THE FIREMEN'S ANNUITY & BENEFIT FUND OF CHICAGO
Participant Authorization for the Payment and Pre-Tax Treatment of Healthcare Premiums

Instructions

1. Remove the instruction pages included with this form prior to returning the completed original form to the Firemen's Annuity and Benefit Fund of Chicago (the "Fund") at the Fund's office located at 20 S. Clark Street, Suite 1400, Chicago, IL 60603. You are responsible for notifying your healthcare insurance carrier that your healthcare insurance premiums will be paid directly by the Fund.
2. Type or print using black ink. Complete all information and place the Member's name, Social Security number and Annuitant ID number at the top of the form as requested. Please note that the Fund is requesting disclosure of Social Security numbers on this form in accordance with Internal Revenue Code 3405; disclosure is mandatory and this form cannot be processed without it. Complete all information with respect to your healthcare insurance coverage as requested.
3. Questions or concerns? Call the Fund at (312) 726-5823 to speak with a representative. Please note that the Fund does not have information specific to your healthcare insurance carrier and healthcare insurance coverage.

<u>IMPORTANT LEGAL NOTICES</u> with Respect to the Authorization for Insurance Premium Deduction

1. The authorization for insurance premium deduction for tax purposes is a benefit enacted by Congress in 2006 pursuant to the Pension Protection Act (the "Act"). The Act allows eligible retired public safety officers to use up to $3,000 per year from their qualified government retirement plan, on a tax-excluded basis, to pay for health insurance or long-term care insurance premiums. In order to receive this benefit, the premium must be paid directly from the annuitant's pension fund to a health or long-term care insurance company. In addition, to achieve the tax exclusion, the annuitant must claim it as a deduction on his/her Internal Revenue Service Form 1040, as explained in the Form 1040 instructions. Eligible annuitants may not request additional tax-preferred treatment of the applicable exclusion amount (beyond the maximum limitation of $3,000.00 annually), from any other qualified retirement plans (i.e. Governmental defined benefit plans, 457 plans, or 403(b) plans). The Fund makes no claim or warranty as to whether an annuitant is an eligible retired public safety officer under the Act for tax purposes. The Fund is expressly released from any unexpected tax liability for an annuitant as a result of making the election provided on this form.

2. The Fund is proceeding with implementation of this healthcare insurance premium deduction program based on its understanding of the information currently available from the Internal Revenue Service with the anticipation that the Fund's program might require revisions and adjustments as the provisions of the Pension Protection Act and the Illinois Pension Code are interpreted and clarified. By participating in the program, the annuitant acknowledges that changes may be required and that changes could affect your eligibility or the eligibility of your healthcare insurance carrier and healthcare coverage. The annuitant agrees that any authorization deduction under this program is subject to change or revocation, and that the annuitant will cooperate with any adjustments required by the Fund. The Fund is not responsible for any consequence of any change or modification to the program, including unexpected tax liability, interest and penalties.

3. The Fund is complying with the Pension Protection Act and Section 6-213 of the Illinois Pension Code (40 ILCS 5/6-213) by deducting insurance premiums from annuitant's monthly annuity benefit pursuant to the direction provided on this form. In doing so, the Fund is only performing an administrative function and is only responsible for the payment of premiums provided on this form. The Fund takes no position with respect to annuitant health care options and does not endorse or sponsor any particular healthcare insurance carrier or healthcare insurance coverage. The Fund urges all annuitants to consider all healthcare insurance coverage options.

4. A completed and signed form does not guarantee that the Fund will process the deduction from the monthly annuity benefit to a qualified healthcare provider. The annuitant's healthcare provider must comply with the Fund's Rules and Regulations governing this form in order for the Fund to process any deduction from the annuitant's monthly annuity benefit to the qualified healthcare provider.

5. Premium payments made by the Fund to the annuitant's healthcare insurance provider will begin the first month after the Fund receives a completed and signed form; provided that the completed and signed form must be returned to the Fund's office by the fifteenth (15th) of the month. The annuitant is responsible for making all premium payments to the annuitant's healthcare insurance provider until the Fund approves and processes the completed and signed form. Incomplete and unsigned forms will not be processed and the annuitant will be notified that they must resubmit the form prior to the Fund processing any premium payment to the annuitant's healthcare insurance provider. The Fund will pay the annuitant's healthcare premium directly to the designated healthcare insurance provider on the last business day of each month regardless of the premium due date. The Fund will continue to pay the annuitant's healthcare premium until written notification of cancellation is received by the Fund.

6. If an annuitant's monthly healthcare premium exceeds his/her monthly annuity benefit, the annuitant cannot participate in the Fund's insurance premium deduction program and the annuitant is advised to contact their healthcare insurance provider to discuss the annuitant's payment options.

THE FIREMEN'S ANNUITY & BENEFIT FUND OF CHICAGO
Participant Authorization for the Payment and Pre-Tax Treatment of Healthcare Premiums, in accordance with the Pension Protection Act of 2006

Under the provisions of the Pension Protection Act of 2006 (the "Act") and Section 6-213 of the Illinois Pension Code (40 ILCS 5/6-213), I hereby authorize and direct the Firemen's Annuity & Benefit Fund of Chicago (the "Fund") to pay my monthly healthcare premium, required for healthcare coverage in the following described insurance program, and to treat the annual total of these premiums paid by the Fund on my behalf, as pre-tax up to the allowed annual maximum of $3,000 in accordance with the Act, until this authorization is changed or rescinded by me in writing. I understand that this authorization will result in a decrease in my monthly benefit payment. I agree to provide all necessary supporting documentation in order for the Fund to make these payments on my behalf.

Name: _____ Annuitant ID Number:_____ Social Security Number: _____

Health Insurance Provider Information:

Insurance Provider Name: _____ Insurance Provider Telephone Number:_____

Insurance Company Address:_____

Group Number (if applicable): _____ Coverage Number: _____

Monthly Premium Amount: _____ As of date:_____

WAIVER OF CLAIMS AND AUTHORIZATION

The Internal Revenue Service has not provided guidance to date on the application of this program. As a condition of participation in this program, I accept all responsibility for truth and accuracy of all information I have provided to the Fund in connection with this form. I certify that I am eligible under the Act to have the designated insurance premiums excluded from taxable income and I understand that the maximum amount of insurance premiums excludible from income from is $3,000 per year. I understand that any and all tax implications of my participation in this program are my responsibility alone and I agree that I will make no claim against the Fund, its staff, its officers, its Board of Trustees, and any of its advisors for any tax consequences of my election to participate in this program. In addition, in consideration of participation, I agree that the Fund, its staff, its officers, its Board of Trustees and any of its advisors shall have no liability for any additional tax liability, including interest and penalties that may arise from my participation in this program.

I further release the Fund, its staff, its officers, its Board of Trustees, and any of its advisors from any liability arising from the administration of payments to any healthcare insurer. By signing this form, agree that I will not make any legal claim of any kind against the Fund, its staff, officers, its Board of Trustees, and any of its advisors. Should my participation in this program result in unexpected tax liability to me, including interest and penalties, I understand that my ability to participate in this program is a valuable benefit for which I am willing to sign this waiver of all claims.

I hereby authorize the Firemen's Annuity & Benefit Fund of Chicago to deduct the monthly premium amount set forth above from my monthly pension annuity. I understand it is my responsibility, as the annuitant, to inform the Fund of any change related to my health insurance premium deduction including, but not limited to, coverage, insurance company, or premium changes. I understand that the Fund is not responsible for lapsed premiums or lapsed insurance policy coverage or any other coverage or benefit issues, including but not limited to late fees and overpayments, that may arise with my healthcare insurance provider.

I have read and understand the information contained on this form and its instructions and agree to all the conditions for this election, including the Waiver of all Claims against the Fund, its staff, its officers, its Board of Trustees, and any of its advisors.

Participant Signature _____ **Date** _____

***** THIS LINE MUST BE SIGNED BEFORE THE FUND WILL PROCESS ANY DEDUCTION FROM YOUR MONTHLY ANNUITY TO A QUALIFIED HEALTHCARE INSURER *****