



OF CHICAGO

# Firemen's Annuity & Benefit Fund of Chicago

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## ***Summary of Benefits***

The following is presented for general information concerning the provisions and benefits available to participants by 40 ILCS, Act 5, Article 6 and as such, should not be relied on as legal interpretation. Questions and responses are provided as general information. The full text of the law governing the Fund may be found in Chapter 40, Act 5 Article 6 of the Illinois Compiled Statutes, formerly Chapter 108 1/2, Article VI of the Illinois Revised Statutes, and supersedes anything stated or implied herein.

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As of January 1, 2018

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## **INTRODUCTION**

The following Summary of Benefits is presented for participants of the Firemen's Annuity and Benefit Fund (the "Fund") for general information concerning the provisions and benefits currently available under the Illinois Pension Code (40 ILCS, Act 5, Articles 1,1A and 6). For the avoidance of doubt, the Illinois Pension Code, and any other applicable law, supersedes anything stated or implied herein. Pursuant to their authority, the Illinois General Assembly may modify the Illinois Pension Code at any time and this Summary of Benefits may contain outdated information that should not be relied on by participants. As such, participants should review the Illinois Pension Code for updated information regarding the benefits available to participants. Participants are also encouraged to contact Fund representatives for specific inquiries as to what benefits may be available for participants and their respective beneficiaries.

## **FUND ADMINISTRATION**

The Fund is administered by a Board of Trustees called the Retirement Board. It is composed of eight members: four ex-officios; the City Treasurer, City Clerk, City Comptroller and Deputy Fire Commissioner, and four persons who must be participants of the Fund; three active participants and one retired participant.

The Retirement Board elects one of its own members as President, one as Secretary and one as Vice-President. The Retirement Board is required by law to hold regular meetings each month. These meetings are generally held the third Wednesday of each month. The meetings are open to the public consistent with the requirements of the Open Meetings Act (5 ILCS 120/1 *et seq.*).

Among its other duties, the Retirement Board is required to consider and vote on all applications for annuities and benefits; invest the monies of the Fund within certain prescribed parameters; make rules and regulations for the proper conduct of the affairs of the Fund; contract with an independent certified public accounting firm to perform an annual audit and to issue an opinion on the financial statements of the Fund; submit an annual detailed report of the affairs of the Fund to the City Council; adopt an annual budget and obtain any necessary professional assistance by contract or employment.

Questions concerning a member's individual benefit may be directed to the Fund office by e-mail to [info@fabf.org](mailto:info@fabf.org); by phone (312) 726-5823; or in writing to 20 S. Clark St. Suite 1400, Chicago, IL 60603.

## **MEMBER DOCUMENTATION**

Upon becoming employees of the Chicago Fire Department ("CFD"), Fund participants shall submit the following documentation to the Fund:

- A certified or original copy of their birth certificate;
- Name and birth date of spouse or civil union partner, a certified or original copy of the spouse or civil union partner's birth certificate and a certified or original copy of a marriage certificate or certificate representing a valid civil union;

- Names, birth dates, certified or original birth certificates and formal notices of legal adoption (if applicable) of all children;
- Certified or original copies of divorce decrees or death certificates from any previous marriages of the participant and spouse; and
- Documentation attesting to the disability of any permanently disabled child.

## **CONTRIBUTIONS**

### **SALARY & EMPLOYEE CONTRIBUTIONS**

Salary throughout this document refers to Career Service Salary and Exempt Rank Salary for participants meeting certain criteria. Each participant's total contribution percentage is currently 9 <sup>1</sup>/<sub>8</sub>% of salary broken down as follows:

- 7 <sup>1</sup>/<sub>8</sub>% for Firefighter's Annuity
- 1 <sup>1</sup>/<sub>2</sub>% for Spouse's Annuity
- <sup>3</sup>/<sub>8</sub> of 1% for the Increment after Retirement (Annuity Increment)
- <sup>1</sup>/<sub>8</sub> of 1% for Ordinary Disability Benefits (this is not refundable)

Beginning January 1, 1999, salary includes the additional compensation payable to participants by virtue of being licensed as an Emergency Medical Technician (EMT). Beginning January 16, 2004, and for any prior periods for which applicable contributions have been paid, salary shall include the classified career service rank of Ambulance Commander. Beginning January 16, 2004, and for any prior period for which applicable contributions have been paid, pensionable salary shall include duty availability pay received by the participant.

Beginning January 16, 2004, for the purpose of computing employee and City contributions, salary means the actual salary attached to the exempt rank position held by the participant. For the purpose of computing benefits, salary means the actual salary attached to the exempt rank position held by the participant if (1) the contributions on the exempt rank salary for all exempt periods after January 1, 1994 have been paid, (2) the participant held an exempt position for at least 5 consecutive years, (3) the participant held the rank of battalion chief or field officer for at least 5 years during the exempt period, and (4) the participant was born before 1955; otherwise salary means the salary attached to the career service rank held by the participant.

Beginning January 1, 2011, for members hired on or after January 1, 2011, the annual salary shall not exceed \$106,800; however that amount shall be increased annually by the lesser of (1) 3% including all previous adjustments or (2) <sup>1</sup>/<sub>2</sub> of the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 month period ending with the September preceding each November 1st including all previous adjustments. The annual salary cap in 2018 is \$113,644.91, future increases will be posted on the website at [www.fabf.org](http://www.fabf.org).

## **REFUNDS**

### **Employee Refunds**

A participant who resigns or is discharged from service shall be entitled to a refund of their contributions for firefighter's annuity, spouse's annuity, and the annuity increment, provided he is under age 50 (with any length of service) or he is less than age 57 if he has under 10 years of service. The contributions for firefighter's annuity and spouse's annuity are improved with interest. The <sup>1</sup>/<sub>8</sub> of 1% contributions for ordinary disability benefits is non-refundable.

Any participant that receives a refund of contributions and subsequently re-enters service, may re-establish that service credit with the Fund by repaying the refund amount plus interest at the actuarially assumed rate compounded annually, from the date of the refund to the date of repayment within two years after the date of re-entry into service. The Fund will utilize the re-entry date for all purposes under the Code for participants that re-enter service and do not repay refunds of contributions and the required interest within the two year period provided in the Code.

### **Refund of Spousal Contributions**

A participant who is unmarried at the time of retirement is entitled to a refund of contributions for spouse's annuity purposes.

Beginning January 16, 2004, the widow of a participant who received a refund of contributions for widow's annuity at the time of his retirement is not eligible for widows benefits unless the refund is repaid to the Fund, with interest at a rate of 4% per year compounded annually, from the date of the refund to the date of repayment. The marriage must exist for at least one year prior to the participant's death for a spouse to be eligible for benefits. Benefits commence upon the death of the participant and receipt of repayment.

### **SERVICE CREDIT**

#### **Accumulation of Service Credit**

Participants earn service credit in the Fund during all periods in which they perform the duties of their position and all periods of vacation, leave of absence with whole or part pay, leave of absence during which the participant was engaged in the military or naval service of the United States of America, and periods of disability for which the participant receives any disability benefit, provided that the participant elects to make the contributions to the Fund according to the provisions of the Statute.

Any Tier 2 participant shall not be given service credit in this Fund for any period of time in which the member is in receipt of retirement benefits from any annuity and benefit fund in operation in the City.

#### **Purchase of Additional Service Credits**

##### **Service Credit for Periods during Employment**

Participants may opt to purchase additional service credits in certain situations including; periods of suspension from duty not to exceed a total of one year during the total period of service of the participant, and 1980 strike time not to exceed 23 days in accordance with an agreement with the City on a settlement of the strike. Participants must elect to make the required contributions plus interest in accordance with the provisions of the Statute as though they were an active participant, based upon the salary attached to the career service rank and grade held by the participant during such absence from duty.



No payments for overtime or extra service credit shall be included in computing service of a participant and not more than one year or a proper fractional part thereof of service shall be allowed for service rendered during any calendar year.

#### **Service Credit for Prior Military Service**

Active participants that served in the Armed Forces of the United States prior to employment with the CFD may purchase up to 24 months of service credits for pension purposes. There is no deadline for active eligible participants to purchase these credits.

#### **Service Credit for Employment with the Chicago Police**

Active participants that were formerly members of the Policemen's Annuity and Benefit Fund of Chicago may transfer service credits earned in the Policemen's Fund to the Firemen's Fund upon application to the Policemen's Fund and payment to the Firemen's Fund of all statutorily required contributions.

#### **Other Additional Service Credit**

From time to time the Statute has provided that participants may purchase other periods of service. Participants are encouraged to review the Statute and visit the Fund website at [www.fabf.org](http://www.fabf.org) for more information.

## **RETIREMENT BENEFITS**

### **TIER 1 RETIREMENT BENEFITS**

Tier 1 benefits are for participants who first become a fireman or paramedic under this Article before January 1, 2011. The calculation of a retirement annuity may not exceed 75% of the highest salary received by a participant.

#### **Minimum Formula Annuities (More Than 20 Years of Service)**

Minimum Formula Annuities are payable to Tier 1 participants, that have attained age 50 and have at least 20 years of accumulated service credit, or after December 31, 1990 a participant may withdraw with 20 years of service regardless of their age, and receive this annuity upon attainment of age 50.

The calculation of a Minimum Formula Annuity is equal to 50% of the average salary, plus an additional 2.5% of average salary for each year of service or fraction thereof beyond 20 years of service based on the entrance date into the Fund. For purposes of this section, average salary is the highest 48 consecutive months of the last 10 years of service. This service is reduced by any lost time at date of withdrawal. Minimum Formula Annuity benefits may not exceed 75% of such final average salary.

Effective January 1, 2016, the minimum annuity for those who have retired from service at age 50 or over with 20 or more years of service shall be no less than 125% of the Federal Poverty Level.

#### **Alternative Minimum Formula Annuities (More Than 23 Years of Service)**

Tier 1 participants are eligible to receive Alternative Minimum Formula Annuities for participants that have attained age 53 and have at least 23 years of accumulated service credit.

The calculation of an Alternative Minimum Formula Annuity is equal to 50% of the average salary, plus an additional 2% of average salary for each year of service or fraction thereof after attaining age 53 with 23 years of service. Each participant who has completed 23 years of service before attaining age 53 shall have an additional 1% of average salary added for each year of service or fraction thereof in excess of 23 years up to age 53. For purposes of this section, average salary is the highest 48 consecutive months of the last 10 years of service. This service is reduced by any lost time at date of withdrawal.

Effective January 1, 2016, the minimum annuity for those who have retired from service at age 50 or over with 20 or more years of service shall be no less than 125% of the Federal Poverty Level .

#### **Earned Annuities (10-20 Years of Service)**

Basic vesting in the Fund occurs after 10 years of creditable service. Calculations for Earned Annuities are based upon the amount the participant has contributed to the Fund, partial City contributions, interest, age, and years of service.

Earned or Money Purchase Annuities are payable to Tier 1 participants who have attained age 50 with at least 10 years of service. If a participant has 10 years of service and has not yet attained age 50, his Earned Annuity shall be fixed as of and be computed as if he were exactly 50 and the benefit will be payable upon his attainment of age 50 and upon proper application and Board approval.

### **Compulsory Retirement Annuities (10-20 Years of Service)**

As of December 31, 2000, the CFD's compulsory retirement age is 63 for firefighters. There is no current compulsory retirement age for paramedics.

Effective January 16, 2004, a Tier 1 participant who is required to withdraw from service due to attainment of compulsory retirement age and has at least 10 but less than 20 years of service credit may elect to receive an annuity equal to 30% of average salary for the first 10 years of service plus 2% of average salary for each completed year of service or fraction thereof in excess of 10 years, but not to exceed a maximum of 50% of average salary. For purposes of this section, average salary is the highest 48 consecutive months of the last 10 years of service. The participant is entitled to statutory post retirement increases.

### **Automatic Annual Increase (for Tier 1 participants)**

#### **Participants Born Before January 1, 1966**

Beginning January 1, 2017, Tier 1 participants born before January 1, 1966, retiring with at least 20 years of service will receive an increase of 3% based on their originally granted annuity beginning on the later of:

- The 1<sup>st</sup> of the month after the participant attains age 55 or,
- The 1<sup>st</sup> of the month after the participant has been retired at least one year

This annuity shall be increased by an additional 3% of the originally granted annuity each January 1<sup>st</sup> thereafter continuing for their lifetime.

#### **Participants Born on or After January 1, 1966**

Tier 1 Participants born on or after January 1, 1966 will receive an increase of 1 ½ % based on their originally granted annuity beginning on the later of:

- The 1<sup>st</sup> of the month after the participant attains age 60 or,
- The 1<sup>st</sup> of the month after the participant has been retired at least one year

This annuity shall be increased by an additional 1.5% of the originally granted annuity each January 1<sup>st</sup> thereafter for a maximum of 20 increases or 30%.

## **TIER 2 RETIREMENT BENEFITS**

Tier 2 benefits are for participants who first become a fireman or paramedic under this Article on or after January 1, 2011.

### **Monthly Retirement Annuities (More Than 10 Years of Service)**

Monthly Retirement Annuities are payable to Tier 2 participants who have withdrawn from service, attained age 50 or more, have 10 or more years of service, and have completed a proper application and Board approval.

The calculation of a Monthly Retirement Annuity is equal to 2.5% of average salary for each year of service, subject to an annuity reduction factor of one-half of 1% for each month that the participant's age at retirement is under age 55. For purposes of this section, average salary is the highest 96 consecutive months of salary of the last 10 years of service. This service is reduced by any lost time at date of withdrawal. Monthly retirement annuities shall not exceed 75% of average salary.

Beginning January 1, 2011, for members hired on or after January 1, 2011, the annual salary shall not exceed \$106,800; however that amount shall be increased annually by the lesser of (1) 3% including all previous adjustments or (2) ½ of the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 months ending with the September preceding each November 1st including all previous adjustments. The annual salary cap for 2018 is \$113,644.91, future increases will be posted on the Fund website at [www.fabf.org](http://www.fabf.org).

### **Automatic Annual Increase (for Tier 2 participants)**

The monthly annuity of a Tier 2 participant shall be increased on the January 1<sup>st</sup> occurring on or after the later of:

- the attainment of age 60, or
- the 1<sup>st</sup> anniversary of the annuity start date

This annuity shall be increased each January 1<sup>st</sup> thereafter.

Each annual increase shall be calculated at 3% or one-half of the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12 month period ending with the September preceding each November 1, whichever is less, of the originally granted retirement annuity. If the annual unadjusted percentage change in the consumer price index-u decreases, then the annuity shall not be increased.

## **DEPENDENT BENEFITS**

### **WIDOW/WIDOWER ANNUITIES**

#### **Eligibility Requirements**

Eligibility for widow and surviving spouse annuities require that the spouse be married to the Active/Retired participant at the date of his death.

In accordance with Illinois law, civil union partners are eligible for the same benefits as widows and spouses of participants.

#### **Marriage on Disability or Retirement**

Beginning January 16, 2004, a widow who married a participant while he was in receipt of disability benefits may be eligible for a widow's annuity provided they were married for at least one year prior to the participant's death.

Beginning January 16, 2004, the widow of a participant who received a refund of contributions for widow's annuity at the time of his retirement is not eligible for widows benefits unless the refund is repaid to the Fund, with interest at a rate of 4% per year compounded annually, from the date of the refund to the date of repayment. The marriage must exist for at least one year prior to the participant's death for a spouse to become eligible for benefits. Benefits commence upon death of the participant and receipt of the repayment.

#### **Tier 1 Widows/Widower Annuities**

Tier 1 widow's annuities are for widows of participants who first become a fireman or paramedics under this Article before January 1, 2011. There are no automatic annual increases for the widows of participants that enter service prior to January 1, 2011.

#### **Widows of Members That Die After Retirement**

An eligible widow of a Tier 1 participant that dies after retirement is entitled to receive 50% of the participant's annuity at the time of his death or the minimum widow's annuity allowed by the Statute, whichever is greater. These annuities cease upon the widow's death.

#### **Duty Death Widows (Compensation Widows)**

Upon Board approval when a Tier 1 participant is killed in the performance of duty or dies while in receipt of Duty Disability benefits that rendered the participant unable to resume service in the fire department, the widow shall receive 75% of the current annual salary attached to his rank and grade. In order to qualify for the annuity benefits provided for duty death widows, the widow must be married to the fireman at the time of the act or acts of duty which resulted in his or her death consistent with the requirements of the Statute. This benefit is increased proportionately with all future department increases to salary consistent with the applicable provisions of the Statute.

### **Widows of Participants That Die While in Service (Non-Duty)**

If the death of a Tier 1 participant occurs after 1 ½ years of service, the widow's annuity shall be the greater of; (1) 30% of the salary attached to the rank of first class firefighter (minimum of step 6), but does not exceed the final step of the first class firefighter pay scale or (2) 50% of the retirement annuity the deceased participant would have been eligible to receive if he had retired from service on the day before his death and qualified for the minimum formula annuity (age 50 with at least 20 years of service) or, (3) the minimum widow's annuity allowed by the Statute for his or her lifetime.

Effective January 16, 2004, the widow's annuity payable to the widow of a participant who dies on or after July 1, 1997 while an active participant with at least 10 years credible service shall be no less than 50% of the retirement annuity that the deceased participant would have been eligible to receive if he had attained age 50 and 20 years of service on the day before his death and retired on that day.

### **Widows of Participants Withdrawn From Service and Death Prior to Age 50**

If a Tier 1 participant who has resigned from service prior to age 50, with at least 10 years of service dies, his widow is entitled to either an earned widow's annuity or the minimum widow's annuity allowed by the Statute.

### **Minimum Widows Annuities**

Beginning January 1, 2017, the minimum widow's annuity payable to any person who is entitled to receive a widow's annuity under this Article is 125% of the Federal Poverty Level.

### **Tier 2 Widow/Widower Annuities**

Tier 2 widow's annuities are for widows of participants who first become a fireman or paramedic under this Statute on or after January 1, 2011.

### **Widows of Members That Die After Retirement**

A widow of a Tier 2 participant that was receiving an earned pension at the date of his death is entitled to receive 66 ⅔% of the participant's annuity at the time of his death or the minimum widow's annuity allowed by the Statute, whichever is greater.

### **Duty Death Widow (Compensation Widow)**

Upon Board approval when a Tier 2 participant is killed in the performance of duty or dies while in receipt of disability benefits and the act or acts of duty resulted in his death, the widow shall receive 75% of the current annual salary attached to his rank and grade; provided, however, that no such benefit shall be paid to the widow spouse of a fireman who dies while in receipt of disability benefits when the fireman's death was caused by an intervening illness or injury unrelated to the illness or injury that had prevented him from subsequently resuming active service. In order to qualify for the annuity benefits provided for duty death widows, the widow must be married to the fireman at the time of the act or acts of duty which resulted in his or her death consistent with the requirements of the Statute. This benefit is increased proportionately with all future department increases to salary.

### Spouses of Members That Die in Active Service (Non-Duty Less than 10 Years of Service)

If the death of a Tier 2 participant occurs after 1 ½ years of service but before 10 years of service, the spouses annuity shall be 30% of the salary attached to the rank of first class firefighter in the classified career service at the time of the participant's death or the minimum widow's annuity allowed by the Statute, whichever is greater.

### Spouses of Members that Die After 10 Years of Service but Before They Begin Retirement

If the Tier 2 deceased participant was not receiving a pension at the time of his death but had at least 10 years of service, the surviving spouse is entitled to the greater of (1) 30% of the salary attached to the rank of first class firefighter in the classified career service at the time of the participant's death, (2) 66 2/3% of the Tier 2 monthly retirement annuity that the participant would have been eligible to receive based on his actual service but determined as though the participant was at least age 55 on the day before his death or, (3) the minimum widow's annuity allowed by the Statute.

### Minimum Widows Annuities

Beginning January 1, 2017, the Minimum Widow's Annuity payable to any person who is entitled to receive a spouse's annuity under this Article is 125% of the Federal Poverty Level.

### Automatic Increase

The monthly annuity of a surviving spouse of a Tier 2 participant that died after retirement or with 10 or more years of service shall be increased on the January 1<sup>st</sup> after (1) attainment of age 60 by the widow or (2) the 1<sup>st</sup> anniversary of the Tier 2 widow's annuity start date, whichever is later and each January 1<sup>st</sup> thereafter.

Each annual increase shall be calculated at 3% or ½ of the annual unadjusted percentage increase (but not less than zero) in the consumer price index-u for the 12-month period ending with the September preceding each November 1, whichever is less of the originally granted annuity.

## CHILD'S ANNUITIES

Minor children of participants who die while in service, on disability, or while receiving an annuity are eligible for children's annuity benefits. The amount of this benefit is equal to 10% of the current annual maximum salary attached to the position of first class firefighter, for each child as set by the Statute. If there is no surviving parent, these benefits amount to 15% of the same.

This benefit terminates upon the attainment of age 18, marriage, or death. Total benefits paid to all members of a family cannot exceed 60% of the current maximum first class firefighter salary. This maximum benefit is increased to 100% for the family of a participant killed in the line of duty.

If the child is disabled because of a handicap (and the handicap manifests prior to age 18), upon proper application and documentation, benefits may be available in the same manner as child's annuity benefits and are payable to the parent of such child as the natural guardian, a court appointed guardian, or a special needs trust. Benefits terminate at death, if it is determined that the child is no longer disabled because of the handicap, or if the child marries.

## **PARENT'S ANNUITIES**

Natural parent(s) of a participant who dies while in active service, on disability, while receiving a minimum formula annuity, or while receiving a monthly retirement annuity may be eligible for parent's annuity benefits provided, that at the time of the participant's death; 1) no widow or unmarried child under the age of 18 years of age are entitled to an annuity under other provisions of the Statute; 2) and that satisfactory proof shall be presented to the Board that the participant was contributing to the support of his parent or parents.

The benefit is equal to 18% of the participant's current annual salary at the time of death or his retirement for each surviving parent.



## **DISABILITY BENEFITS**

Active participants, removed from the Fire Department payroll due to a medical leave of absence are eligible to make application for duty, occupational or ordinary disability benefits. During all periods of disability, participants shall be treated as though they were active members for retirement and dependent annuity purposes under the Statute.

No disability benefits shall be paid for any period of time for which a participant has a right to receive any part of his salary unless the participant is certified to be terminally ill by a Board-appointed physician and the Board makes a determination that the participant is eligible to receive a benefit. However, active participants may not receive such disability benefit payments at the same time the participant is in receipt of salary. Failure to comply with Board approved policies and the Statute regarding the receipt of a disability benefit may result in suspension and/or possible termination of a disability benefit.

## **DUTY DISABILITY**

Participants who become disabled as the result of a specific injury, or of cumulative injuries, or a specific sickness incurred in or resulting from an act or acts of duty are eligible for duty disability benefits during any period of such disability.

Duty disability benefits are equal to 75% of the participant's salary on the date of removal from the payroll. This benefit is fixed at the time the participant leaves the Fire Department payroll and is payable until the earlier of death, retirement, or until the participant is removed from his disability status. However, beginning January 1, 1994, no duty disability benefit that has been payable for at least 10 years shall be less than 50% of the current salary attached from time to time to the rank and grade held by the participant at the time of his removal from the department payroll, regardless of whether that removal occurred before the effective date.

The participant's children are also entitled to child's disability benefits in the amount of \$30.00 per month per child under age 18 or until the participant is removed from his disability status. If the child is handicapped, the \$30.00 is payable until the participant is removed from his disability status. The total amount of the child's disability benefit cannot exceed 25% of salary at the time of the grant.

## **OCCUPATIONAL DISABILITY**

Participants with a minimum of seven years of credible service that become disabled from heart disease, tuberculosis, any disease of the lungs or respiratory tract, AIDS, hepatitis C, stroke, or cancer resulting from his or her service in the department are entitled to occupational disease disability benefits during any period of such disability.

In order to receive this occupational disease disability benefit, the cancer involved must be a type which may be caused by exposure to heat, radiation or a known carcinogen as defined by the Internal Agency for Research on Cancer.

Occupational disease disability benefits are equal to 65% of the participant's salary on the date of removal from payroll. This benefit is fixed at the time the participant leaves the Fire Department payroll and is payable until the earlier of death, retirement, or the participant is removed from his disability status. However, beginning January 1, 1994, no occupational disease disability benefit that has been payable for at least 10 years shall be less than 50% of the current salary attached from time to time to the rank and grade held by the participant at the time of his removal from the department payroll, regardless of whether that removal occurred before the effective date.

The participant's children are also entitled to child's disability benefits in the amount of \$30.00 per month per child under age 18 or until the participant is removed from his disability status. If the child is handicapped, the \$30.00 is payable until the participant is removed from his disability status. The total amount of these combined benefits is not to exceed 75% of salary at the time of the grant.

## **ORDINARY DISABILITY**

Ordinary disability benefits are provided for a participant who becomes disabled as the result of any cause other than duty or occupational disease disabilities and is equal to 50% less 9% (for pension deductions) for a total of 41% of salary on the date of removal from the payroll.

Ordinary disability benefits are payable for a period of half the participant's service, limited to a maximum of five years. Ordinary disability benefits terminate when the disability ceases, after the maximum of 5 years set by the Statute, or when the participant becomes eligible for minimum formula annuity. No children's benefits are payable.

## **APPLICATION PROCEDURES**

The process of making an application, being evaluated by the Fund's physician, and appearing before the Board for a hearing takes approximately 3 months to complete. Generally speaking, the procedures to make application for disability benefits are:

- Exit interview with CFD Human Resources - At approximately 9 months into the allowed 12 month layup period, CFD members should complete an exit interview with CFD Human Resources, a final review visit at CFD medical, and sign an authorization for release of medical information from CFD to the Fund.
- Make an application for disability at least 2 ½ months prior to your exit date. You must have an end of employment form from CFD at the time you make application for disability.
- Gather your medical records – Your disability application requires a complete review of your medical records. Sign an authorization for release of medical information to the Fund. It is imperative that all medical records are received at least 6 weeks prior to the hearing.
- Contact with the Fund nurse case manager – The Fund will assign a nurse case manager to assist in the review of your disability claim. Your case manager will contact you via telephone and will assist in obtaining any additional medical records needed. She will schedule your appointment with the Fund's physician as well as any other appointments requested by the Board.
- Meet with the Fund physician – Your appointment with one of the Fund's physicians may be scheduled the same month as your CFD payroll removal date, or sometime thereafter.

- Attend your Hearing – A hearing before the Board will be scheduled after your appointment with the physician as long as all medical documentation has been received in an adequate amount of time prior to your hearing. If additional information is required, the hearing may continue in a subsequent month. At the completion of the hearing(s), the Board votes whether or not to grant the disability benefit application.
- File for Administrative Review – If you dispute the decision, under the provisions of 40 ILCS 5/6-222 and 735 ILCS 5/3-103, you must file for an Administrative Review of the Board’s decision within 35 days that the letter was sent to you at your last known residence.

## **RE-EXAMS**

Participants receiving disability benefits shall be examined at least once a year or longer periods as determined by the Board, by a Board appointed physician. However, the Board has the right to request an examination of any disability participant as deemed necessary. As part of the re-examination process all disability participants who are working are required to submit a job description. When a disability ceases, the Board shall discontinue payment of the benefit.

## **MISCELLANEOUS**

### **DEATH BENEFIT**

The Fund pays an ordinary death benefit to the designated beneficiary or beneficiaries of deceased participants. For active participants in receipt of salary at the time of their death age 49 and under, the death benefit amounts to \$12,000.00 and is reduced by \$400.00 for each year over age 49 to a minimum of \$6,000.00. A participant on disability is treated as though he were in active service in this regard. Eligible beneficiaries for participants retired after January 1, 1962, in receipt of retirement benefits, and whose separation from service (active duty) was effective on or after the participant's attainment of age 50, and application for such annuity was made within 60 days after separation from service (active duty), receive \$6,000.00.

### **HEALTH INSURANCE**

The City of Chicago collects 1.45% of annual salary for a participant's coverage in Medicare for all employees hired after April 1, 1986.

The Fund serves only as a conduit to collect and forward payment of premiums authorized by the participant from the participant's benefit check to eligible health care plans. The authorization forms necessary to process such payment of health care premiums are available on the Fund's website at [www.fabf.org](http://www.fabf.org).

All questions concerning eligibility or plan coverage should be directed to the healthcare plan provider.

### **MILITARY BENEFITS**

In compliance with 40 ILCS 5/1-118, the Fund shall comply with the requirements of the federal Uniformed Services Employment and Reemployment Act ("USERRA") the federal Heroes Earnings Assistance and Relief Tax Act (HEART).

#### **Service Credit while on a Military Leave**

The Fund shall provide pensionable service credit for military service performed while an active firefighter for all periods after September 11, 2001 in which the firefighter made the required contributions corresponding to all or any portion of their military service time for calculation of future retirement benefits in accordance with the provisions of 40 ILCS 5/6-209. Participants will receive applicable service credits only for that portion of military time for which contributions are fully paid prior to application for retirement.

The contributions required for the purchase of these service credits are based on the full salary associated with the rank and grade held during this period of military service. If, during this period of military service, all or any portion of a member's full salary above the military pay that was received, that portion of the required contributions has already been made. However, the member is required to pay for the remaining balance of the contributions required on the full salary.

In December 2004, the Department of Labor issued final regulations USERRA. This Act provides that certain veterans are not required to pay interest on employee contributions attributable to periods in which they served in the military, provided that the contributions are paid within a prescribed period of time. Interest for in-service military time will begin to accrue on the earlier of (1) 5 years after returning to active duty or (2) 3 times the length of time they were away.

If the pension contributions associated with these available service credits is not paid, the periods served in the military will not be counted toward overall service for pension purposes. A refund of the partial contributions made during these periods would be issued at the time of your retirement.

#### **Death or Disability while on a Military Leave**

The Fund shall comply with all of the requirements of the HEART Act for members who die or become disabled while serving in the military.

## **FREQUENTLY ASKED QUESTIONS**

### **THE PROCESS OF APPLYING FOR RETIREMENT BENEFITS**

#### **When should a participant contact the Fund when planning on retirement?**

Participants may use the retirement benefit estimator on the website at [www.fabf.org](http://www.fabf.org) or contact the Fund at any time concerning their benefits. Participants may request a written estimate of benefits prior to retirement. Detailed estimates of retirement benefits, based on a specific anticipated date of retirement, will be prepared for participants upon request. Because of the many variables that impact upon a member's final retirement annuity, detailed estimates are not prepared for periods beyond two years of estimated retirement. Any estimates provided are merely "estimates" and are not binding on the Fund and should not be conclusively relied upon. All benefits must be actually granted by the Board in accordance with the provisions of the Statute.

#### **What is the procedure that participants should follow to formally retire?**

After having received an estimate of your retirement benefits based upon a fixed date of retirement, participants should contact the CFD Personnel Division to make an appointment to complete all necessary paperwork, including receiving a formal resignation from the CFD.

Upon receiving an appointment with CFD Personnel Division, contact the Fund office for an appointment to complete a formal application for retirement benefits. The appointment with the Fund must be after an employee's appointment with CFD Personnel Division as documentation completed at the CFD exit interview is necessary for applying for annuity benefits with the Fund.

#### **Should participants bring any information to their retirement appointment?**

Participants retiring from active employment must bring a copy of the City of Chicago, "End of Employment Form" that is provided by the CFD Personnel Division at the time of resignation.

Participants should also bring certified or original copies of any certificates not on file with the Fund, the social security numbers for any named beneficiaries, and a voided check if requesting direct deposit.

#### **When can a participant expect to receive the first payment of their retirement annuity?**

Normally, a participant receives their first annuity check at the end of the month after the month the participant actually left employment with the CFD. Given that the Fund cannot calculate a final benefit amount until final payroll data is received from the City of Chicago the first annuity payment may be delayed. Upon receipt of final payroll data, staff completes final calculations based on this information and presents this information to the Board to grant the benefit application. The Board reviews and approves applications once a month at its regularly scheduled Board meetings, generally the third Wednesday of every month.

Retirement Benefits are always paid on the last business day of each month.

## PERIODS AFTER RETIREMENT

### Are participant's retirement benefits subject to state income tax?

As of January 2018, retired participants that are Illinois residents do not pay State income tax in the state of Illinois on retirement income. Participants should consult their income tax professional to determine the taxability of benefits among different states.

### Are participant's retirement annuity benefits subject to federal income tax?

Retirement benefits are subject to federal income tax. However, participant contributions made prior to January 1, 1982 were taxed as income at the time you the participant received that payroll and are non-taxable as distributed by the Fund as retirement income. Each year a portion of retirement income will be considered non-taxable (excluded) until those contributions are exhausted. Participants receive a 1099R in January stating the amount of their taxable benefit.

### If a participant paid into social security, are they entitled to receive social security benefits as well pension benefits?

Social Security benefits may be reduced for participants entitled to receive pensions from State and Municipal pension plans. Participants should contact the Social Security administration to determine what benefits you may be entitled to.

### What if a participant becomes disabled and cannot handle their affairs while in receipt of a benefit?

If a participant should become disabled, the Board has the ability to approve payment of benefits to the individual(s) legally authorized to care for them. Generally the Board will approve payment of benefits to persons legally authorized to care for the disabled participant after the Fund receives a valid executed power of attorney and a physician's letter confirming the participant is disabled. Certain other instances may require that a Court ordered Guardianship on behalf of a participant be established.

### What happens when a Participant's ordinary disability benefit terminates and they are still disabled?

A participant who continues to be disabled beyond the maximum period of eligibility for ordinary disability and who withdraws from service while still so disabled and before age 50, with less than 20 years of service, may be eligible for an annuity provided from the amounts accumulated to their credit from salary deductions and contributions by the City. In lieu of taking a retirement annuity, the participant may elect to take a refund of the amounts they contributed to the Fund.

### Can participants move out of Illinois, while in receipt of a disability benefit?

Participants must be granted permission by the Board to reside out of Illinois during any such period when the participant is in receipt of a disability benefits. All requests to reside out of Illinois must be in writing, forms are available on the Fund's website at [www.fabf.org](http://www.fabf.org). The Board will review requests at a regularly scheduled Board meeting and advise participants of their decision.

## CONTRIBUTIONS MADE TO THE FUND

### Are pension deductions taken on all wages paid to participants?

Pension deductions are taken only on the annual salary attached to the permanent career service rank held by the participant including payments for Duty Availability, or the salary attached to the exempt rank position held by the participant.

### As an active participant are my pension contributions earning interest?

During years of active service, participant contributions for retirement and spousal annuities are improved with 3% interest. Contributions for the automatic increase and ordinary disability benefit do not earn interest.

### Does the City match participant contributions?

Because the Fund is a Defined Benefit Plan, the City contribution is not a pure matching contribution as referred to in a 401(k) type retirement plan. Instead, the City's contributions are set by Statute. As of January 2018, the City contributes a set dollar amount through year 2020. In 2021, the City is required to contribute an annual amount sufficient to bring the total assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of fiscal year 2055.

### Can participants take a loan out against their contributions?

The Statute does not permit participant loans or partial withdrawals.

### Are Employer contributions posted to a participant's credit refundable to the participant?

Only the amount participants contribute while active and statutory 3% interest on the retirement and spousal annuity portion are refundable to the participant. The 1/8 of 1% that participants contribute for ordinary disability benefits is not refundable to them.

### What if the spouse of a participant dies or is divorced after retirement, can participants receive a refund of the contributions made for spousal annuity?

If the spouse pre-deceases a participant or should the participant and spouse divorce after retirement, the contributions made on the spouse's behalf are not refundable to the participant.

### What if a participant dies before collecting retirement benefits that exceed the contributions made by the participant? What happens to the contributions?

Generally, the benefits paid to retired participants will exceed the total amount of their contributions within two to three years of retirement. Upon the death of a participant, the balance of accumulated contributions that were not paid out, in either the form of an annuity for a participant, spouse or children, are refunded to the participant's estate as named either in a Will, Small Estate Affidavit, or Letters of Office. Participants should consult with their personal attorney to discuss this issue.

### What is the difference of a Small Estate Affidavit and Letters of Office (Administration)?

When the total value of an Illinois decedent's estate is less than \$100,000.00 AND the estate does not own any real estate, a small estate affidavit may be able to be used if the applicant is able to meet all of the requirements of the small estate affidavit. If the estate is \$100,000.00 and greater, the executor will have to go to Court and get Letters of Office (Administration) naming an administrator of the estate.



**If a participant applied for and was paid a refund of contributions, can that participant use accumulated funds in a deferred compensation account to pay back the refund upon reentry into service?**

Current federal law allows the transfer or rollover of 457 deferred compensation plan assets to this Fund in order to pay back a refund taken by a participant within the prescribed time frame.

**Can a participant use deferred compensation funds to purchase prior service credits?**

Current federal law allows fund to fund transfer or rollover of 457 deferred compensation plan assets to this Fund to purchase service credits.

**If a participant is divorced, is the ex-spouse entitled to any benefits?**

The Fund does not provide legal advice about proper division of marital and retirement assets. However, this Fund is subject to Qualified Illinois Domestic Relations Orders (“QILDRO”) pursuant to the Illinois Pension Code. A QILDRO may require this Fund to pay all or a portion of a participant’s retirement benefits to an “alternate payee”. An alternate payee is usually a participant’s former spouse, but may also be a current spouse, child or other dependent of the participant.

Any participant that has questions about a QILDRO should discuss it with their attorney. The Fund has an information booklet and required forms available on our website or upon request.

## **POST-RETIREMENT HEALTH INSURANCE**

**After a participant retires, will they be eligible for health care coverage provided by the employer?**

Pursuant to the labor contract between the City of Chicago and Chicago Firefighters Union, Local No. 2 dated July 1, 2012 through June 30, 2017, some CFD employees retiring at age 55 or older may be eligible to participate in an employer sponsored healthcare incentive program. Information regarding these provisions can be found in the labor agreement between the City of Chicago and Chicago Firefighters Union, Local No. 2. The contract may be found on the website of Chicago Firefighters Union, Local No. 2. For the avoidance of doubt, the Fund does not currently provide a retiree healthcare program pursuant to the Statute. Participants are encouraged to contact the Chicago Firefighters Union, Local No. 2 for information regarding retiree healthcare coverage under the labor contract between the City of Chicago and Chicago Firefighters Union, Local No. 2.

## **REQUIRED LEGAL DOCUMENTATION**

**Does the Fund require any personal documentation identifying spouses and children?**

For the protection of a participant’s family, it is very important for participants to submit original or certified marriage certificates, children’s birth certificates (if under age 18 or handicapped) the divorce decrees or death certificates which may have terminated a previous marriage by the participant or the participants spouse. Upon request, this Fund will make copies and return the originals to you. If you need to obtain copies of these certificates the following agencies can assist you:

**To obtain a birth, death, or marriage certificate on file in Cook County.**

Contact the Cook County Clerk’s Office at 312-603-7795, [www.cookcountyclerk.com](http://www.cookcountyclerk.com).

Birth and death certificates may also be obtained, for an additional fee, at most local currency exchanges.

**To obtain a copy of a divorce decree, contact:**

Contact the Cook County Clerk of the Court at 312-603-6300, [www.cookcountyclerkofcourt.org](http://www.cookcountyclerkofcourt.org).

## **RELATED ORGANIZATIONS & CONTACT NUMBERS**

### **Chicago Fire Fighters Union Local 2**

440 W. 43rd Street

Chicago, IL 60609

(773) 536-0450

(800) 331-3763

[www.iaff-local2.org](http://www.iaff-local2.org)

### **Chicago Fire Department**

- **Personnel Division**  
1338 S. Clinton  
Chicago, IL 60607  
(312) 746-6920
- **Medical Section** (for lay ups)  
1338 S. Clinton  
Chicago, IL 60607  
(312) 746-6935 x 3936  
Duty & Occupational Bills:  
(312) 746-6971  
For Line of Duty Death Only  
(312) 746-6977 – Elizabeth Crowe
- **Commissary**  
3616 S. Halsted  
Chicago, IL 60609  
(773) 475-6410
- **Chaplains**  
Father John McNalis (312) 742-0497  
Rabbi Moshe Wolf (773) 463-4780  
Rev. Edward Davis (312) 545-3119

### **Chicago Firefighters Credit Union**

6230 S. Central Avenue

Chicago, IL 60638

(773) 581-5253

### **Chicago Fireman's Assoc. Credit Union**

2453 S. Archer Ave., Suite E & F

Chicago, IL 60616

(312) 791-0834

### **Chicago Fire Officers' Assoc. Credit Union**

10231 S. Western -2<sup>nd</sup> Floor

Chicago, IL 60643

(773) 445-1700

### **Benefits Management Office**

333 S. State St. Room 400

Chicago, IL 60604

(877) 292-5111

[www.cityofchicagobenefits.org](http://www.cityofchicagobenefits.org)

### **Nationwide Retirement Solutions Deferred Compensation**

205 W. Randolph -Suite 1540

Chicago, IL 60606

(312) 443-1975 (Chicago Office)

(877) 677-3678 (National Office)

[www.nationwide.com](http://www.nationwide.com)

### **Prudential Financial Life Plan Management**

P.O. Box 13676

Philadelphia, P A 19176

(800) 778-3827

Term Group Policy #44004

### **Firemen's Mutual Aid**

223 W. Jackson, Room 1114

Chicago, IL 60606

(312) 427-7111

### **BC/BS Medical Plan**

(as of January 1, 2018)

(877) 566-8520 (Medicare)

(800) 292-6398 (Non-Medicare)

### **Aetna Medical Plan**

(as of January 1, 2018)

(312) 248-6508 (Medicare)

(877) 660-7919 (Medicare)

### **Met Life**

(800) 942-0854

Retiree Vision/Dental Benefits Liaison

(312) 454-6023 – Jack Burns

### Davis Vision Care

(800) 999-5431 (PPO)  
(877) 393-8844 (HMO) (Advantage)  
(888) 884-8428 (HMO) (Perform)  
[www.davisvision.com](http://www.davisvision.com)

### Dental Care Compbenefits/Humana One

(800) 837-2341  
[www.compbenefits.com/custom/citvofchicago](http://www.compbenefits.com/custom/citvofchicago)

### Social Security Administration

North -4849 N. Milwaukee Ave.  
Downtown -77 W. Jackson Blvd.  
South -8658 S. Sacramento  
For other locations: (800) 772-1213  
Medicare Information: (800) 633-4227  
[www.ssa.gov](http://www.ssa.gov)

### Veterans Administration

2122 West Taylor Street  
Chicago, IL 60612  
(800) 827-1000

- Veterans Affairs Insurance Center  
(800) 669-8477
- Memorial Program Service (Headstone)  
(800) 697-6947

### State of Illinois Benefits

Attorney General  
Line of Duty Compensation Act Claims  
100 W. Randolph, 10th Floor  
Chicago, IL 60601  
[www.cyberdriveillinois.com](http://www.cyberdriveillinois.com)  
Click departments/court\_of\_claims  
Bob Sklamberg -(312) 814-6125  
*\*For Line of Duty Death Only*

### Federal Benefits Public Safety Officers Benefits

Bureau of Justice Assistance  
(202) 307-0635 or (888) 744-6513  
IAFF PSOB Liaison: Larry Curan  
(617) 799-0772  
*\*For Line of Duty Death Only*

### State Fire Marshall's Office

1035 Stevenson Dr.  
Springfield, IL 62703  
(217) 785-0969  
[www.sfm.illinois.gov](http://www.sfm.illinois.gov)

### Municipal Employees' Annuity and Benefit Fund of Chicago (MEABF)

321 N. Clark Street, Suite 700  
Chicago, IL 60654-4767  
(312) 236-4700  
Fax: (312) 527-0192

### Ende, Menzer, Walsh & Quin Retirees' Widows' and Children's Assistance Fund (EMWQ)

20 S. Clark Suite 1400  
Chicago, IL 60603  
(312) 726-9022  
[www.widowsandchildren.org](http://www.widowsandchildren.org)

### Gold Badge Society

Eileen Coglianesse  
(708) 444-3005

### Ignite the Spirit

6400 N Northwest Highway  
Chicago, IL 60631  
(773) 218-1038  
[www.ignitethespirit.org](http://www.ignitethespirit.org)

### International Association of Firefighters

1750 New York Ave, NW Suite 300  
Washington, DC 20006  
(202) 727-8484  
[www.iaff.org](http://www.iaff.org)

### Fire Museum of Greater Chicago

514 Senon Dr.  
Lemont, IL 60439  
(877) 225-7491  
[www.firemuseumofgreaterchicago.org](http://www.firemuseumofgreaterchicago.org)

**Associated Fire Fighters of Illinois**

927 South Second Street

Springfield, IL 62704

(217) 522-8180

[www.affi-iaff.org](http://www.affi-iaff.org)

**Firehouse Magazine**

[www.firehouse.com](http://www.firehouse.com)