

## Retiree's Corner

### Members -- Very Important To Read ...

--compiled over the years by Local 2's Former 6<sup>th</sup> District Business Agent Tom Cody

### Considering Retiring ... read this .....

As Members are rescinding the option to retire under the 55 to 59 agreement, Members who didn't make the original list, have been getting their eligibility letters. I'll call these Members alternates. **Alternates who do not wish to take this benefit, are not restricted in their options to rescind as original Members are.** On page 125 of the Collective Bargaining Agreement (CBA), it basically says if a Member rescinds, it will be offered to the next available Member if they so desire it. If you were an alternate and no longer desire this benefit, you just need to contact Personnel. Personnel may have you go down and sign papers saying you are rescinding the benefit. As an alternate, you are not required to be on medical status to rescind.

I get quite a few calls on how to go about the retirement process. If you are on the 55 to 59 list and do not wish to take your furloughs, you must go to Human Resources and rescind your furloughs before the first one begins. You can rescind 1, 2 or all 3 furloughs. **Sixty years of age and older, can also rescind furloughs, if that's your choice.** The first step should be to contact the Pension Board for an estimate and verify if you owe any time (example: suspension time, strike time, leave of absence, etc.). When you have a date in mind, you must schedule an actual exit interview with Human Resources, where they will go over all the paperwork. This normally takes about an hour. After you schedule your appointment with personnel, please notify the Pension Board so they can set up an appointment. This process also takes about an hour. The Pension Board may just email you all the required documents. You need to bring the paperwork from personnel with you if you go in person. You will fill out paperwork and go through your numbers, healthcare, beneficiaries etc...

During your rounds, stop at the Union Hall to inform them of your retirement and select your retirement gift. While there, also check to see if your beneficiary is up to date. The same should be done with the Pension Board and Deferred Comp.

**Even though you are staying on the exact same health plan, there is always a gap from transitioning the Member from Active Member insurance to Retiree/Active insurance.** Sometimes this process could take 4 to 6 weeks. So, try not to schedule any doctor/dentist appointments during this time, as it will say you do not have insurance, but you actually do. Same with prescriptions. Next, I would go right to Deferred Comp (Nationwide). They are only a couple blocks from Pension Fund. You do not need an appointment for Deferred Comp, just go in and ask to speak to a retirement specialist. This is where you will sign paperwork to have your furlough buyout money sent to Deferred Comp. **Members who retire between November 1<sup>st</sup> and November 30<sup>th</sup> will have the option to receive their furlough buyout money in that year or elect to receive it in the following year. Members retiring in December will automatically receive it in the following year.** You can also transfer your spousal refund from Pension Fund to Deferred Comp if you are not married. **While at Deferred Comp, it's also a good idea to take a ONE-time withdrawal from your account. You can do \$100.00 if you want. The reason behind that is, the first time you take a withdrawal, it could take 30 to 45 days to be approved.** You must fill out a request to withdraw, then they have to send it to City Hall to verify separation of employment, then it's sent back to Deferred Comp to process the withdrawal. After the initial withdrawal, any future withdrawals are done within 3 to 5 business days of your request. Last but not least, go have a beer!! I obviously cannot possibly describe every scenario, so if you have any questions don't hesitate to call me.

Human Resources  
3501 s Michigan, 3<sup>rd</sup> Floor  
312-745-5310

Pension Board  
20 S Clark Ste 300  
312-726-5823

Nationwide (Deferred Comp)  
205 W Randolph Ste  
855-457-2489

Some Members say, I don't want to pull any money out of Deferred Comp, so I'm just going to keep XXX amount of dollars from my furlough buyout money, instead of putting it in Deferred Comp. The issue I have with doing that is: When you take money from your furlough buyout instead of putting it in Deferred Comp, **you get**

**hit with federal tax, state tax and Medicare tax because it is earned income.** When you take it from Deferred Comp, you only get hit with a 20% federal tax. Deferred Comp is retirement income, so you don't pay the state tax or Medicare tax. The money you take out is replaced with the money you put in, but you're not paying the taxes. I'm not an accountant, but it makes sense to me.

As I have stated, the rules constantly change, the most recent change I just became aware of is with Deferred Comp ... and actually found out this became effective July 2021. The City of Chicago website for Deferred Comp does not reflect this update, but it is in effect.

Nationwide now allows in-service withdrawal from your Deferred Comp account. Basically, if you are still working and at least 59 ½ years old, you can withdraw from Deferred Comp with no penalty, **keep in mind** - you will still have to pay the appropriate taxes.

Since Members on Occupational and Disability are considered Active, you also have the option to take in-service withdrawal if you are at least 59½. Again, no penalty, but you will pay the taxes. When taking a withdraw from Deferred Comp, they automatically withhold 20% for Federal Taxes. They take no Illinois tax as this is from a Retirement Account.

There is no max on what you can withdraw up to the amount in your account. If you have an outstanding loan on your account, you can withdraw up to the max minus the balance of the loan amount due.

Now if you have a Roth IRA with Nationwide, you can only withdraw from that if you are at least 59½ and have had the Roth IRA for 5 years.

If you have a Nationwide account online, you will have access to the forms you need for Loans, Retirement withdrawals, In-Service withdrawals, and Unexpected Emergency withdrawals (Hardship). The windows that appear are based on each individual's eligibility. I can only access the Retirement withdraw window, a Member less than 59½ may only be able to access Loan and Unexpected Emergency window etc.....

You need to log into your account and click the "Manage Account" tab at the top of page. You will then have a drop-down window where you would click "Withdraw Money". Then simply follow the prompts and pick what category you are filling out for withdraw. If you want direct deposit, you need to fill in your bank information and upload a voided check. Funds are available in 3 to 5 business days for In-Service distributions.

**Any further questions, you should contact your Deferred Comp Representative.**

I am not sure if this is a good idea or bad, since I always looked at Deferred Comp as strictly a Retirement income and **not a "rainy-day" fund**, but it is vital information I believe Members should be made aware of.

Again, I appreciate feed-back from Members going through the process so we can keep this guide as current as possible.

Another thing to keep in mind, when a Member is Retired under the 55 to 59 or 60 and older and unfortunately dies, **their spouse and dependents automatically lose their health insurance however, your spouse and dependent(s) MAY qualify for City of Chicago COBRA Insurance. Please call 1-877-299-5111.**

- This is also true when a Member reaches full Medicare, their spouse and dependents lose their healthcare. Medicare is currently age 65. You must sign up for Medicare within three (3) months before or up to 3 months after your 65th birthday. If you miss this window you are penalized for life. Although there is a window to sign up, Medicare actually begins on the first of the month in which you turn 65. If your birthday is actually the first day of the month, your Medicare starts the first of the month prior to your birthday month. It's important to sign up prior to that in order to make sure you don't have a lapse in healthcare. **If your spouse is older than you and will turn 65 Medicare prior to you. Medicare for your spouse will be their primary insurance and your healthcare plan BC/BS will be their supplemental plan. This is only until the Member reaches 65 Medicare. There are also some instances where Medicare can be delayed if the Member or spouse are covered under another plan. Contact Medicare for questions on delaying a signup.**

In the last few years Local 2 has been mailing letters to Local 2 Members 3 months prior to their 65th birthday reminding them that this is approaching. During this time, you can also sign up for Local 2's (Aetna plan) Supplemental Healthcare to coincide with Medicare. Call the office for more information on this.

**Something else to keep in mind ... Now that you are 65, besides signing up for Medicare and Aetna do not forget to sign up for your other discounts ... If you're still a Chicago resident go to your Ward Office and sign up for Senior Discount for water bill, visit a City of Chicago office for Senior Discount on city stickers when purchasing it and sign up for your Senior Discount on property taxes which can also be done at the ward office. Please make sure you have your documents with you .. water bill, property taxes bill, etc.... For those outside the City you will have to check with your local municipality for possible discounts.**

When a Member passes and they still have a balance in Deferred Comp, the spouse (if listed as the beneficiary) has the option of leaving that money in Deferred Comp until the Member has reached the age of 73. Then they would have to start withdrawing that balance. No other beneficiary has that option. They must take that balance with-in 10 years of the death of the Member. These rules change constantly so follow up with Nationwide for more accurate information. If you don't start taking the Required Minimum Distribution (RMD effective 1/1/23 age 73) when required, you will be penalized. It's important to stay on top of this, the rules with Deferred Comp seem to change frequently, please be aware.

**\*\*\*\* Over the last couple years due to covid and work rule changes, I would call all of the above before visiting. Some things are now done by email, and some may require appointments in advance.**

**You can call Local 2 with any questions or concerns at any time -- 773-536-0450**

### **What date should I actually choose to retire?**

When to actually "pull the plug"? You might think just throw a dart at a calendar and whatever it lands on is fine. It's actually a little more complicated than that.

Under the 55 to 59 you must leave between November 1 and December 31. Most Members will choose to leave by 0800 on November 30th with good reason.

It's the annual cola (cost of living). Your cola is granted 1 year from your retirement and then every January thereafter. So, if you leave by 0800 on November 30th, the following year December 1 you will receive a 3% cola increase. Then a month later January 1st, you would receive another 3% cola increase. That's six (6%) percent in 13 months.

If you leave in December, you will receive only one (1) 3% cola the following January 1<sup>st</sup>, but due to Members anniversary dates example... 12/1 Class. 12/3 class etc....where you need to work past that anniversary date get to 75% on your pension. Going from 72 1/2% to 75% is quite a difference when it comes to your pension and probably worth more than the actual 3% cola. Once again, you must do the math. Your birthday may be in December to qualify for the 55 to 59 or Age 60 or age 63 for the lower healthcare costs.

Again, do your math. So, let's say you retire at 0800 on November 30, 2023, your first cola increase would be December 1st, 2024. The pension fund pays out at the end of the month, so you will actually see that increase on your 12/31/24 check then your next increase will be the next day on January 1st, 2025, and you will see that increase on your 1/31/25 check.

These are all things that Members who fall into this time frame, need to look at. On the home page of the pension board website is a retirement calculator where you can enter all your information and enter different retirement dates to get an approximate benefit. Google Fireman's Annuity and Benefit Fund (FABF).

Now let's get back to picking an actual date in the month. November has 2 holidays, Veteran's Day and Thanksgiving, do either of these fall on your shift? Does it really matter to you?

Let's say you decide you want November 15<sup>th</sup>, 2023, as your last day at work, which is a 2E EMS 4, but the next workday November 18th is your Daley Day, so what you should select is 0800 on 11/22. You can refuse the daily day if you don't want to work it. EMS would pick 0800 on the 19th assuming you don't

get mandated on the 17th. This will give you 21 days (EMS 18 days) on the payroll at full pay as opposed to 15 days. If you leave at 0800 on the 30th you will receive full pay for the entire month minus 8 hours for the 30th. Even though most of us are platoon employees, payroll is still calculated on 8-hour days. Whatever day you leave on, the pension fund will pay back to that day you retired at 75% assuming you have 29 and a day.

Back to retiring on 11/15 as your last day, our pay schedules are still the same as always, the 1st of the month to the 15th and the 16th to the last day in the month. The only thing that changed is the actual pay dates for these periods. Leaving on 11/15 as your last day, you would still receive a check on 11/22. That will be your last payroll check. Then you would receive your 1st pension check on 12/31 dated back to 11/16. That's about 5 1/2 weeks without a check. If that matters to you, then you might want to rethink your actual retirement date. If you leave at 0800 on November 30th, you will receive a check on 12/7 minus 8 hours from a normal check. That's a little more than 3 weeks before your 1st pension check kicks in. Again, does this matter to you?

We all have different money issues and reasons for what we do, so I'm just trying to put a better understanding out there so everyone can make a rational decision that works best for them. Again, if you have any questions, call Local 2.

While we're on the subject of retiring or at least thinking about it, here are a few more things that I feel Members should be made aware of:

### **Beneficiaries**

Again, I cannot express how important it is to **UPDATE YOUR BENEFICIARIES**. It is absolutely brutal listening to a family member who is not listed as the beneficiary when a Member passes. I've seen beneficiary money going to ex-spouses, ex boyfriends, ex-girlfriends, parents who are no longer here etc..... This does not take a lot of time to do and is important for your family when you are gone.

Here is a list of places you should contact but not limited to:

- Personal Bank Accounts,
- State and federal benefits Department Memo M-34-13
- Local 2
- Credit union(s)
- Nationwide (Deferred Comp)
- Pension Board (Fireman's Annuity and Benefit Fund)
- Met Life

**Please refer to the two page "Who to Contact" sheet on Local 2's Website or at the end of this document.**

### **"Per Stirpes"**

Since doing a living trust, I became aware of the phrase "per stirpes". Per stirpes basically means if something happens to one of your beneficiaries, their share will then go to their heirs. Nationwide Retirement Solutions (Deferred Comp) does not offer this option on their beneficiary forms.

I will use myself as an example: My wife is my primary beneficiary, and my 4 daughters are my contingent beneficiaries. If my wife passes before me, my 4 daughters will now receive 1/4 each of my Deferred Comp. But, now what happens if one of my daughters also passes before me, who has children?

Without the "per stirpes" option, the 3 remaining daughters now get 1/3 and the children of the daughter who passed receive nothing unless the beneficiaries are updated constantly. As we get older and more senile, we don't always remember to do those things, or you just assume it would go to their children.

Yes, the right thing to do would be for the remaining sisters to make sure the nieces and nephews would receive their mother's share, but money has a strange effect on people. Example..." If that's what he wanted, he would have changed it etc....." But if they did share it, they would have to pay the tax on the initial payment, then you might have to deal with an additional "Gift Tax" by giving a portion of yours to someone else, if it's over a certain dollar amount.

I also investigated putting my Deferred Comp account into my living trust. Well, the Federal Government (IRS) says, once you change the name on a deferred comp account (ex...Tom Cody to Tom Cody Trust) they consider that a complete withdrawal from your account and the taxes are due.

I have had many phone calls and exchanged many emails with Nationwide in Chicago and their corporate office in Columbus Ohio about this issue, and so far it seems they are not willing to change it. Everyone I talked to said it makes sense and surprised themselves that it isn't offered. I understand they are a major company, and this would require some work, but it's just an option. You don't have to select "per stirpes" if you don't want to. On other forms I have filled out, it's simply checking a box next to your beneficiaries. A large number of institutions and banks offer this option on their beneficiary forms. As of late, Nationwide recently informed me they will not change it.

One thing that I found to be an option, would be to roll my deferred comp account into another tax deferred account that offers "per stirpes". By doing this, there would be no tax consequences moving it from one tax deferred account to another and it would guarantee my wishes are filled. I know this is a lot to consider, but felt it was important to pass along.

### **Occupational and Duty Disability**

When Members go on either of these disabilities there are things to know. Duty Disability is 75% of your salary at the time you are granted the benefit, for occupational it's 65%. Both are tax free and provide healthcare paid for by the employer. The employer is also required to make pension contributions on behalf of the Member. This means you will still be accruing years of service. However, you will not receive any salary increases based on contract raises or step raises as long as you're on that disability. When you hit age 63 you are now mandatorily retired, and you will then retire at the current salary for that rank and years of service at that time. While on that disability for many years that salary benefit is no longer keeping up with inflation and Members are feeling it.

There is also an ordinary disability benefit, this is basically for off duty injuries or illnesses that prevent you from working. This is for Members under the age of 50 or haven't completed 20 years of service to qualify for retirement, tier 2 would be 55 years. This benefit is 50% of your salary and is only good for a maximum of 5 years or until the Member can qualify to retire prior to the 5-year mark or return to work. For this benefit the Member is responsible for health care, taxes, and pension contributions.

Members on occupational or duty disability also qualify for the 55 to 59 healthcare, obviously 60 and older also falls into this, so this is where a Member must make a decision. If you have been on disability for 10, 15, 20 years you haven't received a raise in at least that long.

If you decide to take the retirement and forego the disability benefit, you are now going to retire at today's wages. You will now have to pay taxes and healthcare, but your take-home pay may be substantially higher, and you will also receive the cola increases going forward. This probably happens around the 10-year mark on disability, but that also depends on contract wages, years of service etc.... over the years.

For estimates on what your pension might be, go to <http://www.fabf.org> the pension boards website. On their home page there is a retirement calculator. Fill in all the pertinent information and projected retirement date and it will give you an estimate based on current contract wages. Look at the gross, figure in taxes and healthcare costs etc....and decide what's best for your situation. Your duty injury would still be covered if you're still receiving treatment for it. You may also have to take into account if you're receiving PSEBA or SSDI benefits.

## VERY IMPORTANT —

If you are planning on collecting Social Security immediately upon retirement beware of the rules when it comes to collecting Social Security and earnings for that year and any year until you reach Full Retirement Age (FRA). If you're planning on collecting Social Security the year after retirement and that's the same year you receive your furlough buyout check that could also be an issue. During your exit interview, inform personnel or payroll division if you plan on collecting Social Security in the same year you receive your furlough money. There is a form that needs to be filled out for Social Security (Form SSA – 131) showing that those earnings (Furlough buyout) are for the previous year, so your Social Security is not reduced.

## Retirement

A few years ago, I wrote a letter about retiring which I have updated periodically through the years. After entering retirement, you might think that it's time to kick back and chill. Yet there are still things you must stay on top of. The first is Medicare.

**Medicare**—It is important to sign up for Medicare prior to your 65th birthday. You can actually sign up for Medicare 3 months prior to and 3 months after your 65th birthday. I highly suggest signing up 3 months prior to your birthday. Failure to sign up will result in a penalty on your monthly premium. If you receive Social Security for at least 4 months prior to your 65th birthday, you will automatically be enrolled in Medicare and will receive a welcome package from Medicare with your Medicare card about 3 months prior to your birthday.

Local 2 will mail you a reminder 3 months prior to your 65th birthday (if you are still a Member) to sign up for Medicare and information about the supplemental healthcare plan offered through Local 2 and Aetna. I highly suggest when you receive the Local 2 calendar for the year in which you turn 65, go to the month 3 months prior to your birthday and write a note to sign up for Medicare on the 1st of that month. Medicare starts on the 1st day of the month when you turn 65.

\* **example**..... Your birthday is September 24, your Medicare coverage begins on September 1. So, you would be eligible to sign up June 1. If your birthday is the 1st day of the month your Medicare coverage actually begins the month prior on the 1st

\* **example**.....your birthday is September 1, coverage begins August 1, so you would be eligible to sign up on May 1.

You can sign up for Medicare online. The easiest way would be through the Social Security website. If you don't have an online account with Social Security, it is easy to set up and track your benefits. When signing up online, they will ask you a series of questions, one question was, "are you currently covered by a group plan?", I answered yes. The next question was, "Is this through your current employer?" I answered "No" since I am retired. It wouldn't let me continue with the process. After talking to Medicare, they don't consider a retirement plan a group plan. I was instructed to click No, and my application was submitted.

Your 2<sup>nd</sup> choice, you can also go to your local Social Security office to sign up, but they will most likely have you fill out paperwork to receive a phone call appointment to assist you with signing up for Medicare.

Your 3<sup>rd</sup> choice would be to call Medicare, 1-800-633-4227 they will walk you through the process and get you signed up. They answered after a few rings and had my application completed within minutes.

You will then receive a series of emails/texts informing you of the process, (submitted, under review, finalizing etc.... until it's approved. You should have your new Medicare card with in 7 to 10 business days after the approval.

When you start the process with Medicare you should also call Aetna (if that's the supplemental you will be using) and they will mail you out the application. You will need your Medicare number to complete that application. There will also be another phone number to sign up for Aetna dental/vision/plans if you choose. Your premiums for Aetna medical and dental/vision plans will be deducted right for your pension check. You might think, I paid into Medicare so I don't have to pay a premium. Well, you do for part B. Part "A" Medicare basically covers hospital costs. Part "B" covers your medical costs (doctor visits, out patient costs etc....)

Part A was paid for during your working years. Like Social Security you would have had to pay Medicare taxes for 40 quarters to qualify for \$0.00 premium cost for part A.

Medicare premiums can be automatically deducted from your bank account monthly, you just have to select that option on their website. If you are collecting Social Security, they will deduct it from your Social Security check. Also, again, if you're collecting Social Security for at least 4 months prior to turning 65 (Medicare eligible) you will automatically be enrolled in Medicare. They will send you a welcome package with your Medicare card 3 months prior to Medicare starting. You will still need to select a supplemental plan. These are the 2026 premiums for Part "B" Medicare. Yes, it changes every year.....

| <b>2026 Medicare Part B Premium Chart (IRMAA)</b><br>Here are the income-related monthly adjustment amount (IRMAA) brackets for 2026 based on your 2024 tax return. |                                    |                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------|----------------|
| Income (Single)                                                                                                                                                     | Income (Married, Joint)            | Part B Premium |
| Less than or equal to \$109,00                                                                                                                                      | Less than or equal to \$218,000    | \$202.90       |
| Greater than \$109,000—\$137,000                                                                                                                                    | Greater than \$218,000—\$274,000   | \$284.10       |
| Greater than \$137,000—\$171,000                                                                                                                                    | Greater than \$274,000 — \$342,000 | \$405.80       |
| Greater than \$171,000—\$205,000                                                                                                                                    | Greater than \$342,000 — \$410,000 | \$527.50       |
| Greater than \$205,000—\$500,000                                                                                                                                    | Greater than \$410,000 — \$750,000 | \$649.20       |
| Greater than or equal to \$500,000                                                                                                                                  | Greater than or equal to \$750,000 | \$689.90       |

When you start Medicare your spouse and eligible dependents will also lose their health coverage through your City Plan. I suggest you start looking for coverage for them about 6 months prior to you turning 65. When your spouse turns 65, they are also allowed to be covered through the Local 2 supplemental healthcare. You would have to follow the same process for your spouse discussed in the previous paragraphs. Even though your spouse will not be able to sign up for the Aetna supplemental health coverage until they turn 65, they **are** able to be insured on the dental/vision plan when you become eligible.

When selecting a supplemental healthcare plan and dental/vision plans search through their website and make sure your doctors/dentists accept that plan. You may want to change to a different plan or change doctor/dentist. If you are receiving mail order prescriptions, make sure your new insurance is up to date on that also.

You want to get ahead of this as much as possible to avoid any unnecessary delays in coverage or appointments.

If you are still working at another job where medical insurance is provided or you are covered through a spouse's plan, you may be able to defer signing up for Medicare at age 65. You will need to reach out to Medicare for answers on that.

Another topic in retirement is deferred compensation. Most of us have contributed to this over the years as a safeguard for retirement. Some of us choose to live off the modest pension we receive and leave Deferred Compensation to continue to grow for later years, or to leave for our spouses and children to survive on. The government has other plans. They want to start collecting those taxes you avoided when contributing to those plans. Roth 401K have different rules, you already paid your taxes on that account.

### **Deferred Compensation Plans**

This is another one of those things that constantly change through legislation. Currently Members must start taking Required Minimum Distributions ( RMD's) at age 73. In 2033 this will jump to age 75. Basically, anyone born after January 1, 1960, will not have to take RMD's until age 75, born prior to that you must start taking RMD's at age 73. This may seem like a far way off for some of you, but trust me, times flies as fast in retirement as it did on the job. RMD's must be taken by April 1st in the year following the year you turn 73. Failure to take your RMD results in a penalty. It can be as much as **25%** of the amount you were supposed to withdraw.

Rules have also changed for Roth 401k accounts and RMD's. Roth 401k accounts no longer have RMD's since 2024 when Secure Act 2.0 went into effect. This is for account owners who are alive. Beneficiaries have another whole set of rules on distributions. Like I said, these rules constantly change. This is stuff your spouse and/or beneficiaries should also be aware of. You meant for this money to go to them, not back to the government because they didn't know the rules. (I plan on doing a summary for beneficiaries in the near future).

For a regular 401k, when you start taking RMD's you can take it monthly, quarterly or annually. RMD's are based on life expectancy. Anyway, when you start taking your RMD they look at your life expectancy and how much you have in your account and that determines how much you must take. Here is the IRS chart for 2025. Look for your age, take your total in 401k and divide it by the 2nd column (distribution period) and that will determine your RMD for that year. EX..... Age 72, distribution 27.4, I'm just going to use the whole number (27) for easy math.

**Age 72      \$50,000 in 401k      Life factor 27 (basically 27 years left to live)**  
**\$500,000.00 divided by 27 = \$18,518.00 annually or \$1543.00 month**

Does this income now affect your Medicare premium based on the previous paragraphs? Like I said, this dollar amount is readjusted every year based on age, life expectancy and amount. Are you in the market? Fixed account? What percentage are you making on your money? You obviously are a year older. These all come into determining your RMD every year.

Let's go back to a previous paragraph and you forgot to take your RMD on time using the same figure above:

- **RMD \$18,518.00**
- **25% penalty for not taking it**
- **\$4629.50 paid to the IRS for not taking your RMD on time.**

There are ways to reduce that penalty if you catch it in the first 2 years. Look it up, I'm not explaining that too. I'm telling you, don't get penalized.

Current life expectancy chart, on the next page ..... Look up your age, then divide your balance into your 401k by the distribution period number, this determines your RMD.

| Age | Distribution Period | Age          | Distribution Period |
|-----|---------------------|--------------|---------------------|
| 72  | 27.4                | 97           | 7.8                 |
| 73  | 26.5                | 98           | 7.3                 |
| 74  | 25.5                | 99           | 6.8                 |
| 75  | 24.6                | 100          | 6.4                 |
| 76  | 23.7                | 101          | 6.0                 |
| 77  | 22.9                | 102          | 5.6                 |
| 78  | 22.0                | 103          | 5.2                 |
| 79  | 21.1                | 104          | 4.9                 |
| 80  | 20.2                | 105          | 4.6                 |
| 81  | 19.4                | 106          | 4.3                 |
| 82  | 18.5                | 107          | 4.1                 |
| 83  | 17.7                | 108          | 3.9                 |
| 84  | 16.8                | 109          | 3.7                 |
| 85  | 16.0                | 110          | 3.5                 |
| 86  | 15.2                | 111          | 3.4                 |
| 87  | 14.4                | 112          | 3.3                 |
| 88  | 13.7                | 113          | 3.1                 |
| 89  | 12.9                | 114          | 3.0                 |
| 90  | 12.2                | 115          | 2.9                 |
| 91  | 11.5                | 116          | 2.8                 |
| 92  | 10.8                | 117          | 2.7                 |
| 93  | 10.1                | 118          | 2.5                 |
| 94  | 9.5                 | 119          | 2.3                 |
| 95  | 8.9                 | 120 and over | 2.0                 |
| 96  | 8.4                 |              |                     |

These withdrawals are considered earned income and can affect your taxes and Medicare premiums. RMD's are reconfigured every December 31st for the following years RMD. So, if you made more investment even when taking RMD's, the following year can require you to take even more if the life expectancy hasn't changed.

I'm not an accountant or a financial advisor, but I like to read so I have a general understanding of what to expect. Everybody's situation is different, and this is just to make you aware of situations down the road, so you can do research ahead of time and not be blindsided. I will not give advice on what to do with your money, besides, explaining the rules that are currently in place as I understand them. I appreciate any feedback on Medicare, Social Security or Deferred Compensation issues so this can be updated with the most accurate information that would benefit the Members.

The most important thing I'm trying to get across is **"Don't be late signing up for Medicare or taking your RMD's from Deferred Comp"**. You worked hard for your money and the last thing you want is having to pay penalties on your own money.

Fraternally—Tom Cody

WE RECOMMEND MEMBERS TO NOTIFY THE FOLLOWING ORGANIZATIONS IN CASE OF: A  
CHANGE OF ADDRESS OR BENEFICIARY. IF YOU ARE CONSIDERING RETIREMENT, OR THERE  
IS A DEATH OF A MEMBER OR THEIR SPOUSE

1. **CFD Personnel Division**  
3505 S. Michigan – 3<sup>rd</sup> Floor  
Chicago, IL 60653  
312-745-5310 (Kewana Hammond)
2. **Firemen's Annuity & Benefit Fund  
(Pension Board) Ret., Duty, Occ.**  
20 S. Clark – Suite 300  
Chicago, IL 60603  
312-726-5823  
Fax 312-726-2316
3. **Chicago Fire Fighters Union L2**  
440 W. 43rd St.  
Chicago, IL 60609  
773-536-0450  
Fax 773-536-8117
4. **Benefits Management**  
333 S. State St. - Room 400  
Chicago, IL 60604  
877-299-5111 \*Need ID
5. **Nationwide Retirement Solutions  
Deferred Comp. (PEBSO)**  
205 W. Randolph - Suite 1540  
Chicago, IL 60606  
312-443-1975
6. **Chicago Fire Department -EAP**  
1338 S. Clinton  
Chicago, IL 60607  
312-746-6977 (Lisanne Vaci)
7. **CFD Medical Section (for lay-ups)**  
1338 S. Clinton  
Chicago, IL 60607  
312-746-6935(6) (Klara Sanchez)  
Medical: 312-746-6935  
Duty & Occ. Bills: 312-416-1010
8. **MetLife Insurance (Prudential)**  
Policy # 9213800  
\$75,000 (Active Members)  
866-492-6983 /312-454-6023
9. **Aetna Insurance/Retiree First**  
312-248-6508 (Medicare Eligible)  
312-467-7440 (Non-Medicare Eligible)
10. **BlueCareDental**  
855-557-5487  
800-323-7201 (HMO)
11. **Davis Vision (Active)**  
888-456-8758
12. **Aetna (Ret. Vision & Dental)**  
312-454-6023
13. **Retired Firemen Mutual Aid**  
223 W. Jackson – Room 1114  
Chicago, IL 60606  
312-427-7111
14. **Caremark, Inc. (CVS)**  
2211 Sanders Rd. Northbrook,  
IL 60062  
866-748-0028 (City)  
800-213-0879
15. **Blue Cross & Blue Shield**  
300 E. Randolph – 6th Floor  
800-772-6895  
800-373-3727 (Telligen)
16. **Police-Fire Insurance Association**  
101 E. 116<sup>th</sup> St.  
Carmel, IN 46032  
317-581-1913 (Mike Shanahan)
17. **Chicago Firefighters Credit Union**  
6230 S. Central  
Chicago, IL 60638  
773-581-5253
18. **Chicago Fireman's Assoc. Credit Union**  
2453 S. Archer Ave.-Suite E  
Chicago, IL 60616  
312-791-0834

**WE RECOMMEND MEMBERS TO NOTIFY THE FOLLOWING ORGANIZATIONS IN CASE OF: A CHANGE OF ADDRESS OR BENEFICIARY, IF YOU ARE CONSIDERING RETIREMENT, OR THERE IS A DEATH OF A MEMBER OR THEIR SPOUSE**

19. **Chicago Fire Officer's Association Credit Union**  
10231 S. Western  
Chicago, IL 60643  
773-445-1700 (Joe Owen)
20. **CFD Chaplains**  
Fr. William McFarlane: 312-735-2403  
Rabbi Moshe Wolf: 773-463-4780  
Rev. Edward Davis: 312-545-3119
21. **Commissary**  
3616 S. Halsted  
Chicago, IL 60608  
773-475-6410 (Doreen Heeter)
22. **Alarm Office**  
312-746-9500
23. **Gold Badge Society**  
773-458-8394  
(Colleen Prendergast-Breakey)
24. **Ignite the Spirit**  
312-218-1038
25. **Public Safety Officer Benefits (PSOB)**  
202-737-8484
26. **M.A.R.C. Division**  
312-746-4634
27. **Ambulance Bills**  
Kim: 312-746-5841
28. **Payroll**  
312-745-3216

**Below is a general outline of benefits due to beneficiaries in the event of a member's death. Your status, active or retired, at the time of death determines these benefits.**

**Non-Duty Death**

- Basic Term Life (City)
- Accidental Death & Dismemberment
- Pension Plan Death Benefit (\$6k)
- Local 2 Death Benefit (\$2k)
- 30-50% Pension Plan (plus 10% per child)
- Optional Insurance

**Line of Duty Death (around \$200k)**

- IAFF Federal Death Benefit
- Illinois Duty Death Benefit
- Pension Plan Death Benefit (\$12k)
- Basic Term Life (City)
- Accidental Death & Dismemberment
- 00 Club (initial plus other benefits)
- Full pay Fireman's Annuity & Benefit (1 year) then 75% plus \$30 each child per month and free health insurance
- Local 2 Death Benefit (\$5k)
- Optional Insurance: Until age 49, then reduced \$400 a year on every birth date to a minimum of \$6k. Benefit is reduced to the \$6k minimum if death occurs while member is in receipt of an annuity.  
\*This benefit applies only if the member purchase insurance on their own\*