refund at age 65.
- Eliminated the \$300, \$400, or \$500 maximum spouse annuity limitation for spouses of employees who retired before January 23, 1987, but die after January 23, 1987.
- Allow for local labor officials on a leave of absence from the Fund to contribute for their current service as a local labor official.

1990

Public Act 86-0957 (SB 136)

- Effective January 1, 1990.
- Amends Chapter 120, Paragraph 671 of the Revenue Act to provide for a separate listing on the tax bill of the dollar amount of tax due from the person assessed which is allocable to a tax levied under the Illinois Pension Code, or any other tax levied by a municipality or township for public pension or retirement purposes.

1991

Public Act 86-1488 (SB 1951)

- Approved January 14, 1991.
- Beginning for withdrawals on or after January 1, 1991, annuity payments will be made as of the first day of the calendar month during the annuity payment period.
- 2.20 percent benefit accrual rate for employees retiring on or after July 1, 1990.
- No discount for employee age less than 60 if employee has at least 30 years of service and retires on or after July 1, 1990.
- Minimum employee annuity of \$350 and minimum spouse of \$300 under certain conditions.

Exhibit R

Legislative Changes 1984 through 2023

- Spouses and widows of employees retiring or dying in service on or after July 1, 1990, with 20 or more years of service at age 55 or over will be eligible for half of the employees' annuity discounted 0.25 percent for each month the spouse or widow is less than 55.
- Retroactive eligibility for 35 years no discount and spouse and widow annuities computed as half of employee annuity.
- Refund in lieu of \$300 annuity.
- Disability benefit retroactive one year from application; duty disability deductions in lieu for heart attack or stroke; 10 percent increase in duty disability benefit January 1 of the sixth year.
- Collateral for securities lending expanded.
- Fractional payment for refund repayment and temporary service authorized. Credit established by fractional payment shall be earliest service for which credit may be established.

1992

- No change.

1993

Public Act 87-1265 (SB 1650)

- Approved January 25, 1993.
- Transfer provisions for County elected officers and judges.
- Early Retirement Incentive was created for withdrawals from December 31, 1992, to June 30, 1993.
 - Requires a total of 20 years of service (with at least 10 in this fund, and up to five purchased under ERI).
 - Requires age 55 or older.
 - Requires an election form to be filed before June 1, 1993.
 - Requires a member to be a current contributor on November 1, 1992, and have not previously retired under this Article.
 - Provides for elimination of the age discount for employees 55-60.

Exhibit R

Legislative Changes 1984 through 2023

- Provides for 80 percent maximum final average salary compared to the present 75 percent.
- Provides for an optional purchase of up to five years of service credit for 4.25 percent of the November 1, 1992, salary.
- Provides for a 24-month option to pay for ERI service.
- Provides for a tax levy derived from ERI contributions.

1994

- No change.

1995

Public Act 89-0136 (SB 114)

- Approved July 14, 1995.
- The amount of earnings that may be taken into account by any retirement system is limited to the maximum dollar limitation specified in Section 401(a)(17) of the Internal Revenue Code, except for persons who became participants before 1996.
- The Fund is authorized to make certain involuntary distributions required by Section 401(a)(9) of the Internal Revenue Code.

Public Act 89-0113 (SB 424)

- Approved July 7, 1995.
- The Pension Laws Commission was created as a legislative support services agency.

1996

SBJPA

- On August 20, 1996, the Small Business Job Protection Act was signed by President Clinton.
- Treatment of governmental plans under Code Section 415:
 - Rule limiting annual benefit to 100 percent of the average of the highest three-year compensation no longer applies.
 - Excess benefit plans are permitted to provide participants with benefits in excess of the Code Section 415 limits.

Exhibit R

Legislative Changes 1984 through 2023

- Early retirement reduction does not apply to certain survivor and disability benefits.
- The definition of compensation now includes elective deferrals.
- Taxation of distributions:
 - \$5,000 death benefit exclusion was repealed for deaths after August 20, 1996.
 - Five-year averaging for lump sum distributions was repealed effective January 1, 2000.
 - Annuity payments will be taxed according to a simplified general rule which uses investment and age as of annuity starting date for annuities which start on or after November 19, 1996.

1997

Public Act 90-0031 (HB 15)

- Approved June 27, 1997.
- For withdrawals from service occurring on or after July 1, 1990, an alternate method of calculating salary using the annual equivalent of average salary instead of the salary rate applicable for the greatest part of the year is allowed.
- Annuities effective on or after January 1, 1998, will be payable on the first day of the calendar month.
- The prudent person rule for investing is allowed.
- An eligible employee is allowed to contribute for all periods of temporary service while still in City service, for up to 90 days after withdrawal from City service, or while in reciprocal service.
- The Board is allowed to adopt rules prescribing the manner of repaying refunds and purchasing any optional credit including accepting rollovers for payments.
- The City is allowed to use deposits from any legal source (including borrowing) in lieu of all or part of the tax levy on or after June 27, 1997.
- The requirement that any person employed by a retirement board of any other annuity and benefit fund in the City apply for participation in the Fund is eliminated.
- Payment is allowed for service as a police officer, firefighter or public school teacher in the City.

Public Act 90-0032 (HB 313)

- Approved June 27, 1997.



Exhibit R

Legislative Changes 1984 through 2023

- For withdrawals from service occurring on or after June 27, 1997, an employee (and spouse) age 50 or over with at least 30 years of service is eligible to receive an annuity based on the minimum annuity formula.
- For withdrawals from service occurring on or after June 27, 1997, an employee under age 60 with at least 25 years of service is not subject to an age discount.
- The spouse of an employee dying on or after June 27, 1997, while receiving an annuity is eligible for one half of the employee's annuity at death, discounted for the spouse's age under 55 at the time of employee's death. Excess spouse refund, if any, must be repaid.
- Beginning June 27, 1997, employees already receiving annuity will receive a minimum annuity of \$550 for life (reciprocal annuitants must have at least five years of Laborers' service). Any future employee annuitant withdrawing from service after attainment of age 60 with 10 or more years of service would qualify for this minimum.
- Beginning June 27, 1997, widow(er)s already receiving annuity will receive a minimum annuity of \$500 for life (reciprocal annuitants must have at least five years of Laborers' service). For future spouses of retirees, 10 years of service is required. For spouses of employees dying in service in the future, five years of service is required.
- Beginning June 27, 1997, the child's annuity will be increased to \$220 per month if the spouse of the deceased employee parent survives or \$250 per month if no such spouse survives.
- Coverage in the City group health insurance is extended through June 30, 2002, with some modification in the plans offered. Pension fund supplement remains \$45 and \$75 for Medicare eligible and non-Medicare eligible annuitants, respectively.
- Beginning June 27, 1997, spouses of employees dying in service after age 50, with at least 30 years of service or after age 55 with 25 years of service, will be eligible to receive 50 percent of the annuity that the employee would have received. This annuity will be reduced by 0.25 percent per month for each month that the spouse is below the age of 55.

Public Act 90-0511 (HB 1641)

- Approved August 22, 1997.
- Beginning August 22, 1997, for spouses of employees who retired or died in service before January 23, 1987, the previous \$300, \$400 or \$500 maximum spouse annuity limitation is removed. If an excess spouse refund was paid, it must be repaid with interest.
- Service paid under Section 11-221 can be counted for ordinary disability purposes for periods of disability on or after August 22, 1997.

Exhibit R

Legislative Changes 1984 through 2023

- Early Retirement Incentive was created for withdrawals from December 31, 1997, to June 30, 1998.
 - Requires a total of 20 years of service (with at least 10 in this fund, up to five in a Reciprocal fund, and up to five purchased under ERI) and age 55 or older.
 - Requires a total of 30 years of service (with at least 10 years of that service in this fund and without including any service purchased under the ERI provisions) and age 50 or older.
 - Requires an election form to be filed before June 1, 1998.
 - Requires a member to be a current contributor on November 1, 1997, and have not previously retired under this Article.
 - Provides for elimination of the age discount for employees age 55 to 60.
 - Provides for 80 percent maximum final average salary compared to the present 75 percent.
 - Provides for an optional purchase of up to five years of service credit for 4.25 percent of the November 1, 1997, salary.
 - Provides for a 24-month option to pay for ERI service.
 - Provides for a tax levy derived from ERI contributions.

1998

Public Act 90-0766 (HB 3515)

- Approved August 14, 1998.
- Beginning January 1, 1999, the automatic increase for employee annuitants changed to 3.00 percent compounded for all past, current and future annuitants regardless of the effective date of the annuity. Term annuities are not eligible for the increase.
- Employees withdrawing after January 1, 1999, will be eligible for the minimum formula upon attainment of age 60 if they have at least 10 years of service.
- Beginning January 1, 1999, employees already receiving an annuity as of August 14, 1998, will receive a minimum annuity of \$850 for life (reciprocal annuitants must have at least five years of Laborers' service). Any future employee annuitant withdrawing from service after August 14, 1998, after attainment of age 60 with 10 or more years of service would qualify for this minimum.
- Beginning January 1, 1999, widow(er)s already receiving annuity as of August 14, 1998, will receive a minimum of \$800 for life (reciprocal annuitants must have at least five years of Laborers' service). For future spouses of retirees dying after August 14, 1998, 10 years of service is

Exhibit R

Legislative Changes 1984 through 2023

required. For spouses of employees dying in service after August 14, 1998, five years of service is required.

- The conditions of the reversionary option were changed as follows:
 - The nullification of reversionary payment due to employee dying was reduced to 365 days after written designation was filed with the board and now applies only to parents, children, and siblings (not spouses).
 - Employees may reduce their monthly annuity by as much as \$400.
 - The increased annuity for spouse may now be as much as 100 percent of the reduced employee annuity.
- Spouses and widows that are eligible for the “50 percent employee amount” will no longer have this amount reduced for under age 55 if the employee dies on or after January 1, 1998, and withdrew from service on or after June 27, 1997, and the employee retired after age 55 with at least 25 years of service or after age 50 with at least 30 years of service. The age discount will only apply if the spouse is under age 50.
- The child of an annuitant who withdraws after January 1, 1998, having attained age 50 with at least 30 years of service is eligible for a child annuity upon the death of the annuitant.
- The required employer multiple has been set at 1.00 for 1999 and beyond.
- Money deposited under 5/11-169(f) may be used by the Fund for any of the purposes for which the proceeds of the tax levied by the City under this section may be used.
- The number of board members is changed from five to eight. The makeup of the board is two ex-officio members, three appointed persons, two employees, and one annuitant.

Public Act 90-0731 (HB 1612)

- Effective July 1, 1999.
- Qualified Illinois Domestic Relations Orders recognized.

1999

- No Change.

Exhibit R

Legislative Changes 1984 through 2023

2000

Public Act 91-0887 (HB 1583)

- Approved July 6, 2000.
- An employee or widow whose annuity would amount to less than \$800 per month may elect to receive a refund in lieu of annuity. Formerly, only employees and widows whose annuity would be less than \$300 per month could choose a refund.
- The reversionary annuity tables have been extended down to age 50 from age 55 to comply with the change in the law allowing retirement at age 50 with 30 years of service.
- The Board is allowed to pay an annuity (if the person qualifies) directly to a Medicare approved, State certified nursing home or to a publicly owned and operated nursing home, hospital, or mental institution. Each person must qualify under the provisions of this amendment.
- Annuities of widows who remarry on or after the date 60 days after the effective date of this amendment would not be terminated upon remarriage.
- For annuities effective before January 1, 1998, all annuity payments will be made on the first day of the calendar month, for the entire month without proration.

2001

EGTRRA

- On June 7, 2001, the Economic Growth and Tax Relief Reconciliation Act of 2001 was signed by President Bush.
- Beginning January 1, 2002, payments for eligible optional service credits may be made with funds rolled over from a 457 deferred compensation plan or a 403(b) tax deferred annuity plan (if allowed by the 457 or 403(b) plan).

2002

Public Act 92-0609 (SB 314)

- Effective July 1, 2002.
- The accrual rate for the minimum formula annuity is changed from 2.20 percent to 2.40 percent of final average salary and the maximum annuity is changed from 75 percent to 80 percent of final average salary for employees withdrawing from service on or after January 1, 2002.

Exhibit R

Legislative Changes 1984 through 2023

- The 3.00 percent post-retirement automatic increase will now begin no later than three years after retirement for an eligible retiree (an eligible retiree is an employee annuitant, not a widow or widower annuitant, originally granted a lifetime annuity). For eligible retirees less than age 60 on the first anniversary of retirement, the 3.00 percent increase will begin at the earlier of age 60, and the latest of the following dates:
 - The third anniversary of retirement;
 - The attainment of age 53; or
 - January 1, 2002.

For eligible retirees age 60 or older on the first anniversary of retirement, the 3.00 percent increase will begin on the first anniversary of retirement.

Public Act 92-0599 (HB 5168)

- Effective June 28, 2002.
- For the eligible spouse of an employee who dies in service on or after August 28, 2002, with at least 10 years of service, the annuity is no less than 50 percent of the minimum formula annuity the employee would have been entitled to based on service and salary to the date of death without regard to age eligibility requirements. This is equal to 2.40 of final average salary for each year of service. The employee and the spouse must have been married for 10 years.
- For children of employees who die in service on or after June 28, 2002, there is no service requirement for eligibility for children's annuity.
- The definition of "child" now includes any child adopted before employee withdraws from service and at least one year prior to the date any benefit for the child accrues. Previously, the adoption also had to take place before the employee attained age 55.
- For ordinary disability benefits paid on or after January 1, 2001, the ordinary disability benefit is 50 percent of the employee's salary at the date of disability with the amounts ordinarily contributed by the employee for annuity purposes contributed by the Fund. These contributions are not refundable.
- The pension fund supplement for retiree health insurance was extended through June 30, 2003. For annuitants (other than child annuitants) taking the employer-provided plan, the supplement is \$75 per month if the annuitant is not eligible for Medicare and \$45 per month if the annuitant is eligible for Medicare.

Exhibit R

Legislative Changes 1984 through 2023

2003

Public Act 93-0042 (SB 1701)

- Approved June 27, 2003, and effective July 1, 2003.
- The healthcare benefits were increased to \$85 per month for non-Medicare eligible participants and \$55 per month for Medicare eligible participants for the period from July 1, 2003, through June 30, 2008. Thereafter, the benefits are increased from \$85 to \$95 and \$55 to \$65 for the period July 1, 2008, to June 30, 2013.
- The healthcare benefits referred to above are not and shall not be construed to be pension or retirement benefits for the purposes of Section 5 of Article XIII of the Illinois Constitution of 1970.

2004

Public Act 93-0654 (HB 600)

- Effective January 16, 2004.
- Early Retirement Incentive was created for withdrawals from January 31, 2004, to February 29, 2004 (or to May 31, 2004, for those deemed critical employees).
 - Requires an election form to be filed before January 31, 2004.
 - Requires a member to be a current contributor who has not previously retired under this Article and satisfy one of the following:
 - Active as of October 15, 2003;
 - Returned to active from approved leave of absence prior to December 15, 2003;
 - Receiving ordinary or duty disability benefits as of October 15, 2003; or
 - Restored to service by January 31, 2004, after having been involuntarily laid off.
 - Requires that employees that re-enter service forfeit their right to receive benefits and will have their benefits recalculated at the time of retirement excluding the benefits provided under the ERI.
 - Requires that the participant is age 50 with 10 years of creditable service in this Fund and have 70 combined years of age and service, with service in one or more systems under the Reciprocal Act (excluding service purchased under the ERI).
 - Provides for elimination of the age discount for employees younger than age 60.
 - Provides for an optional purchase of up to five years of service credit for 4.25 percent of the monthly salary rate in effect October 15, 2003.

Exhibit R

Legislative Changes 1984 through 2023

- Provides for a 24-month option to pay for ERI service.
 - Provides for the exclusion of ERI contributions from the base from which the tax levy is derived.
 - Provides for the exclusion of the liabilities arising from the ERI for the purpose of determining if a contribution by the city is required.
 - Provides for a lump sum benefit option of 100 percent of salary at retirement and an actuarially reduced monthly annuity for those employees who were eligible for the maximum benefit (excluding purchased service under the ERI).
 - Allows Board members to continue until the end of their terms without forfeiting the benefits provided by the early retirement incentive.
- Automatic increases in annuities will now take effect in the January of each year in which they are to be provided.
 - An employee who previously withdrew contributions from the Fund may have rights under the Fund restored after repaying the withdrawn contributions with interest after completing the required amount of service after the date of refund. The required service is:
 - 90 days of service under this Fund; or
 - Two years of service under any participating Fund under the Reciprocal Act.
 - Employees may elect to have their optional contributions “picked-up” by the employer, to be treated as employer contributions for tax purposes. The employee election is irrevocable.
 - For the eligible spouse of an employee who died in service on or after January 1, 2002, and before August 28, 2002, with at least 10 years of service, the annuity is no less than 50 percent of the minimum formula annuity the employee would have been entitled to based on service and salary to date of death without regard to age eligibility requirements. This minimum formula annuity is equal to 2.40 percent of final average salary for each year of service. The employee and spouse must have been married for 10 years.

2005

Public Act 94-0079 (SB 23)

- Approved June 27, 2005.
- Prohibits the investment or deposit from the retirement system or pension fund to certain entities doing business in or with the government of the Republic of the Sudan. Fund managing companies must certify that under Section 1-110.5 of the pension code that they have not loaned to, invested in, or otherwise transferred any of the pension fund assets to a forbidden entity.

Exhibit R

Legislative Changes 1984 through 2023

Public Act 94-0471 (SB 253)

- Approved August 4, 2005.
- Provides that, to qualify as an “emerging investment manager,” the maximum value of an investment portfolio that a manager manages is \$2,000,000,000 (was \$400,000,000).

Public Act 94-0657 (SB 1446)

- Approved August 22, 2005, and effective July 1, 2006.
- Provides for various changes in provisions and procedures concerning Qualified Illinois Domestic Relations Orders. Allows for alternate payee’s benefit to be based on a percentage of employee’s benefit.

2006

- No Change.

2007

Public Act 94-1057 (HB 49)

- Approved August 17, 2007.
- Provides that, beginning on the effective date, legally adopted children shall be entitled to the same benefits as other children, and no child’s or survivor’s benefit shall be disallowed because the child is an adopted child.

Public Act 95-0521 (SB 1169)

- Approved August 28, 2007.
- Provides that, in order for an Illinois finance entity to be eligible for investment or deposit of retirement system or pension fund assets, the Illinois finance entity must annually certify that it complies with the requirements of the High Risk Home Loan Act and the rules adopted pursuant to that Act that are applicable to that Illinois finance entity. Requires the retirement system or pension fund to divest its assets with the Illinois finance entity if the certification is not made. Provides that these certification requirements are severable.

2008

- No Change.

Exhibit R

Legislative Changes 1984 through 2023

2009

Public Act 95-1036 (SB 2520)

- Approved February 17, 2009.
- Provides that, before any action is taken by the Board on an application for a duty disability benefit or a widow's compensation or supplemental benefit, the employee or widow shall file a claim with the employer to establish that the disability or death occurred while the employee was acting within the scope of and in the course of the employee's duties. Provides an offset of disability benefits for any amounts provided to the employee or surviving spouse as temporary total disability payments, permanent disability payments, a lump sum settlement award or other payment under the Workers' Compensation Act or the Workers' Occupational Diseases Act. Makes other changes concerning disability benefits.

Public Act 96-0753 (HB 2557)

- Approved August 25, 2009.
- Provides that it is the public policy of the State to encourage pension funds to promote the economy of Illinois through the use of economic opportunity investments within the bounds of financial and fiduciary prudence. Provides that the pension funds submit a report to the Governor and General Assembly by September 1 of each year identifying the economic opportunity investments made by the Fund, the primary location of the business or project, the percentage of the Fund's assets in economic opportunity investments and the actions the Fund has taken to increase the use of economic opportunity investments.
- Requires the Fund to instruct the investment advisors to utilize investment strategies designed to ensure that all securities transactions are executed in such a manner that the total explicit and implicit costs and the total proceeds in every transaction are the most favorable under the circumstances.

Public Act 96-0006 (SB 364)

- Approved April 3, 2009.
- Requires Board members to file a verified written statement of economic interest annually with the office of the Clerk of Cook County.
- Requires the Board to adopt a policy that sets quantifiable utilization goals for the management of assets in specific asset classes for emerging investment managers. Goals shall be separated by minority ownership, female ownership, and person with a disability ownership.
- Requires that if at least one emerging firm(s) meet criteria of search process, at least one shall be invited to present to the Board for final consideration.



Exhibit R

Legislative Changes 1984 through 2023

- Requires the Board to adopt a policy that sets forth goals for increasing the racial, ethnic, and gender diversity of its fiduciaries, including its consultants and senior staff.
- Requires the Board to adopt a policy that sets forth goals for utilization of WMDBE firms for all contracts and services, based on the percentage of total dollar amount of all contracts let.
- Requires the Board to adopt a policy that sets forth goals for increasing the utilization of minority broker-dealers.
- Requires an annual report to the Governor and General Assembly on the utilization of “emerging firms” as defined by Article 1 of the Pension Code.
- Requires the Board to award all contracts for investment services using a competitive process that is substantially similar to the process required for the procurement of professional services under Article 35 of the Illinois Procurement Code. Requires the Board to adopt a procurement policy which will be posted on the Fund’s website and filed with the Illinois Procurement Policy Board.
- Provides that a person may not act as a consultant or investment adviser unless that person is registered as an investment adviser or banker under the Federal Investment Advisers Act of 1940.
- Requires investment contracts between the Retirement Board and investment service providers to include certain required information.
- Provides that consultant contracts cannot exceed five years in duration; however, incumbent consultant may compete for new contract.
- Requires investment consultants and advisers to disclose all direct and indirect fees, commissions, penalties, and other compensation paid by or on behalf of the investment consultant or adviser in connection with the services provided.
- Requires that a description of every contract let for investment services be posted on the website, including name of entity awarded the contract, amount of contract, total fees paid, and disclosure describing the factors that contributed to the selection.
- Requires the Fund to maintain a website that shall include standard investment reporting, a copy of relevant Board policies, a listing of investment consultants and managers, a notification of any requests for investment services, and the names and e-mail addresses of Board members, Fund directors, and senior staff.
- Requires Board members to attend at least eight hours of ethics training per year and requires each Board to annually certify its members’ compliance and submit an annual certification to the Division of Insurance of the Department of Financial and Professional Regulation.
- Prohibits any Fund trustee or employee or their spouses or immediate family living with them to intentionally solicit or accept any gift from any prohibited source as prescribed in Article 10 of the State Officials and Employees Ethics Act, including educational materials and missions and travel expenses for discussing Fund business.

Exhibit R

Legislative Changes 1984 through 2023

- Provides that any person who knowingly makes any false statement or falsifies or permits falsifying any record of the pension fund in an attempt to defraud is guilty of a Class 3 felony.
- Provides that no person or entity shall retain a person or entity to influence the outcome of an investment decision or the procurement of investment advice to a pension fund for compensation, contingent upon the decision of the Board.
- Requires approval for travel or education mission expense of a Trustee by a majority of the Board prior to the mission.

Public Act 96-0586 (SB 1440)

- Approved August 18, 2009.
- Provides that the Fund may, and to the extent required by federal law shall, allow an employee to roll over a refund, lump-sum benefit, or other non-periodic distribution (including the non-taxable portion) directly to any entity that is designated in writing by the person, is qualified under federal law to accept the distribution, and has agreed to accept the distribution.

2010

Public Act 96-0889 (SB 1946)

- Approved April 14, 2010, and effective January 1, 2011.
- Establishes a new tier of benefits for participants that first become members on or after the effective date.
 - Final average compensation is based on the average of the highest consecutive 8 years within the last 10 years of service.
 - Establishes a cap on final average salary of \$106,800, as automatically increased by the lesser of 3 percent or one-half of the annual increase in the Consumer Price Index-U during the preceding 12 months
 - Increases eligibility for a retirement annuity:
 - Age 67 with 10 years of service for an unreduced benefit.
 - Age 62 with 10 years of service for a reduced benefit. Reduction is one-half percent for each full month that retirement precedes age 67.
 - Changes provisions for automatic increases in annuity:
 - Increases begin in the year following the later of the first anniversary of the annuity start date and attainment of age 67.
 - Increases are equal to the lesser of 3 percent or one-half of the annual increase in the Consumer Price Index-U during the preceding 12 months.
 - Increases are based on the amount of the originally granted benefit (not compounded).

Exhibit R

Legislative Changes 1984 through 2023

- Changes benefits provided to surviving spouses:
 - Surviving spouse annuity is equal to 66 2/3 percent of the participant’s earned retirement annuity at the date of death
 - Provides an automatic increase in annuity
 - Increases begin on January 1 in the year following the commencement of the survivor’s annuity if the deceased member died while receiving a retirement annuity and January 1 following the first anniversary of commencement otherwise
 - Increases are equal to the lesser of 3 percent or one-half of the annual increase in the Consumer Price Index-U during the preceding 12 months
 - Increases are based on the amount of the originally granted benefit (not compounded).
- Establishes that members that are receiving a retirement annuity and accept a full-time position under the same Article or another Article established under the Illinois Compiled Statutes, would have their benefits suspended during employment. Their benefits would be recalculated, if applicable, upon termination of employment.

Public Act 96-1490 (SB 550)

- Approved December 30, 2010, and effective January 1, 2011.
- Amends certain provisions established in SB1946 that apply to participants that first become members on or after the effective date:
 - Establishes the period for calculating the annual unadjusted percentage increase in the Consumer Price Index-U as the 12-month period ending with September for purposes of capping salary and calculating the automatic increase in annuity percentage.
 - Establishes that the salary cap of \$106,800 applies for all purposes under the Code, including the calculation of benefits and employee contributions.
 - Establishes that the survivor’s annuity is calculated with no reduction due to age.
 - Establishes that members who withdraw before age 62, or with less than 10 years of service, regardless of age, are entitled to all salary deductions for retirement annuity and spouse annuity accumulated with interest to date of resignation, plus the 0.50 percent deducted for annuity increase purposes without interest.
 - Establishes that increases in annuity for employee annuitants commence on January 1.

2011

Public Act 97-0530 (SB 1672)

- Approved August 23, 2011.
- Requires all pension funds and retirement systems subject to the Code to comply with the federal Heroes Earnings Assistance and Relief Tax Act of 2008.



Exhibit R

Legislative Changes 1984 through 2023

Public Act 97-0609 (SB 1831)

- Approved August 26, 2011, and effective January 1, 2012.
- Applies to those members hired on or after the effective date.
 - Provides that if a new hire is receiving a retirement annuity or pension and accepts a contractual position to provide services to a governmental entity from which the new hire's has retired, then that person's annuity or pension will be suspended during that contractual service.
 - Makes it a Class A misdemeanor for a pensioner who is seeking contractual employment to fail to notify certain persons about his or her retirement status before accepting an employment contract.

Public Act 97-0504 (HB 1670)

- Approved August 23, 2011.
- Amends the Open Meetings Act.
 - Requires each elected or appointed member of a public body subject to this Act who is such a member on the effective date of the amendatory Act to successfully complete the electronic training curriculum developed and administered by the Public Access Counselor.
 - Requires those members to complete the training not later than one year after the effective date of the amendatory Act.
 - Requires each elected or appointed member of a public body subject to the Act who becomes such a member after the effective date of the amendatory Act to successfully complete the electronic training curriculum developed and administered by the Public Access Counselor.
 - Requires those members to complete the training not later than the 90th day after the date the member either (i) takes the oath of office, if the member is required to take an oath of office to assume the person's duties as a member of the public body or (ii) otherwise assumes responsibilities as a member of the public body, if the member is not required to take an oath of office to assume the person's duties as a member of the governmental body.
 - Requires each member who successfully completes the curriculum to file a copy of the certificate of completion with the public body.
 - Provides that the failure of one or more members of a public body to complete the training required by this Section does not affect the validity of an action taken by the public body.
 - Provides that an elected or appointed member of a public body subject to this Act who has successfully completed the required training and filed a copy of the certificate of completion with the public body is not required to subsequently complete that training.

2012

Public Act 97-0651 (HB 3813)

- Approved and effective January 5, 2012.



Exhibit R

Legislative Changes 1984 through 2023

- Requires any reasonable suspicion of fraud against the Fund to be reported to the State’s Attorney for investigation.
- Changes provisions for Union Leaves of Absence as follows:
 - Service credit can be accrued only for union leaves that begin before the effective date of this amendatory Act.
 - “Any pension plan established by the local labor organization” is defined as any pension plan in which the member can receive credit as a result of his membership in the local labor organization. This is a declaration of existing law.
 - Salary used for calculation of final average salary must be a salary paid by an employer, not by the union. This is a declaration of existing law.
 - Minimum annuity section 11-134 is changed to add to the final average salary the product of (1) final average salary, (2) the average percentage increase in the CPI during the leave of absence and (3) the number of years of leave of absence. This does not seem to deal with a situation where the employee may have been on leave within the last 10 years but is last with Laborers. It also only amends paragraph (f-1) which applies to those members who go on annuity on or after the attainment of age 60.
 - Does not change that contributions are based current salary with the union.

Public Act 97-0967 (HB 3969)

- Approved and effective August 16, 2012.
- Applies if the member retired after the effective date with less than two years of service in a participating system under the Reciprocal Act after General Assembly service.
- Requires that if the final average salary in a participating system is used to calculate the annuity, the employer must pay the General Assembly Retirement System for any increased cost of the General Assembly annuity that is attributable to the higher salary under the participating system.

2013

Public Act 98-0043 (SB 1584)

- Approved and effective June 28, 2013.
- Changes the duration of health insurance supplement payments to eligible employee annuitants to “Beginning July 1, 2008 and until such time as the city no longer provides a health care plan for such annuitants or December 31, 2016, whichever comes first.”

Public Act 98-0433 (HB 2620)

- Approved and effective August 16, 2013.
- Allows for an additional exception to the RFP process for obtaining investment services for “contracts for follow-on funds with the same fund sponsor through close-end funds.”



Exhibit R

Legislative Changes 1984 through 2023

2014

Public Act 98-0641 (SB 1922)

- Approved and effective June 9, 2014.
- Implements a funding policy designed to achieve 90% funded ratio by 2055.
- Provides for incrementally increased employer contribution multiple which eventually converts to actuarial based funding.
- Caps the current pension levy at the full required city contribution amount.
- Creates payment obligation to the fund, provides enforcement.
- Provides for incrementally increased employee contributions.
- Tier 1: Ties annual increase in retirement annuity to inflation, subject to 3% cap, delays initial annual increase by one year, and eliminates annual increases in 2017, 2019, and 2025 for most annuitants.
- Tier 2: Reduces minimum retirement age by two years, delays the initial annual increase by one year, and eliminates the annual increases in 2025.

Public Act 98-1022 (HB 452)

- Approved and effective August 22, 2014.
- Requires investment managers and consultants entering into a contract to disclose information on use of vendors owned by minorities, females, and persons with disabilities.
- Requires minority consideration to be “within the bounds of financial and fiduciary prudence.”
- Defines “minority investment managers” and requires funds to adopt a policy to increase goals for utilization. Requires annual review.
- Declares it is the public policy of the State to encourage use of minority investment managers.

2015

Public Act 99-0462 (SB 1334)

- Approved August 25, 2015.
- Sets aspirational goals that, beginning January 1, 2016, at least 20% of the total funds under management be managed by emerging investment managers and that at least 20% of the investment advisors be minorities, females, and persons with disabilities.
- Sets the aspirational goal that, beginning January 1, 2016, at least 20% of contracts for “information technology services,” “accounting services,” “insurance brokers,” “architectural and



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engineering services” and “legal services” be awarded to businesses owned by minorities, females, and persons with disabilities.

Johnson et al. v. Municipal Employees’ Annuity and Benefit Fund of Chicago, et al.

- Public Act 98-0641 was ruled unconstitutional by the circuit court on July 24, 2015. On March 24, 2016, the Illinois Supreme Court affirmed the circuit court’s decision.
- Restores full automatic annual increase, the date of initial increase, and eliminates increase holidays.
- For Tier 2, changes retirement age for unreduced benefits back to age 67 and for reduced benefits to age 62.
- Eliminates new funding policy.

2016

Public Act 99-0683 (HB 6030)

- Approved July 29, 2016.
- Mandates that by June 30, 2017, each retirement system implement a monthly procedure to identify deceased annuitants.
- Provides that each system shall have access to the vital records of the Illinois Department of Public Health at no cost to the system.

2017

Public Act 100-0023 (HB 0042)

- Approved and effective July 6, 2017.
- Implements a new funding policy designed to achieve 90% funded status by 2058. Employer required contributions are \$36MM in 2018; \$48MM in 2019; \$60MM in 2020; \$72MM in 2021; \$84MM in 2022; and for 2023 through 2058, City contributions are determined as the sum of the net employer normal cost plus a fixed level percent of employee payroll needed to attain a 90 percent funded ratio by 2058.
- Provides a new tier of benefits for participants who first become members on or after the effective date of July 6, 2017 (“Required Tier 3 Members”). Allows participants who first become members on or after January 1, 2011 and prior to July 6, 2017, to make a one-time irrevocable election to be subject to the new tier of benefits (“Elective Tier 3 Members”).
 - Introduces new annuity eligibility ages:
 - Age 65 with 10 years of service, unreduced.

Exhibit R

Legislative Changes 1984 through 2023

- Age 60 with 10 years of service, reduced; reduction is $\frac{1}{2}$ of 1% for each month that retirement precedes age 65.
- Requires increased contributions:
 - Required Tier 3 Members will pay 11.5% of capped salary beginning July 6, 2017; and the lesser of 11.5% or normal cost (subject to 8.5% floor) effective January 1, 2018.
 - Elective Tier 3 Members will pay 9.5% effective July 6, 2017; 10.5% effective January 1, 2018; and the lesser of 11.5% or normal cost (subject to 8.5% floor) effective January 1, 2019.
 - 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%.
- Changes the provisions for automatic increase in annuity:
 - Increases begin in the year following the later of the first anniversary of annuity start date and attainment of age 65.
- Provides that the governing body of the unit of local government may elect by ordinance or resolution to create a new tier of benefits—structured as a hybrid between a defined benefit and a defined contribution plan—which would be made available to certain members by choice in lieu of the benefits they would otherwise receive.
- For participants who first become members on or after the effective date, allows the Fund to pursue subrogation when a death or disability benefit is payable if such death or disability was caused by a third party.
- For participants who first become members on or after the effective date, the Fund is authorized to reduce any refund which may become payable due to felony conviction relating to or arising out of or in connection with service as an employee by any annuity benefit previously received by the member or the member’s beneficiaries.
- Allows payment of annuity to a member’s federally insured financial institution or trust established by the member or for the benefit of the member; or if the member is confined to a publicly owned and operated mental institution, payment can be paid on the member’s behalf to the superintendent or head of such institution.

Public Act 100-0334 (HB 0350)

- Approved and effective August 25, 2017
- States a person otherwise entitled to a survivor benefit and who has been convicted of a felony in connection with the service rendered by the member, is not eligible for such survivor benefit, if such conviction was after the effective date.
- It further states for participants that first becomes members after the effective date the change is a condition of employment.

Exhibit R

Legislative Changes 1984 through 2023

Public Act 100-0542 (SB 1714)

- Approved and effective November 9, 2017
- Investment consultants are required annually, as well as prior to being hired, to provide certain disclosures regarding searches involving and investments made with minority owned businesses, female owned businesses, and businesses owned by persons with disabilities. Such disclosures shall be considered within the bounds of financial and fiduciary prudence prior to the awarding of a new investment consulting contract.
- Investment consultants are required annually, as well as prior to being hired, to provide certain disclosures regarding all compensation and economic opportunity received in the last 24 months from any investment advisors retained by Fund or any investment advisor that is recommended for selection by the consultant.

2018

- No Change.

2019

Public Act 100-1166 (HB 0166)

- Approved and effective January 4, 2019
- Technical and administrative corrections to Sections 1-160, 8-174, 11-170, and 11-197.7 of the Illinois Pension Code.

2020

Public Act 101-0473 (HB 2460)

- Approved August 23, 2019, and effective January 1, 2020.
- Requires that the Fund's investment policy include a statement regarding sustainability factors and that material, relevant, and decision-useful sustainability factors have been or are regularly considered by the Board, within the bounds of financial and fiduciary prudence, in evaluating investment decisions.

2021

- No Change.

2022

Selection of an Emerging Investment Manager

- Effective January 1, 2022

Exhibit R

Legislative Changes 1984 through 2023

- Pursuant to Section 1-113.24 of the Illinois Pension Code, the Board may select or appoint an emerging investment manager that provides investment services through a qualified manager of emerging investment managers services. This exception requires a written recommendation from the investment adviser providing qualified manager of emerging investment managers services for the selection or appointment of an emerging investment manager that has been providing investment services in the multimanager portfolio for at least 24 months.

Public Act 102-742 (SB 2958)

- Approved and effective May 6, 2022
- Starting in 2022, the required employer contribution to the Fund on behalf of a participant of a labor organization will be an amount equal to the Net Normal Cost (the difference between the Gross Normal Cost and the contribution by the participant), and shall be calculated by the Fund's actuary on an aggregate basis specific to the participant's Tier based on the Fund's most recent actuarial valuation and shall be effective on each July 1 after the Board certifies the amount of the contribution to the participant.

Public Act 102-995 (SB 2952)

- Approved and effective May 27, 2022
- The City Treasurer, with the prior approval of the board, may also appoint a designee from among employees of the city who is versed in the affairs of the City Treasurer's office to act in the absence of the City Treasurer on all matters pertaining to administering the provisions of this Article.

2023

Public Act 103-424 (HB 2057)

- Effective August 4, 2023.
- Updates the Board's authority regarding subpoenas. The Board may issue subpoenas in conjunction with, but not limited to, the following: a disability claim; an administrative review proceeding; an attempt to obtain information to assist in the collection of sums due to the Fund; obtaining any and all personal identifying information necessary for the administration of benefits; the determination of the death of a benefit recipient or a potential benefit recipient; or a felony forfeiture investigation.

Public Act 103-553 (SB 1648)

- Effective August 11, 2023.
- Provides money purchase annuity for Tier 2 and Tier 3 members on ordinary disability that remain disabled after the maximum period of time allowed in receipt of ordinary disability benefit.

Exhibit R

Legislative Changes 1984 through 2023

Public Act 103-324 (HB 2782)

- Effective January 1, 2024.
- Updates the definition of investment manager. Requires disclosure of any sustainability factors that investment manager integrates into their investment decision making, investment analysis, portfolio construction, due diligence, and investment ownership in order to maximize anticipated risk-adjusted financial returns, identify projected risk, and execute the manager's fiduciary duties. Information must be disclosed prior to the award of a contract.

Exhibit S

History of Recommended Employer Multiples and Taxes Levied

Year of Report	Statutory Multiple	Normal Cost Plus Interest	Normal Cost Plus 30-Year Amortization ¹²	Normal Cost Plus 30-Year % of Salary Amortization ¹²	Tax Levy Year	Normal Cost		Total Tax Levy
						City	Park	
1986 ¹	1.37	0.99	1.84	0.94	1986	15,373,000	25,000	15,398,000
1987 ¹	1.37	1.13	1.90	1.03	1987	15,260,000	21,000	15,281,000
1988	1.37	1.03	1.87	0.98	1988	15,380,000	20,000	15,400,000
1989 ^{1,2}	1.37	0.56	1.49	0.56	1989	15,442,000	14,000	15,456,000
1990 ^{1,2}	1.37	1.01	1.80	0.93	1990	15,261,000	12,000	15,273,000
1991	1.37	0.93	1.70	0.90	1991	16,382,000	10,000	16,392,000
1992 ²	1.37	0.80	1.75	0.80	1992	16,835,000	11,000	16,846,000
1993 ²	1.37	0.83	1.96	0.83	1993	18,036,000	11,000	18,047,000
1994 ^{1,2}	1.37	0.64	1.84	0.64	1994	17,069,000	12,000	17,081,000
1995 ²	1.37	0.75	1.87	0.75	1995	18,726,000	9,500	18,735,500
1996	1.37	0.66	1.75	0.66	1996	20,037,300	6,900	20,044,200
1997 ^{1,2,3,4}	1.37	N/A	N/A	N/A	1997	19,645,400	4,300	19,649,700
1998 ^{1,2,4}	1.37	N/A	N/A	N/A	1998	19,757,000	4,600	19,761,600
1999 ^{1,4,5}	1.00	N/A	N/A	N/A	1999	14,676,000	1,898	14,677,898
2000 ⁴	1.00	N/A	N/A	N/A	2000 ⁶	0	0	0
2001 ⁴	1.00	N/A	N/A	N/A	2001 ⁷	0	0	0
2002 ^{2,4}	1.00	N/A	N/A	N/A	2002 ⁸	0	0	0
2003 ²	1.00	0.44	0.43	0.53	2003 ⁹	0	0	0
2004 ^{1,2}	1.00	0.67	0.67	0.63	2004 ¹⁰	0	0	0
2005 ¹	1.00	1.18	1.23	0.63	2005 ¹¹	0	0	0
2006	1.00	1.54	1.64	1.30	2006 ¹³	0	0	0
2007	1.00	1.12	1.19	0.99	2007	15,460,000	0	15,460,000
2008	1.00	1.98	2.12	1.60	2008	17,891,000	0	17,891,000
2009	1.00	2.54	2.76	1.97	2009	17,545,800	0	17,545,800
2010	1.00	3.57	3.89	2.71	2010	18,239,700	0	18,239,700
2011 ¹	1.00	4.95	5.41	3.67	2011 ¹	15,635,700	0	15,635,700
2012 ¹	1.00	6.78	7.48	5.44	2012 ¹	14,898,700	0	14,898,700
2013 ²	1.00	6.42	7.20	5.26	2013 ²	14,616,300	0	14,616,300
2014 ²	1.00	4.87	5.48	4.05	2014 ²	15,074,500	0	15,074,500
2015 ²	1.00	7.08	7.94	5.75	2015 ²	15,011,900	0	15,011,900
2016 ¹⁴	1.00	7.38	8.14	5.84	2016 ¹⁴	15,019,000	0	15,019,000
2017 ^{1,15}	3.08	7.44	8.28	6.33	2017 ¹⁵	36,000,000	0	36,000,000
2018 ^{1,15}	3.78	8.39	9.35	7.26	2018 ¹⁵	48,000,000	0	48,000,000
2019 ^{1,15}	4.38	8.50	9.48	7.34	2019 ¹⁵	60,000,000	0	60,000,000
2020 ^{1,15}	4.98	8.24	9.20	7.11	2020 ¹⁵	72,000,000	0	72,000,000
2021 ^{1,15}	7.01	8.25	9.20	7.12	2021 ¹⁵	84,000,000	0	84,000,000
2022 ^{1,16}	6.85	8.40	9.38	7.24	2022 ¹⁶	116,549,222	0	116,549,222
2023 ^{1,16}	7.56	8.84	10.02	7.72	2023 ¹⁶	111,974,969	0	111,974,969

¹ Change in actuarial assumptions.

² Change in benefits.

³ Change in asset valuation method to GASB.

⁴ No contribution is required under these valuation methods.

⁵ Change in actuary.

⁶ Tax levy based on the statutory multiple would be \$16,726,700.

⁷ Tax levy based on the statutory multiple would be \$16,504,660.

⁸ Tax levy based on the statutory multiple would be \$16,892,000.

⁹ Tax levy based on the statutory multiple would be \$19,430,000.

¹⁰ Tax levy based on the statutory multiple would be \$19,570,600.

¹¹ Tax levy based on the statutory multiple would be \$18,970,900.

¹² 40-year amortization for years prior to 2006; 30-year amortization for 2006 and after.

¹³ Tax levy based on the statutory multiple would be \$17,193,400.

¹⁴ Statutory multiple applicable in tax levy year 2016.

¹⁵ Fixed statutory contributions pursuant to PA 100-0023. Multiple no longer applies.

¹⁶ Pursuant to P.A. 100-0023, statutory city contributions equal to the net employer normal cost plus a level percent of payroll amortization payment needed to attain a 90 percent funded ratio by 2058.



Exhibit T

Actuarial Determined Contributions of Employer and Trend Information

Year	Actuarial Determined Contribution (ADC) of the Employer ¹	Required Statutory Basis ²	Actual ³	Percent of ADC Contributed
2014	\$ 108,538,602	\$ 14,471,520	\$ 14,520,515	13.38%
2015	82,252,473	14,411,424	14,566,544	17.71%
2016	119,215,489	14,418,240	14,443,495	12.12%
2017	124,226,042	36,000,000	35,456,607	28.54%
2018	129,247,584	48,000,000	47,844,184	37.02%
2019	148,409,689	60,000,000	59,346,056	39.99%
2020	155,793,822	72,000,000	73,744,129	47.33%
2021	155,245,337	84,000,000	84,969,321	54.73%
2022	153,023,327	116,549,222	116,175,957	75.92%
2023	153,404,709	111,974,969	123,795,653	80.70%

¹ Under Normal Cost plus Level-Dollar Amortization. Amortization period of 30 years beginning in 2007 and 40 years prior to 2007. Negative ADC values are set to zero, as no contribution is then required.

² Tax levy after 4.00 percent overall loss for years 2008 through 2016.

³ Net tax levy plus miscellaneous. Includes prior year adjustments for taxes beginning in 1991.

Year	Assets ¹ Available for Benefits as a % of Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability (Surplus) as a % of Covered Payroll End of Year	Employer Contribution as a % of Covered Payroll Beginning of Year
2014	64.28%	372.15 %	7.16%
2015	52.99%	567.07 %	7.11%
2016	50.36%	598.40 %	6.94%
2017	48.28%	639.81 %	17.01%
2018	44.68%	693.95 %	22.94%
2019	42.62%	732.69 %	28.05%
2020	42.97%	752.94 %	35.59%
2021	44.50%	722.28 %	40.06%
2022	44.49%	722.37 %	54.27%
2023	42.07%	735.83 %	51.86%

¹ Actuarial value of assets.

Exhibit U

History of Retirees and Beneficiaries Added to Payrolls 2014-2023

Year	Added to Payroll		Removed from Payroll		Payroll End of Year		Average Annual Benefit	Increase in Average Benefit
	No. ¹	Ann. Benefits ²	No. ¹	Ann. Benefits	No.	Ann. Benefits		
Employee Annuitants (Male and Female)								
2014	102	\$ 8,125,860	139	\$ 5,180,724	2,690	\$ 123,652,788	\$ 45,968	3.85%
2015	92	7,652,892	117	4,787,604	2,665	126,518,076	47,474	3.28%
2016	74	6,753,900	106	4,091,952	2,633	129,180,024	49,062	3.34%
2017	93	7,869,662	141	5,713,647	2,585	131,336,039	50,807	3.56%
2018	111	8,910,960	102	4,119,614	2,594	136,127,385	52,478	3.29%
2019	106	8,627,315	110	4,715,472	2,590	140,039,228	54,069	3.03%
2020	133	10,258,392	131	6,244,668	2,592	144,052,952	55,576	2.79%
2021	101	9,361,908	161	7,644,060	2,532	145,770,800	57,571	3.59%
2022	115	10,608,210	123	6,214,278	2,524	150,164,732	59,495	3.34%
2023	109	10,525,560	114	6,358,824	2,519	154,331,468	61,267	2.98%
Surviving Spouse and Reversionary Annuitants								
2014	62	\$ 1,333,056	69	\$ 733,176	1,182	\$ 16,357,413	\$ 13,839	4.42%
2015	45	1,093,704	78	883,747	1,149	16,567,370	14,419	4.19%
2016	40	940,530	89	1,110,900	1,100	16,397,000	14,906	3.38%
2017	59	1,324,260	81	1,142,077	1,078	16,579,183	15,380	3.18%
2018	48	1,039,044	69	962,202	1,057	16,656,026	15,758	2.46%
2019	49	1,219,584	79	1,090,320	1,027	16,785,290	16,344	3.72%
2020	58	1,655,121	65	846,924	1,020	17,593,487	17,249	5.53%
2021	63	1,650,699	78	1,175,741	1,005	18,068,445	17,979	4.23%
2022	55	1,443,099	80	1,197,807	980	18,313,737	18,687	3.94%
2023	58	1,712,915	65	1,075,090	973	18,951,562	19,477	4.23%

¹ Numbers added and removed from payroll may include Reversionary Annuitants that are also Surviving Spouses.

² Annual benefits added to payroll include post-retirement increase amounts.