

This is a joint letter from the City of Chicago ("the City"), your Pension Fund, and Class Counsel, with approval by the Court in the City of Chicago v. Korshak Lawsuit ("Korshak Lawsuit")

January 2014

Dear City of Chicago Annuitant:

You were a participant in one of the City's Annuitant Settlement Healthcare Plans, which the City provided pursuant to the 2003 Korshak Lawsuit Settlement Agreement through June 30, 2013. Under the 2003 Settlement, your annuitant healthcare premium was determined by a formula, which was based on a projection for each year's healthcare costs. The monthly projected costs were calculated and then reduced by the City's percentage share of the costs, and your pension Fund's fixed subsidy amount. As a participant annuitant, the remaining portion of the cost was covered by your premium, which was withheld from your monthly pension check.

For the 2012 Plan Year, an independent examination conducted by the Pension Funds and Class Counsel has been completed of the City's Reconciliation for the 2012 Plan Year comparing the projected costs used to calculate the monthly premiums and the actual costs of annuitant healthcare. That examination was performed in accordance with the Court-approved Reconciliation Process and the examination report is available for review at your Pension Fund's office.

Based on the Reconciliation, it has been determined that you are entitled to receive the enclosed refund of a portion of the premiums which you paid in the above audit period including interest calculated in accordance with the Reconciliation Order.

For the remaining period covered by the Korshak Lawsuit Settlement Agreement from January 1, 2013 through June 30, 2013, the City, the Pension Funds and Class Counsel will prepare and examine the final reconciliation in accordance with the Court-approved Reconciliation Process. You should NOT anticipate receiving any future refund in the last reconciliation.

If you have any questions, feel free to first call the Benefits Service Center. If you do not get your questions answered, please contact your Pension Fund or Class Counsel. **DO NOT CALL THE COURT.**

**BENEFITS MANAGEMENT SERVICE
CENTER - DEPARTMENT OF FINANCE**
1-877-299-5111 (Toll Free)

POLICEMEN'S ANNUITY & BENEFIT FUND
221 N. LaSalle Street, Suite 1626
Chicago, Illinois 60601
(312) 744-3891

**FIREMEN'S ANNUITY & BENEFIT FUND
OF CHICAGO**
20 South Clark Street
Suite 1400
Chicago, Illinois 60603
(312) 726-5823

**LABORERS' AND RETIREMENT BOARD
EMPLOYEES' ANNUITY AND BENEFIT FUND**
321 North Clark Street, Suite 1300
Chicago, Illinois 60654
(312) 236-2065

**MUNICIPAL EMPLOYEES' ANNUITY AND
BENEFIT FUND OF CHICAGO**
321 North Clark Street, Room 700
Chicago, Illinois 60654
(312) 236-4700

**CLASS COUNSEL FOR KORSHAK AND
WINDOW SUBCLASS PARTICIPANTS:**
Clinton A. Krislov
20 North Wacker Dr., Suite 1350
Chicago, Illinois 60601
(312) 606-0500
email: mail@krislovlaw.com