

AUTUMN UPDATES

RETURNED TO POLICE DUTY

The Trustees of the Retirement Board wish to acknowledge several disability recipients who have returned to active duty with the Chicago Police Department.

**Tiffany Gaji
Camilio Gonzalez
Jeff Nelson
Jaclyn Obrzut
David Soltis
Maria Viti
Gary Wager**

The Board is aware of the numerous difficulties and hardships that are necessary to conquer in order to rehabilitate and receive medical clearance for reinstatement to active duty. Congratulations to each of them and may they continue in their careers in good health.

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.**



MAILING OF BALLOTS

Election Ballots will be mailed to all retirees, widows, legal guardians, disability recipients and active members.

The mailing envelope will list only the Fund's acronym [P.A.B.F.] and not the full name.

A voting unit will consist of Ballot, Instructions and Postage Paid Return Envelope for the completed ballot. Each voting unit will be mailed to each person entitled to vote October 8-13, 2008.

To familiarize yourself with the ballot, you may view a sample by visiting our website at chipabf.org.

TRUSTEES' CORNER

Perspective

By Lieutenant James Maloney

It's been a tough year in the financial markets. The Fund's diversification of assets has helped to offset some of the volatility in the equity markets. Some market analysts see the current situation as an opportunity. The Fund has increased some asset allocations to other opportunistic investment strategies. We all look forward to a better economic environment.

I appreciate the support that has been given to the staff and trustees of the Fund over the years. I plan to run again for the position of Trustee representing Lieutenants, Captains and Exempt ranks. Thank you.

Medical Coverage Information

By Sgt. Michael Lazzaro, Trustee

The City of Chicago Annuitant Settlement Healthcare Plan provides benefits for all eligible Annuitants. The healthcare plan is a "Preferred Provider Organization" Plan or PPO Plan. This plan is administered by Blue Cross Blue Shield.

If you have any questions regarding coverage or denials **you must contact** the Department of Finance Benefits Management Office. If your claim is denied, you have the right to appeal.

There have been many concerns and complaints regarding coverage for retirees. We must all be aware that The Annuitant Settlement Healthcare plan is intended to provide you coverage, it does not cover all expenses. Below is a short list of some of the services not covered unless submitted with a Medical diagnosis.

- Colonoscopy
- Cosmetic surgery
- Custodial Care
- Dental implants
- Family therapy
- Foot care, routine, except for persons diagnosed with diabetes
- Hearing Aids or examinations for fitting hearing aids
- Immunization and inoculations
- Mammograms
- Nursing Homes and / or sanitariums services.
- Pap Smears
- PSAT Screening
- Routine Physical Exams
- Services that are not medically necessary, as defined by the terms of the Annuitant Settlement Healthcare Plan
- Well-baby care except for inpatient hospital care following birth of covered dependant

Look Before You Leap

By P.O. Steve Robbins

Future and Current Retirees are reminded that it is in their best interest to review the tax laws that are in place in States they may be considering moving to. The website [.RetirementLiving.com](http://RetirementLiving.com) is an excellent resource which provides current statutes as well as other useful information. If you have any questions or concerns regarding our Pension Fund you can always contact me at the office via PAX (0357). Thanks, Steve R.

Pension Update

by Annuitant Trustee Ken Hauser

There are 13,748 active police officers on the department. This breaks down to 3,307 females and 10,441 males. The total number of police officers hired during 2007 was 393, which breaks-out as 95 females and 298 males. The total number of police officers who left the Police Department during 2007 was 441. Of these 441 police officers, 16 died while on the job, 4 officers were discharged, 15 probationary officers were discharged, 70 chose to resign without a pension and finally 336 officers completed their career and retired with a pension.

The rank breakdown of the 336 retirees is 255 under the rank of sergeant, 51 sergeants, 16 lieutenants, 3 captains and 11 exempt rank. The total number of officers on disability as of August 2008 are 396 which breaks down as 267 on duty disability, 50 on ordinary disability, 60 on occupational heart disability, and 19 on total and permanent disability. For the year 2008, to present date, there have been 253 annuitants added to the pension rolls. For the month of August, 60 years of age was the average retiree's age with 30 years 1 month of service.

There are 11,292 annuitants as of December 31, 2007 and there are 8155 retired police officers and 3137 spouses of deceased police officers. There were 11438 checks mailed/direct deposited in August to annuitants of the Pension Fund. There is approximately \$40 million paid monthly to annuitants. This comes to \$480 million per year. The Pension Fund receives approximately \$272 million in employee/er contributions per year. As you can see the Pension Fund is minus \$208 million before the Pension Fund receives any returns on their investments.

The return on the Pension Fund investments income in 2007 was \$350 million which resulted in total income of \$622 million for 2007, this gives the Fund a \$142 million positive return after expenses. There was an 8.8% total return on the Fund's investment for 2007. This is the fifth year that the Fund has had a positive return. The Fund was .8% above our 8% actuarial assumption requirement in a year that the market was in the sewer. This is in large part due to the investment managers that are investing the Funds money. Hopefully, 2008 will finish at a larger percentage return than 2007. There is \$4.127 billion in the Pension Fund as of December 31, 2007.

On Thursday August 28, 2008, your Board of Trustees voted unanimously for the fourth consecutive year to provide a **\$400.00 (13th Holiday) check in December to annuitants receiving the minimum monthly annuity.** The financing of this benefit will come from the Fund's Gift Reserve. There will be no taxes taken out of this check by the Pension Fund but it will be reflected in the 1099R and included in your income for 2008.

The monthly meetings of the Pension Board are open to all members and are held on the 4th Thursday of the month, unless there is a change or additional meeting, which would be announced. Commencement is at 0900 in the office of the Pension Fund.

Just a reminder to our annuitants living outside the 312-773 area codes or in another State, the Pension Fund number is 800-656-6606. The fax number is 312-726-3216.

**POLICEMEN'S ANNUITY AND BENEFIT FUND
PENSION ADVISOR
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Chicago, IL 60601**

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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

Samuel Kunz
Investment Officer

Charles McLaughlin
Comptroller

Sonny Panaligan
Assistant Comptroller

RETIREMENT BOARD

Robert F. Reusche, President
(Appointed Member)

Kenneth Hauser, Vice-
President (Elected
Member)

Michael Lazzaro,
Recording Secretary
(Elected 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
(Elected Member)

Steven Robbins, Trustee
(Elected Member)