

**THE RETIREMENT BOARD
of the
FIREMEN'S ANNUITY AND BENEFIT FUND
OF CHICAGO**

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ELECTED TRUSTEES

ANTHONY MARTIN, Active Trustee
PETER R. O'SULLIVAN, Active Trustee
DANIEL A. FORTUNA, Vice-President

EX-OFFICIO TRUSTEES

First Deputy Fire Commissioner, Richard Ford II
City Treasurer, KURT A. SUMMERS JR.
City Comptroller, ERIN KEANE
City Clerk, ANNA VALENCIA

December 4, 2017

Dear Participant:

On November 8, 2017, HB0688 passed to become P.A. 100-0544 which amends 40 ILCS 5/4-108.6 and Section 6-277 to allow for the transfer of creditable service to the Firemen's Annuity and Benefit Fund of Chicago from any pension fund established under Article 4 of the Pension Code.

Any member may transfer up to 10 years of creditable service within the allowable time period which is 6 months from the effective date of this legislation, or by May 8, 2018.

Creditable service will be transferred pursuant to the parameters of the legislation as outlined below.

(40 ILCS 5/4-108.6)

Sec. 4-108.6. Transfer of creditable service to the Firemen's Annuity and Benefit Fund of Chicago.

(a) Until 6 months after the effective date of this amendatory Act of the 100th General Assembly, any active member of the Firemen's Annuity and Benefit Fund of Chicago may apply for transfer of up to 10 years of creditable service accumulated in any pension fund established under this Article to the Firemen's Annuity and Benefit Fund of Chicago. Such creditable service shall be transferred only upon payment by such pension fund to the Firemen's Annuity and Benefit Fund of Chicago of an amount equal to:

(1) the amounts accumulated to the credit of the applicant on the books of the fund on the date of transfer;

(2) employer contributions in an amount equal to the amount determined under subparagraph (1); and

(3) any interest paid by the applicant in order to reinstate service.

Participation in such pension fund as to any credits transferred under this Section shall terminate on the date of transfer.

(b) An active member of the Firemen's Annuity and Benefit Fund of Chicago applying for a transfer of creditable service under subsection (a) may reinstate credits and creditable service terminated upon receipt of a refund by payment to the Firemen's Annuity and Benefit Fund of Chicago of the amount of the refund with interest thereon at the actuarially assumed rate, compounded annually, from the date of the refund to the date of payment.

(40 ILCS 5/6-277)

Section 6-277. Transfer of creditable service from Article 4.

Until 6 months after the effective date of this amendatory Act of the 100th General Assembly, any active member of the Firemen's Annuity and Benefit Fund of Chicago may transfer to the Fund up to a total of 10 years of creditable service accumulated under Article 4 of this Code upon payment to the Fund within 5 years after the date of application of an amount equal to the difference between the amount of employee and employer contributions transferred to the Fund under Section 4-108.6 and the amounts determined by the Fund in accordance with this Section, plus interest on that difference at the actuarially assumed rate, compounded annually, from the date of service to the date of payment.

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*The Fund must determine the fireman's payment required to establish creditable service under this Section by taking into account the appropriate actuarial assumptions, including without limitation the fireman's service, age, and salary history; the level of funding of the Fund; and any other factors that the Fund determines to be relevant. For this purpose, the fireman's required payment should result in no significant increase to the Fund's unfunded actuarial accrued liability determined as of the most recent actuarial valuation, based on the same assumptions and methods used to develop and report the Fund's actuarial accrued liability and actuarial value of assets under State No. 25 of Governmental Accounting Standards Board or any subsequent applicable Statement.
(Source: P.A. 96-727, eff. 8-25-09.)*

Under the above provisions, if you are interested in purchasing service credit, you are responsible for the entire cost corresponding to the increased liability to the Firemen's Annuity and Benefit Fund of Chicago of these additional service credits. This total amount includes the amounts you contributed while a member of the eligible fire department, the employer's contributions made to the eligible Article 4 fund, any unfunded accrued liability beyond these amounts and interest compounded at the Fund's actuarially assumed interest rate.

The language of the above provision requires that your former employer transfer corresponding employer contributions made on your behalf related to the amount of service you intend to purchase, to the Firemen's Annuity and Benefit Fund of Chicago. It remains your responsibility to pay for the entirety of the amount due in the event your former employer fails to make their required employer contribution transfer.

Any member interested in taking advantage of this new legislative change should complete the accompanying information form and return it to the office of the Fund either via email to info@fabf.org or via regular mail at the address above. Payment for the service credits outlined herein must be made within 5 years of application. Your submission of the accompanying information form is not binding upon you should you determine that it is not to your advantage to purchase these service credits.

Please contact me if you have any further questions concerning the information provided in this correspondence.

Sincerely,



Steve Swanson
Firemen's Annuity and Benefit Fund of Chicago
Executive Director