

Happy New Year !

WIDOWS and ORPHANS FUND

As a reminder many of the membership, both active and retired, do not know this Fund has separate funding for police officer's widows and children. Over the years we have accepted gifts and donations which established an amount to permit the Board to offer gifts from time to time.

Once again, this year, the Board was able to approve a **GIFT PAYMENT** of \$400.00 to widows receiving \$1,000.00 or less per month and all annuitants receiving \$1,050.00 or less per month.

Funding in this account is dependent on Donations and Gifts made in memory of fellow police officers or to commend our current police force, the work they complete each day. You can support the Widows and Orphans Fund in a number of ways. For further details, visit the website at .chipabf.org or call the Pension Fund at 312-744-3891, outside Chicago and suburbs 800-656-6606. Efforts to support this Fund are just one of the ways we honor the hard work of the dedicated officers of the Chicago Police Department.

TAXES & 1099R's

Prior to January 31, 2008, the 2007 IRS Form 1099R will be mailed to recipients of annuities, ordinary disability benefits, death benefit payments and lump sum distributions. This form contains the information needed to file the appropriate 2007 tax return.

Please be aware that **the 1099-R that is sent to you cannot reflect the reduction of your taxable income by the insurance premiums you paid during the year.** According to the I.R.S. the Fund cannot adjust your monthly taxable amount and cannot report insurance premiums withheld on a 1099-R. Reporting of this deduction to the I.R.S. on your 2007 tax filing is your sole responsibility. **Also, you must indicate you are a retired public safety officer by placing "P.S.O." in the margin next your taxable annuity. Full directions on the tax treatment for HELPS can be found on page 22 of the I.R.S. 1040 directions.**

DEDUCTION LETTER

Retired police officers who had a health care premium deducted from their annuity disbursements during 2007 shall receive a **Deduction Letter**. The letter, distributed mid-January, will show only the premiums withheld for major medical and/or dental and vision coverage. This letter will enable your correct completion of filing your 2007 Income Tax Returns.

Please be advised the Fund does not provide tax-consulting services and this letter only serves to confirm for you the amounts deducted for insurance premiums during the year of 2007. You are responsible for reporting the proper information on your tax filing and we strongly encourage you to consult with a tax advisor when filing your return for 2007.

IRS NOTICE 2007

The Fund would like to update you on the interpretation released from the IRS, regarding the HELPS provision of the **Pension Protection Act** passed last year that allows for tax deferred deductions of insurance premiums up to a maximum of \$3,000 per year for retired public safety officers.

We, the Pension Fund, may NOT reduce the taxable amount reported on form 1099-R by the amount of premiums paid for health or long-term care insurance.

According to the IRS, public safety officers would account for this non-taxable benefit on their individual tax filing. The plan recipient makes the reduction on line 16b of Form 1040.

OUTSIDE ILLINOIS

For those of you living as a permanent resident outside the State of Illinois, you should contact the local State Department of Revenue to determine the taxability of your annuity payments in that State.

JANUARY PAYMENT DUE 01/31/2008

To assist you in your financial planning needs for 2008, the Fund will provide to **annuitants using the Direct Deposit program an annual statement** detailing your monthly gross annuity, any deductions and your net monthly payment for 2008. After the 01/31/2008 payment, your net annuity payment should not change in 2008 unless you change your federal income tax deduction amount and/or your hospitalization premium is adjusted. **IF A CHANGE IS NOT REQUIRED THERE IS NO NEED TO CONTACT OUR OFFICE.**

COLA

As provided by statute, a cost of living adjustment for eligible retired employees will be reflected in the annuity payment for January 2008 to be dated January 31, 2008. This increase is based on a percentage of the original annuity granted at retirement. These increases pertain only to retired employees who have attained age 55 or over and **have been retired for at least 13 months.**

PENSION ACT BOOKLETS

40 ILCS 5/5-101 et al. is the law that governs this Fund. All ACTIVE Police Personnel shall receive the updated Pension Act Booklet, through the US Mail. As always you may also access the Pension Act in its entirety at [.chipabf.org](http://chipabf.org)

THANK YOU

The Widow's and Children's Fund has received an increase in donations during 2007, which enabled the Fund to distribute a gift check this year.

A thank you seems inadequate for all the kindness and continuance to remember others. What a wonderful world it is with such generous people. Please know that the generosity and good will are greatly appreciated.

The staff at the Fund realizes the gratitude of the recipients by the voluminous 'thank you' cards and letters we receive, which are all read and displayed.

WIDOWS REMARRIED

Legislation enacted 08/28/2007, provides that a widow's annuity shall no longer be subject to termination or suspension due to remarriage. Any widow's annuity that was previously terminated or suspended by reason of remarriage shall, upon application, be resumed as of the date of the application, but in no event sooner than the effective date. Specifies that the resumption shall not be retroactive. The State Mandates Act amendment requires implementation without reimbursement.

TRUSTEE ELECTION TO BE HELD OCTOBER 23, 2008

For a term ending on December 1, 2011.

According to State Statute, the terms of the elected members of the Retirement Board of the Policemen's Annuity and Benefit Fund, who represent Active Policemen and Annuitants, expire on December 1, 2008.

On Thursday October 23, 2008, an election will be held to fill the vacancies. The election will be conducted in accordance with the rules adopted by the Trustees August 23, 1990.

The law provides that police representatives be elected by three separate classes of rank; one representative to be elected from the rank Lieutenant or rank superior to Lieutenant; one representative to be elected from the rank of Sergeant; and one representative to be elected from the rank of Investigator, Patrolman or rank equivalent thereto. Each candidate must be elected by his peers, the class rank to which he belongs. The Annuitants' representative is to be elected from the employee annuitants and widow annuitants.

An independent accounting firm will supervise the election of all trustees and all balloting will be conducted through the U.S. Mail.

Persons entitled to vote:

- (a) All Adult annuitants excepting those under conservatorship
- (b) Conservators of Annuitants
- (c) Legal guardians of child and /or annuitants when the mothers or stepmothers of such children are themselves not annuitants.

Persons eligible to membership on the Retirement Board:

Any adult annuitant who is not under conservatorship.

Petition blanks may be **obtained** at the Board office on or after **September 1, 2008**, between the hours of 9:00 a.m. and 4:00 p.m.

Filing of Petitions:

The petition of each candidate for the class of rank of patrolman, investigator or rank equivalent thereto must be signed by at least fifty (50) persons entitled to vote in that class of rank. The petition of each candidate for all other classes of rank or any annuitant must be signed by at least twenty-five (25) persons entitled to vote in the appropriate class of rank. Petitions must be filed during the period **September 23, 2008 and September 29, 2008**, both dates inclusive, between the hours of 9:00 a.m. and 4:00 p.m.

Time and method of voting: The voting will be conducted by mail. A voting unit will consist of ballot, instructions, etc. and will be mailed to each person entitled to vote October 8-13, 2008.

The office of the Retirement Board will upon request furnish any further information desired in regard to the election.

**POLICEMEN'S ANNUITY AND BENEFIT FUND
PENSION ADVISOR
221 North LaSalle Street - Suite 1626
Chicago, IL 60601**

POLICEMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO

**221 N. LaSalle St.
Suite 1626
Chicago, Il. 60601
Telephone: 312-744-3891
(outside 312)
1-800-656-6606**

OFFICE HOURS:
8:30 A.M. - 4:30 P.M.
MONDAY – FRIDAY

Visit our website at: chipabf.org

John J. Gallagher, Jr.
Executive Director

Charles McLaughlin
Comptroller

Sonny Panaligan
Assistant Comptroller

RETIREMENT BOARD

Robert F. Reusche, President
(Appointed Member)

Kenneth Hauser, Vice-
President (Elective Member)

Michael Lazzaro, Recording
Secretary
(Elective Member)

Stephanie D. Neely,
Trustee
City Treasurer,
(Appointed Member)

Paul A. Volpe, Trustee
City Chief Financial
Officer
(Appointed Member)

Steven J. Lux, Trustee,
City Comptroller
(Appointed Member)

James P. Maloney, Trustee
(Elective Member)

Steven Robbins, Trustee
(Elected Member)