APPENDIX D
SUMMARY OF ACTUARIAL ASSUMPTIONS FOR PENSION FUND

The actuarial assumptions used for the December 31, 2021 actuarial valuation are summarized below.

The mortality rate, termination rate, retirement rate, and salary assumptions are based on an experience analysis of the Fund over the period 2017 through 2020. These assumptions were adopted by the Board as of December 31, 2021, based on the recommendation from the actuary.

Interest Rate. 7.00% per year, compounded annually.

Price Inflation Rate. 2.50% per year, compounded annually.

Real Wage Growth: 0.50% per year, compounded annually

General Wage Growth: 3.00% per year, compounded annually

Mortality Rates. All mortality rates use Pub-2010 General Amount Weighted Median Mortality Tables.

Mortality Projections. All mortality rates are projected from 2010 using generational improvement with Scale MP-2021.

Deaths After Retirement. Mortality rates are based on the Pub-2010 General Amount Weighted Median Mortality Table for Retirees. Rates for male members are set forward one year and multiplied by 107% at all ages. Rates for female members are set forward 2 years and multiplied by 109% at all ages. Because the retiree tables have no rates prior to age 50, the Pub-2010 General Amount Weighted Median Mortality Table for Employees is used for ages less than 50.

Deaths After Retirement (Survivors of Deceased members). Mortality rates are based on the Pub-2010 General Amount Weighted Median Mortality Table for Contingent Survivors. Because the contingent survivor tables have no rates prior to age 45, the Pub-2010 General Amount Weighted Median Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement. Mortality rates are based on the Pub-2010 General Amount Weighted Median Mortality Table for Employees for all employees.

Termination Rates. Termination rates based on the recent experience of the Fund were used. The following is a sample of the termination rates used:

Service at Termination	Rate
0	15.0%
5	8.0%
10	6.0%
15	3.5%
20	3.5%
25+	2.5%

APPENDIX D
SUMMARY OF ACTUARIAL ASSUMPTIONS FOR PENSION FUND
(continued)

Retirement Rates for Tier I Members. For persons who became participants prior to January 1, 2011, rates of retirement for each age from 50 to 80 based on the recent experience of the Fund. The following are samples of the rates of retirement used:

Age	With Less Than 30 Years of Service at Retirement	With 30 or More Years of Service at Retirement
<50	0.0%	28.0%
50-58	3.5%	28.0%
59	12.0%	28.0%
60-64	12.0%	21.0%
65-79	20.0%	21.0%
80+	100.0%	100.0%

Retirement Rates For Deputy Sheriffs. For Cook County Deputy Sheriffs, rates of retirement for each age from 50 to 80 based on the recent experience of the Fund. The following are samples of the rates of retirement that were used:

	Males		Females	
Age	With Less Than 20 Years of Service at Retirement	With 20 or More Years of Service at Retirement	With Less Than 20 Years of Service at Retirement	With 20 or More Years of Service at Retirement
50	2.0%	8.0%	1.0%	8.0%
51-53	2.5%	8.0%	2.0%	8.0%
54	5.0%	8.0%	4.0%	8.0%
55-58	5.0%	12.0%	4.0%	12.0%
59	12.0%	25.0%	10.0%	25.0%
60	12.0%	25.0%	15.0%	25.0%
61-63	12.0%	25.0%	12.0%	25.0%
64	17.0%	25.0%	12.0%	25.0%
65	20.0%	100.0%	22.0%	100.0%
66	17.0%	100.0%	22.0%	100.0%
67-74	20.0%	100.0%	22.0%	100.0%
75-79	30.0%	100.0%	25.0%	100.0%
80+	100.0%	100.0%	100.0%	100.0%

APPENDIX D
SUMMARY OF ACTUARIAL ASSUMPTIONS FOR PENSION FUND
(continued)

Retirement Rates for Tier II Members. For persons who became or will become participants on or after January 1, 2011, rates of retirement for each age from 62 to 75 were used. The following are samples of the rates of retirement that were used:

	Rates of Retirement	
Age	Males	Females
62	.400	.350
64	.225	.150
67	.400	.350
70	.450	.200
75	1.000	1.000

Salary Increases.

Service	Wage Growth	Merit and Longevity	Total
0	3.00%	2.00%	5.00%
1	3.00%	2.00%	5.00%
2	3.00%	2.00%	5.00%
3	3.00%	2.00%	5.00%
4	3.00%	1.50%	4.50%
5	3.00%	1.50%	4.50%
6	3.00%	1.00%	4.00%
7	3.00%	0.50%	3.50%
8	3.00%	0.50%	3.50%
9	3.00%	0.50%	3.50%
10	3.00%	0.50%	3.50%
>10	3.00%	0.00%	3.00%

Projected Salary Increase Rate for New Entrants. 3.00% per year (for projection in Section III)

Loading for Reciprocal Benefits. Costs and liabilities of active employees were loaded by 1% for reciprocal annuities where the County is the last employer. It was assumed that 50% of inactive members with one or more year of service would receive a reciprocal annuity where the County is not the last employer. These reciprocal annuities were valued as of the member's retirement date as 10 times an inactive member's accumulated contributions.

APPENDIX D
SUMMARY OF ACTUARIAL ASSUMPTIONS FOR PENSION FUND
(continued)

Marital Status. 70% of male members are assumed to be married. 40% of female members are assumed to be married.

Spouse's Age. The spouse of a male employee is assumed to be four years younger than the employee. The spouse of a female employee is assumed to be two years older than the age of the employee.

Inactives. For Tier 1 inactives with 10 or more years of service, benefits were estimated based on service and pay and valued as deferred to age 62 annuities. For Tier 2 inactives with ten or more years of service, benefits were estimated based on service and pay and valued as deferred to age 67 annuities.

Annual increase in administrative expenses: 2.50% per year, compounded annually.

Timing of Assumptions: All withdrawals, deaths, retirements and salary increases are assumed to occur July 1 of each year. The timing of retirement changes from mid-year to beginning of year at and after 100% retirement age.

Reported Compensation: Compensation as of the valuation date as furnished by the Fund's office.

Valuation Compensation: Reported compensation adjusted to reflect the pay increases and the probability of decrement during the year.

Normal Cost: Normal cost rate reflects the impact of new entrants during the year.

Changes Since Prior Valuation:

The assumptions used for the December 31, 2021 actuarial valuation are based on the experience study prepared as of December 31, 2020 and adopted by the Board of Trustees on March 3, 2022. Material assumptions and methods that were changed since the prior valuation:

- The investment return assumption was lowered from 7.25% to 7.00%
- The inflation assumption was lowered from 2.75% to 2.50%
- The real wage growth assumption was decreased from 0.75% to 0.50%
- The general wage inflation assumption was lowered from 3.50% to 3.00%
- The withdrawal rates, retirement rates, mortality and annual rate of salary increase assumptions were changed
- The marriage assumption was changed from assuming spouses of female employees were four years older than female employees to assume that spouses of female employees are two years older than female employees
- The martial status assumption for female members was lowered from 70% assumed to be married to 40% assumed to be married.
- The assumed retirement age for Tier 1 deferred vested members was increased from 55 to 62.
- The assumed annual increase in administrative expense was lowered from 5.00% to 2.50%.

APPENDIX E
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS FOR RETIREE HEALTH CARE PLAN

The actuarial assumptions used for the December 31, 2021 actuarial valuation are summarized below. The mortality rates, termination rates, retirement rates, salary, inflation, participation, and Medicare primary assumptions are based on an experience analysis of CEABF, over the period 2017 through 2020. These assumptions were adopted by the Board on March 3, 2022. Per capita cost and medical trend rate assumptions are revisited annually. The next experience analysis is scheduled to occur after the December 31, 2024 actuarial valuation, with expected implementation of updated assumptions beginning with the December 31, 2025 actuarial valuation. This analysis will cover the four-year period from 2021 through 2024.

Valuation Date. December 31, 2021

Discount Rate. 7.00% per year, compounded annually.

Mortality Rates. All mortality rates use Pub-2010 General Amount Weighted Median Mortality Tables.

Mortality Projections. All mortality rates are projected from 2010 using generational mortality improvement with Scale MP-2021.

Deaths After Retirement. Mortality rates are based on the Pub-2010 General Amount Weighted Median Mortality Table for Retirees. Rates for male members are set forward one year and multiplied by 107% at all ages. Rates for female members are set forward 2 years and multiplied by 109% at all ages. Because the retiree tables have no rates prior to age 50, the Pub-2010 General Amount Weighted Median Mortality Table for Employees is used for ages less than 50.

Deaths After Retirement (Survivors of Deceased members). Mortality rates are based on the Pub-2010 General Amount Weighted Median Mortality Table for Contingent Survivors. Because the contingent survivor tables have no rates prior to age 45, the Pub-2010 General Amount Weighted Median Mortality Table for Employees is used for ages less than 45.

Deaths Prior to Retirement. Mortality rates are based on the Pub-2010 General Amount Weighted Median Mortality Table for Employees for all employees.

APPENDIX E
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS FOR RETIREE HEALTH CARE PLAN
(continued)

Termination Rates. Termination rates based on the recent experience of the Fund were used. The following is a sample of the termination rates used:

Service at Termination	Rate
0	15.0%
5	8.0%
10	6.0%
15	3.5%
20	3.5%
25+	2.5%

Retirement Rates for Tier I Members. For persons who became participants prior to January 1, 2011, rates of retirement for each age from 50 to 80 based on the recent experience of the Fund. The following are samples of the rates of retirement used:

Age	With Less Than 30 Years of Service at Retirement	With 30 or More Years of Service at Retirement
<50	0.0%	28.0%
50-58	3.5%	28.0%
59	12.0%	28.0%
60-64	12.0%	21.0%
65-79	20.0%	21.0%
80+	100.0%	100.0%

APPENDIX E
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS FOR RETIREE HEALTH CARE PLAN
(continued)

Retirement Rates For Deputy Sheriffs. For Cook County Deputy Sheriffs, rates of retirement for each age from 50 to 80 based on the recent experience of the Fund. The following are samples of the rates of retirement that were used:

	Males		Females	
Age	With Less Than 20 Years of Service at Retirement	With 20 or More Years of Service at Retirement	With Less Than 20 Years of Service at Retirement	With 20 or More Years of Service at Retirement
50	2.0%	8.0%	1.0%	8.0%
51-53	2.5%	8.0%	2.0%	8.0%
54	5.0%	8.0%	4.0%	8.0%
55-58	5.0%	12.0%	4.0%	12.0%
59	12.0%	25.0%	10.0%	25.0%
60	12.0%	25.0%	15.0%	25.0%
61-63	12.0%	25.0%	12.0%	25.0%
64	17.0%	25.0%	12.0%	25.0%
65	20.0%	100.0%	22.0%	100.0%
66	17.0%	100.0%	22.0%	100.0%
67-74	20.0%	100.0%	22.0%	100.0%
75-79	30.0%	100.0%	25.0%	100.0%
80+	100.0%	100.0%	100.0%	100.0%

Retirement Rates for Tier II Members. For persons who became or will become participants on or after January 1, 2011, rates of retirement for each age from 62 to 75 were used. The following are samples of the rates of retirement that were used:

	Rates of Retirement	
Age	Males	Females
62	.400	.350
64	.225	.150
67	.400	.350
70	.450	.200
75	1.000	1.000

APPENDIX E
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS FOR RETIREE HEALTH CARE PLAN
(continued)

Inflation Rate. 2.50% per year, compounded annually.

Salary Increases.

Service	Wage Growth	Merit and Longevity	Total
0	3.00%	2.00%	5.00%
1	3.00%	2.00%	5.00%
2	3.00%	2.00%	5.00%
3	3.00%	2.00%	5.00%
4	3.00%	1.50%	4.50%
5	3.00%	1.50%	4.50%
6	3.00%	1.00%	4.00%
7	3.00%	0.50%	3.50%
8	3.00%	0.50%	3.50%
9	3.00%	0.50%	3.50%
10	3.00%	0.50%	3.50%
>10	3.00%	0.00%	3.00%

Disability Rates. Included in termination and retirement rates.

APPENDIX E
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS FOR RETIREE HEALTH CARE PLAN
(continued)

Anticipated Plan Participation.

60% of eligible employees are assumed to elect retiree health benefits. Of those who elect retiree medical benefits, 94% are assumed to be eligible for free Medicare Part A. For those assumed to be ineligible for free Medicare Part A, a reduced premium will be provided by CEABF.
35% of vested terminated employees are assumed to elect retiree medical benefits upon retirement and are assumed to retire at age 61.

Based on recent experience, future annuitants are assumed to elect from among the available plans as follows:

% Who Elect	Choice	Choice Plus
Pre-Medicare	90%	10%
Post-Medicare	60%	40%

Current annuitants who elect coverage are assumed to remain in coverage. Current annuitants who have waived or deferred coverage are not assumed to participate in the future.

Dependent Coverage.

35% of future annuitants are assumed to cover a dependent. 35% of surviving dependents are assumed to elect coverage upon the death of an actively employed member and are assumed to commence benefits when the actively employed member would have reached age 61. Male members are assumed to be 4 years older than female spouses and female members are assumed to be 2 years younger than male spouses. Actual ages were used for dependents of current annuitants.

Medicare Coordination.

Medicare is assumed to remain the primary payer for current and future retirees and spouses who are at least age 65 and who are currently on Medicare. Medicare is assumed to become primary for 100% of retirees and spouses who retired before January 1, 2019 and who are not yet age 65, when they attain that age. However, five percent of this group is assumed to be ineligible for free Medicare Part A and a reduced premium will be provided by CEABF. For all other retirees and spouses, Medicare is assumed to be the primary payer at the time they reach age 65.

Per Capita Health Plan Costs.

Estimated net annual per capita incurred claim costs per covered adult for fiscal year 2022 at age 65, reflecting administrative expenses, drug rebates and EGWP subsidies.

	Choice	Choice Plus
Not Medicare Eligible	$18,916	$19,963
Medicare Eligible	$4,572	$4,087

APPENDIX E
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS FOR RETIREE HEALTH CARE PLAN
(continued)

Per capita medical costs were developed using claims, enrollment, drug rebates and EGWP subsidies for the period from January 1, 2021 through December 31, 2021 provided by the Fund. The resulting costs were adjusted for age morbidity.

The valuation relies on the accuracy of the rate calculations. We understand that the rates represent only medical and prescription drug benefit costs for annuitants under the Fund.

Age-based Morbidity.

Per capita costs are adjusted to reflect expected cost differences due to age and gender. The morbidity factors for pre-Medicare morbidity were developed from "Health Care Costs—From Birth to Death" sponsored by the Society of Actuaries and prepared by Dale H. Yamamoto (May 2013). Table 4 from Mr. Yamamoto's study formed the basis of Medicare morbidity factors that are gender distinct and assumed a cost allocation of 60% for pharmacy, 20% for inpatient, 10% for outpatient, and 10% for professional services. Adjustments were made to Table 4 factors for inpatient costs at age 70 and below to smooth out what appears to be a spike in utilization for Medicare retirees gaining healthcare for the first time through Medicare. While such retirees were included in the study, their specific experience is not applicable for a valuation of an employer retiree medical plan where participants had group active coverage before retirement. Morbidity factors at sample ages are shown below:

Age	Male	Female
50	0.4612	0.5736
55	0.6085	0.6667
60	0.7829	0.7791
65	1.0000	0.9438
70	1.1873	1.1094
75	1.2752	1.2009
80	1.3381	1.2697
85	1.3479	1.3171
90	1.3235	1.3303

APPENDIX E
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS FOR RETIREE HEALTH CARE PLAN
(continued)

Health Care Cost Trend Rates.

Health care cost trend rates apply to expected claims, premiums and retiree contributions:

Year	Pre-Medicare	Post-Medicare
2022	7.000%	5.500%
2023	6.750%	5.250%
2024	6.500%	5.125%
2025	6.250%	5.000%
2026	6.000%	4.750%
2027	5.750%	4.500%
2028	5.500%	4.500%
2029	5.250%	4.500%
2030	5.000%	4.500%
2031	4.750%	4.500%
2032+	4.500%	4.500%

APPENDIX E
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS FOR RETIREE HEALTH CARE PLAN
(continued)

Census Data.

The active, deferred vested and retiree census were provided by the Fund.

Actuarial Cost Method.

The entry age actuarial cost as a percentage of earnings was used.

Amortization Method.

30 years open, level dollar.

Assets.

The valuation assumes CEABF or the District has not set aside any assets to prefund its retiree medical liabilities.

Retiree Drug Subsidy and Employer Group Waiver Plan.

CEABF will no longer be receiving the Retiree Drug Subsidy due to their switch to an EGWP plan effective January 1, 2017. Per capita claims costs for fiscal year 2022 include approximately 28% savings due to drug rebates and EGWP subsidies.

IBNR.

The calculations do not include any explicit amount for incurred but not reported claims (IBNR).

Miscellaneous.

The valuation was prepared on an on-going plan basis. This assumption does not imply that an obligation to continue the plan actually exists.

APPENDIX E
SUMMARY OF ACTUARIAL ASSUMPTIONS AND METHODS FOR RETIREE HEALTH CARE PLAN
(continued)

COVID-19.

The impact of the COVID-19 pandemic was considered in this valuation; however, no changes were incorporated at this time due to the level of uncertainty regarding the impact on both plan costs and contribution levels going forward. Given the uncertainty regarding COVID-19, (e.g. the impact of routine care being deferred, direct COVID-19 treatment and prevention costs, changes in contribution and budget projections), continued monitoring of the impact of the Plan's liability will be required.

Benefits Not Valued.

On May 21, 2020, the Levin case was decided in the plaintiff's favor. As of the date of the report, a minimal number have enrolled in FPEABF and CEABF retiree health care plan as a result of the Levin case. Given the limited amount of elections, we have not included additional cost impact of the Levin case beyond those in the census data submitted for the valuation.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES

1982 Session

SB 1147

- Actuarial reporting to Insurance Department and Pension Laws Commission. Actuarial statements prepared by a qualified actuary for plan years ending after December 31, 1984 including actuarial present value of credited projected benefits.

SB 1452

- Allows a participant who served as Village Trustee and was not then eligible to participate in the IMRF for such service, to obtain credit in this fund by making the required contributions. Four-year maximum credit.

SB 1579

- Permitted investment list moved to general section of the statute. Expanded fiduciary standards, prohibited transactions, civil action may be brought by Attorney General or by a participant.

HB 2286

- Deputy Sheriff may elect between January 1, 1983 and January 15, 1983 to transfer credit to this Fund from the State Employees' Retirement System.

1983 Session

SB 22

- Delegation of investment authority restrictions.

HB 514

- 10% prudent person investment category.
- 10% increase in spouse benefits to spouses receiving benefits as of January 1, 1984.
- Immediate participation rather than after 1 year of service.
- Refunds if off the payroll at least 30 days.
- Money purchase annuity for County Sheriffs service not counted for Sheriff Formula.
- Elected sheriff may be covered by Sheriff Formula with contributions.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

HB 637

- Allows an active member of the General Assembly to establish credit in this fund for time for which he or she could have elected to participate with interest at 6% and to transfer credits to the Park Fund.

1984 Session

- No legislative changes.

1985 Session

HB 17

- For withdrawals on or after July 1, 1985, 10 year vesting formula (for employee minimum and spouse minimum annuity) providing the employee 2% of final average earnings for each year of service reduced 0.5% (for ages 55-60) for each month under age 60 (but no reduction with at least 30 years of service). Spouse minimum amount is 50% of the employee's amount at retirement (reduced 0.5% for each month the spouse is under age 60) but not less than 10% of the final average earnings.
- Unisex money purchase factors for widows/widowers.
- Disability provisions extended to 70 in certain cases.
- Sheriff formula for withdrawals after December 31,1985 after having attained age 50 in service with 20 or more years of service of 50% of 4 year average earnings plus 2% for each year or fraction of service over 20.
- Changes in the reversionary annuity provisions.
- Optional plan of 3% contributions for 1% optional benefit per year of service. Provisions for payment of past service with interest. Provisions expire July 1, 1990. Such plan, if elected by a member, would require a 3% of salary contribution (with interest for past service) and would produce an additional 1% per year of service benefit and would increase the employee annuity, post-retirement increase and spouse annuity. Membership in this plan is optional and as such, it is possible to delay election to just prior to retirement.

1986 Session

HB 2630

- Allows for a member of a County police department to establish service credit for approved leaves of absence without pay, during which the employee served as head of an employee association consisting of other police officers by making the required contributions.
- Allows for the use of service of less than one year for calculating reciprocal annuities in the case of employees who transfer or are transferred as a class from one participating system to another.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

HB 2715

- For withdrawals after January 1, 1988, and for employees with at least 10 years of service and age 50, the minimum formula annuity is increased to 2.2% of the Final Average Salary for each of the first 20 years of service and 2.4% for each year thereafter, not to exceed the maximum of 80% of Final Average Salary. For retirement between age 50 (new minimum retirement age) and age 60, the annuity thus computed will be reduced 0.5% for each month the employee is under age 60 unless the employee has 30 or more years of service in which case no reduction will apply.
- The surviving spouse of an employee who retires on or after January 1. 1988, with at least 10 years of service is entitled to 50% of the annuity including increases that the deceased annuitant was receiving as of his or her date of death. Such annuity to be reduced 0.5% for each month the surviving spouse is under age 60 at the date of the annuitant's death.
- Effective January 1, 1988, any child's annuity being paid shall be increased from $140 per month to 10% of the employee's salary at the date of death provided that the increased annuity would be greater than $140 per month, subject to Statutory maximums.
- Effective January 1, 1987, the maximum age conditions for any disability are removed for employees whose disability continued past that date.
- A Deputy Sheriff with at least 15 years of service as a Deputy Sheriff can receive credit under the Police formula for other Cook County service by electing to pay an additional contribution prior to retirement. In addition, any Police Officer who has rendered at least 20 years of service and who separates from service prior to age 50 and does not withdraw his or her contributions can apply for pension benefits at age 50 without returning to duty.
- Effective July 1, 1988, all employee and surviving spouse annuitants will receive a one-time increase. Such increase to be an additional 1% for each full year that the annuitant has received benefits as of July 1. 1988.
- An alternative plan for elected officials of 3% of the Final Average Salary for the first 8 years, 4% for the next 4 years and 5% thereafter, subject to the maximum of 80%, is available. The elected official must contribute an additional 3% of salary to receive these benefits.
- Effective December 1, 1988, the Retirement Board will be increased from 5 to 7 Trustees. One annuitant Trustee to be elected for a 3 year term by those persons receiving annuity or disability benefits and 1 County Trustee to be elected by the County contributors for a term of 3 years beginning December 1, 1988.

1988 Session

- No legislative changes

1989 Session

SB 95

- Allows active members of the General Assembly to transfer credits and creditable service established in the Fund to a Fund established under Article 5 of the Pension Code.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

- For withdrawals on or after July 1, 1985, provides that for employees with at least 30 years of service, no reduction for age less than 60 will apply for the spouse annuity.

SB 1096

- • Extends the Optional Plan of benefits from the original expiration date of July 1, 1990 to July 1, 1992.

HB 332

- Signed August 23, 1989.
- Eliminated age-related discriminatory provisions as required by Federal law or regulations.
- Provided for age discrimination changes effective January 1, 1988 to eliminate age 65 requirements for marriage in service and children's benefits, provided contributions after age 65 for spouse benefits, provided employee accumulation annuities be computed after age 70, provided employee and spouse accumulation annuities not be "fixed" at age 65, provided no age 70 restriction on disability benefits, provided for active members over age 65 that their accounts be "unfixed" and accumulate interest until the date of withdrawal, and provided that there be no age 70 membership limitation and removed the permitted "no spouse" refund at age 65.
- Provides that for employees retiring after January 1, 1988, but before age 55, Section 20-131 shall not apply; therefore, they are not entitled to the alternative formula set forth in Section 20-122 repealed in 1975.

HB 158

- Provides for payment by the Fund of 50% of the health care premiums for annuitants who participate in any of the County's health care programs beginning January 1, 1990 and ending December 31, 1993, subject to the following maximums:

Single coverage, no Medicare	$130.00 per month
Single coverage, with Medicare	39.00 per month
Annuitant + 1 family member, no Medicare	212.00 per month
Annuitant + 1 family member. 1 with Medicare	168.00 per month
Annuitant + 1 family member, both with Medicare	78.00 per month
Annuitant + 2 or more family members, no Medicare	280.00 per month

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

1990 Session

SB 1951

- Signed January 14, 1991.
- Raises the maximum annuity for a Deputy Sheriff from 75% of final average salary to 80% of final average salary.
- Provides for a revised table to be used for reversionary annuities to allow for the younger age 50 retirement approved in previous legislation.
- Allows for the refund of the additional 0.5% contributions that are paid by a Deputy Sheriff for the special Sheriff's formula to be refunded if the regular formula is used to calculate the employee annuity at the time of retirement. The refund, if given, is to include the interest as well as the 0.5% contributions.
- In the case where an employee who is disabled and cannot return to work after all his/her disability credit has expired, and chooses the option to pay for up to one additional year of service under Section 9-174, this additional service will not affect the resignation date for annuity purposes.
- Provides for employees who retire on or after November 1, 1990, any accumulated vacation paid out in a lump-sum at the time of retirement will not affect the employees' withdrawal date for purposes of annuity. Any service will be granted and used for annuity purposes, but the final average salary will not include the salary for any vacation paid out.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

SB 136
- Amends Chapter 120, Paragraph 671 of the Revenue Act to provide for a separate listing on the tax bill of the dollar amount of tax due from the person assessed which is allocable to a tax levied under the Illinois Pension Code, or any other tax levied by a municipality or township for public pension or retirement purposes. Effective January 1, 1990.

1991 Session

HB 971
- Signed November 19, 1991.
- Early Retirement Window for employees attaining age 55 prior to withdrawal and withdrawing on or after January 1, 1992, but before December 31, 1992, the service requirement for minimum formula annuity is reduced to 5 years. In addition, for the same period above, the age discount for retirement prior to age 60 is reduced to 0.25% per month under age 60 at retirement. The widow(er)'s annuity for the above early retirement window is 50% of the employee's annuity reduced by 0.5% for each month the widow(er) is under the age 60 at the time of the employee's death.
- Provides that the 3% annuity increase will begin on January 1st following the first anniversary of retirement for employees who retired with 30 or more years of service and were under age 60 at retirement.
- Extends the Optional Plan of Benefits for an additional 5 years to July 1, 1997.
- Allows for an employee to make contributions and receive service credit for any unused accumulated sick leave up to 180 days, at retirement.
- Employees may now discontinue making contributions to the Pension Fund after 35 (previously 42) years of contributing service upon notification to the Retirement Board at least 60 days before the deductions cease.
- For widow(er)s of employees or annuitants who die after November 19, 1991, the maximum limit on the spouse annuity is removed provided that the employee was at least 60 with at least 20 years of service or also if retirement occurred on or after January 1, 1982, at age 65 or over with at least 10 years of service for retirements.
- For widow(er)s of employees who retired on or after January 1, 1984, but before July 1. 1985. with at least 30 years of service, the annuity is 50% of the employee's annuity as of the date of retirement with no discount for under age 60.
- Beginning with retirements or deaths on January 1, 1992, with at least 10 years of service, the age discount for a widow(er)'s annuity will be 0.5% for each month the widow(er) is under age 55 at the date of the employee's death. This is reduced from age 60 for prior deaths or retirements.
- Beginning on November 19, 1991, provides for a $1,000.00 death benefit payable upon the death of employee or annuitant to the employee's designated beneficiary, or to the employee's estate if no beneficiary has been named.
- Beginning December 1, 1991, the Fund may pay, on behalf of each of the Fund's annuitants who choose to participate in any of the County's health care plans, all or any portion of the total health care premium (including coverage for other family members) due from each such annuitant.
- Allows the annuitant to authorize the withholding of dues from annuity checks for certain labor organizations.
- Allows participation for all employees with at least one month of service.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

- Provides for a repayment of contributions and transfer of service from the General Assembly and for former members of the General Assembly through February 1, 1993.
- Grants the authority to rent or lease office space to the Board of Trustees when deemed desirable for the purposes of the Fund.
- Allows the Pension Fund to withhold contributions to a labor organization from annuity checks provided that at least 100 annuitants authorize withholdings from their checks.
- Provides for the repayment of contributions by former members of the County Police who were the head of an employee association, to include both the employee and employer shares.

1992 Session

SB 1770
- Signed September 16, 1992.
- Early Retirement Incentive
- Provides an extra 1% per year of County service, up to 10 maximum, times the final four year average salary for those eligible employees. There is no cost to the employee. The age discount from age 55 to 60 is eliminated if eligible.
- Eligible if a contributing member on May 1, 1992 and:
- Retires on or after December 1, 1992 and on or before May 29. 1993;
- Attains age 55 or more on or before the date of retirement; and
- Has at least 10 years of creditable service.

1993 Session

SB 1650
- Signed January 26, 1993.
- Provides that the 3% annuity increase will begin no later than January 1, 1993 for employees who retire before age 60 before January 1, 1991 with at least 30 years of service.
- For widow(er)s of annuitants who die on or after January 1, 1993, the widow(er)'s annuity shall be 50% of employee's retirement annuity at death discounted 0.5% per month the widow(er)'s age is less than 55, except if the employee had 30 years of service.
- Allows an employee with 25 years of service to pay for up to 2 years of military service, whether or not followed by County service.
- Two year minimum subsequent service is changed to six months for employees who apply to repay a refund between January I, 1993 and March 1, 1993.
- Employees may transfer to County up to 10 years with Municipal or Laborers' until March 1 1993.
- Allows for transfer of County service credit to Judges.
- Allows a State Policeman to transfer all or some of his service with County Police to State Employees Retirement System until July 1, 1993 and reinstate service credit terminated by a refund by paying 6% compounded annually until July 1, 1993.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

- Former members of County Police who retire January 1, 1993 to March 1, 1993 do not have to pay employer contribution for periods served as head of an employee association.

1994 Session

- No legislative changes.

1995 Session

SB 114
- Approved July 14, 1995.
- The amount of earnings that may be taken into account by any retirement system is limited to the maximum dollar limitation specified in Section 401(a)(17) of the Internal Revenue Code, except for persons who became participants before 1996.
- Allows for active participants employed be the Cook County State's Attorney's office on January 1, 1995 to transfer to this Fund credits accumulated under a pension fund established under Article 5 of this Code and to transfer said credits from said fund to the Cook County fund upon payment of both employee and employer contributions with 6% interest to the County Employees' and Officers' Annuity and Benefit Fund.
- The Fund is authorized to make certain involuntary distributions required by Section 401(a)(9) of the Internal Revenue Code.

SB 424
- Approved July 7, 1995.
- The Pension Laws Commission was created as a legislative support services agency.

1996 Session

SB 1456
- Approved August 9, 1996.
- Any chief of the County Police Department or undersheriff of the County Sheriffs Department may elect to be included as a deputy sheriff.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

1997 Session

HB 313

- Signed June 27, 1997.
- Change County size necessary for fund creation to 3,000,000 from the previously required 500.000.
- As of January 1, 1998 the automatic annual increase for employee and spouse annuitants changed to 3% compounded for all past, current, and future annuitants, regardless of the effective date of the annuity. Term annuities are not eligible for the automatic annual increase.
- Early Retirement Incentive
- Provides an extra 1% per year of County service, up to 10 maximum, times the final four year average salary for those eligible employees. There is no cost to the employee. The age discount from age 55 to 60 is eliminated if eligible.
- Eligible if a contributing member on May 1. 1997 and:
- Retires on or after September 1. 1997 and on or before February 28, 1998;
- Attains age 55 or more on or before the date or retirement; and
- Has at least 10 years of creditable service.
- Effective January 1, 1998 all widow(er) annuitants will have their annuities increased by 3% and will receive the automatic increase of 3% compounded annually. Those widow(er) annuitants receiving a Term annuity will not be eligible for the automatic annual increase.
- Extends the Optional Plan of benefits to July 1,2002.
- Allows members of the Cook County police department to transfer their service into the Policemen's fund until July 1, 1998. and to reinstate service credit terminated by a refund by paying 6% compounded annually.
- Allows members of the fund with at least 20 years of service credit to make contributions, until June 1, 1998, into the fund based on CTA compensation and creditable service is granted for this period for up to 10 years of service credit.

1998 Session

- Effective July 1, 1999, Public Act 90-731, allows an alternate payee (former spouse, child, or dependent) designated in a Qualified Domestic Relations Order to receive all or a specified portion of a member's retirement benefits or refund otherwise payable to the member.

1999 Session

- No legislative changes.

2000 Session

- Passed Public Act 87-1130, which removes the remarriage penalty. Effective September 6, 2000 widow annuities will no longer be ceased due to their remarriage.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

2001 Session

SB 479

- Public Act 92-0066 approved July 12, 2001
- Beginning December 1, 2001 the Retirement Board will be increased from 7 to 9 Trustees adding one elected Cook County Annuitant Trustee and one elected Forest Preserve Annuitant Trustee.

2002 Session

HB 5168

- Signed June 28, 2002.
- Contractual service to the Retirement Board, of at least 5 years, can be purchased as creditable service in the fund for up to 10 years of services by making a written application to the board before July 1, 2003. A person who establishes such credit may, at the same time, reinstate credit in the Fund and repay a refund without a return to service.
- An employee, who withdraws on or after July 1, 1996 but before August 1, 1996, at age 55 or over with 8 or more years of service, may elect to receive a minimum formula annuity equal to 2.2% of the Final Average Salary for each of the first 20 years of service and 2.4% for each year thereafter, not to exceed the maximum of 80% of Final Average Salary. There will be an age discount of 0.25% for each month that the employee is under the age of 60, unless the employee has at least 30 years of service.
- For withdrawals after June 30, 2002, with at least 10 years of service and age 50. The minimum formula annuity is increased to 2.4% of the Final Average Salary for each year of service, not to exceed the maximum of 80% of Final Average Salary.
- Early Retirement Incentive
- Provides an extra 1% per year of County service, up to 10 maximum, times the highest consecutive four year average salary in the last 10 years of service for those eligible employees. There is no cost to the employee. The age discount for attained age under 60 is eliminated if eligible.
- Eligible if a contributing member on January 1, 2001 and:
- Retires on or after November 30, 2002 and on or before March 31, 2003;
- Attains age 50 or more on or before the date of retirement; and
- Has at least 20 years of creditable service in the Fund.
- For widow(er)s of annuitants who die in service or after July 1, 2002, or has at least 10 years of service and dies on or after July 1, 2002 while receiving an annuity, the widow(er)'s annuity shall be 65% of employee's retirement annuity at death discounted 0.5% per month the widow(er)'s age is less than 55, except if the employee had 30 years of service.
- For widow(er)s of annuitants who were not married at the time of retirement, but married after retirement for at least one year prior to annuitant's death, the widow(er) will be eligible for an annuity if the refunded contributions for a widow(er)s annuity are repaid, plus interest at the rate of 6% per year. (The Pension Fund Board has received a legal opinion that has interpreted this to include the current widow(er). The legal opinion was that, since in these instances no refund of spouse contributions was made, there is no payment due from the widow.)
- Extends the Optional Plan of benefits to July 1, 2005.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

2003 Session

- No legislative changes.

2004 Session

- No legislative changes.

2005 Session

SB 1446
- Made certain changes to the provisions relating to QILDRO, effective July 1, 2006. It makes an alternate payee entitled to receive death benefits and allows the alternate payee to receive a percentage of the employee's retirement benefits (instead of only a fixed dollar amount).
- Public Act 94-0079, prohibits Illinois public pension funds from investing or depositing in entities doing business in or with the government of Sudan.

2006 Session

- No legislative changes.

2007 Session

HB 49
- Public Act 95-279, effective January 1, 2008.
- Provides that legally adopted children shall be entitled to the same benefits as other children, and no child's or survivor's benefit shall be disallowed because the child is an adopted child.

HB 3578
- Public Act 95-0654, effective January 1, 2008.
- Eliminated the alternative formula for County officers elected after January 1, 2008.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

SB 377

- Signed into law on August 23, 2007 as Public Act 95-0369.
- Provided that members who were in active employee status on December 31, 2006, applies for a refund of contributions between the dates of August 23, 2007 and October 7, 2007, and resigns their position between August 23, 2007 and October 22,2007, shall be entitled to receive a one-time lump sum retirement cancellation payment equal to the member's accumulated contributions with interest, multiplied by 1.5, in lieu of any retirement annuity or other benefit provided by the fund. An employee who receives a retirement cancellation payment may not be rehired until after being out of service for at least 365 days. A person who has received an alternative retirement cancellation payment and who returns to service under the Fund must repay the regular refund with interest at 3% per year and the 50% enhancement payment with interest at 6% per year.
- Eliminated the requirement to maintain various reserve accounts no longer needed for the administration of the fund.

SB 1380

- Signed into law on August 28, 2007 as Public Act 95-0504.
- Provides that for 6 months from the effective date, an employee may transfer to this Fund up to 6 years of creditable service accumulated under Article 3 of the Pension Code upon payment to this Fund of the amount of employee and employer contribution that would have been required if the employee had participated in this Fund during the period for which credits is being transferred plus interest at the rate of 6% per year.

2008 Session

SB 2520

- Public Act 95-1036, effective February 17. 2009.
- Provides that duty disability and child's disability benefits shall not be allowed unless application therefor is made while the disability exists; except that this limitation does not apply if the Board finds that there was reasonable cause for delay in filing the application while the disability existed. Provides that this is intended to be a restatement and clarification of existing law and does not imply that application for a duty disability benefit made after the disability had ceased, without a finding of reasonable cause, was previously allowed under this Article.
- Provides that (i) before any action may be taken by the Board of Trustees on an application for duty disability benefit or widow's compensation or supplemental benefit, the related applicant must file a timely claim under the Workers' Compensation Act or the Workers' Occupational Diseases Act, as applicable, to establish that the disability or death resulted from an injury incurred in the performance of an act or acts of duty, and the applicant must receive compensation or payment from the claim or the claim must otherwise be finally adjudicated and (ii) with respect to duty disability', satisfactory proof must be provided to the Board that the final adjudication of the claim established that the disability or death resulted from an injury incurred in the performance of an act or acts of duty.
- Amends the Cook County County Article of the Illinois Pension Code. Adds a provision imposing forfeiture of benefits upon conviction of a felony arising out of or in connection with the member's employment.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

2009 Session

SB 0364

- Public Act 96-0006 effective April 3, 2009.
- Requires Board members to file a verified written statement of economic interest annually with the office of the Clerk of Cook County.
- Requires the Board to adopt a policy that sets quantifiable utilization goals for the management of assets in specific asset classes for emerging investment managers. Goals shall be separated by minority ownership, female ownership, and person with a disability ownership.
- Requires that if at least one emerging firm meets criteria of search process, at least one shall be invited to present to the Board for final consideration.
- Requires the Board to adopt a policy that sets forth goals for increasing the racial, ethnic, and gender diversity of its fiduciaries, including its consultants and senior staff.
- Requires the Board to adopt a policy that sets forth goals for utilization of WMDBE firms for all contracts and services, based on the percentage of total dollar amounts of all contracts let.
- Requires the Board to adopt a policy that sets forth goals for increasing the utilization of minority broker-dealers.
- Requires an annual report to the Governor and General Assembly on the utilization of "emerging firms" as defined by Article 1 of the Pension Code.
- Requires the Board to award all contracts for investment services using a competitive process that is substantially similar to the process required for the procurement of professional services under Article 35 of the Illinois Procurement Code. Requires the Board to adopt a procurement policy which will be posted on the Fund's website and filed with the Illinois Procurement Policy Board.
- Provides that a person may not act as a consultant or investment adviser unless that person is registered as an investment adviser or bank under the federal Investment Advisers Act of 1940.
- Requires investment contracts between the Retirement Board and investment service providers to include certain required information.
- Provides consultant contracts cannot exceed five years in duration; however, incumbent consultants may compete for new contracts.
- Requires investment consultants and advisers to disclose all direct and indirect fees, commissions, penalties, and other compensation paid by or on behalf of the investment consultant or adviser in connection with the services provided.
- Requires that a description of every contract let for investment services be posted on the website, including name of entity awarded the contract, amount of contract, total fees paid, and disclosure describing the factors that contributed to the selection.
- Requires the Fund to maintain a website that shall include standard investment reporting, a copy of relevant Board policies, a listing of investment consultants and managers, a notification of any requests for investment services, and the names and e-mail addressed of Board members, Fund directors, and senior staff.
- Requires Board members to attend at least eight hours of ethics training per year and requires each Board to annually certify its member's compliance and submit an annual certification to the Division of Insurance of the Department of Financial and Professional Regulation.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

- Prohibits any Fund trustee or employee or their spouses or immediate family living with them to intentionally solicit or accept any gift from any prohibited source as prescribed in Article 10 of the State Officials and Employees Ethics Act, including educational materials and missions and travel expenses for discussing Fund business.
- Provides that any person who knowingly makes any false statement or falsifies or permits falsifying any record of the pension fund in an attempt to defraud is guilty of a Class 3 felony.
- Provides that no person or entity shall retain a person or entity to influence the outcome of an investment decision or the procurement of investment advice to a pension fund for compensation, contingent upon the decision of the Board.
- Requires approval for travel or education mission expense of a Trustee by a majority of the Board prior to mission.

SB 0189
- Public Act 96-0542 effective August 17, 2009.
- Amends the Open Meetings Act and the Freedom of Information Act.

2010 Session

SB 1946 and SB 550
- Public Acts 96-0889, effective April 14, 2010, added 5/1-160 and Public Act 96-1490, effective December 30, 2010, made technical changes 5/1-160. These acts created a 2nd Tier of benefits for all reciprocal systems of the Pension Code.
- Members first participating in any reciprocal fund, except Judges and GARS, on or after January 1, 2011 will be Tier 2 members.
- Tier 2 members will have their salary capped at $106,800 for all purposes. The amount of the cap is subject to increase annually at the lesser of 1/2 of the change in CPI-U or 3%. If the change in CPI-U is zero or negative, the cap will not change.
- Tier 2 member's Final Average Salary (FAS) used in annuity benefit calculations will be based on the highest consecutive 96 months in the last 10 years.
- Tier 2 members will not be able to receive an unreduced retirement annuity until age 67 and the earliest they can receive any retirement annuity is age 62. Annuities payable before age 67 are reduced 1/22% for each full month under 67 regardless of service. Tier 2 members must have at least 10 years of service to qualify for a retirement annuity.
- Tier 2 members will not be able to receive a COLA until the January 1 following their 67th birthday or following the 1 year anniversary of retirement, whichever is later. The COLA will not be compounded and will be the lesser of 1/2 the change in CPI-U or 3%. If the change in CPI-U is zero or negative, there will be no increase.
- The Tier 2 surviving spouse annuity will be 66-2/3% of the member's retirement annuity at death. If the member is not retired, it is 66-2/3% of the member's earned retirement annuity.
- The Tier 2 COLA for a surviving spouse annuity will begin the January 1 following the member's death if the member was retired. If the member was not retired it will begin on the January 1 following the 1 year anniversary of the member's death. The COLA will not be compounded and will be the lesser of the 1/2 change in CPI-U or 3%. If the change in CPI-U is zero or negative, there will be no increase.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

- Tier 2 members receiving a retirement annuity will have their annuity suspended if they go to work on a full time basis with any reciprocal fund except Judges and GARS.
- There was no change in the member's benefit accrual percentage (2.4% per year) or the employee or employer contributions.

HB 4644
- Public Act 96-0961 effective July 2, 2010 added 5/9-128.2 allows elected officials to establish earnings credit for the amount of stipend that was not received.
- Member must pay employee contributions and employer's normal cost on the stipend not received and actuarially assumed interest. Payment must be received by January 2, 2011.

2011 Session

SB 1716
- Public Act 96-1513 effective June 1, 2011 allows 2 unmarried people to enter into a Civil Union. Partners of a Civil Union are to be treated the same as a spouse in the State of Illinois.
- The Fund will now grant spouse annuity benefits to a partner of a Civil Union and annuitants can cover their Civil Union partners under the Fund's Health Benefit plan. A Civil Union certificate will be treated as the equivalent to a Marriage certificate.

SB 1672
- Public Act 97-0530 effective August 23. 2011 requires all Funds to comply with the Federal H.E.A.R.T. Act of 2008.
- Public Act 97-0609 effective January 1, 2012 amends 5/1-160(h) stating members that first become participants on or after the effective date will have their retirement annuity suspended if they return to work for the employer on a contractual basis.
- The member is required to notify the Fund prior to accepting the contractual employment.

HB 1670
- Public Act 97-0504 effective January 1, 2012 amends the Open Meetings Act to require elected or appointed members of public bodies to take electronic training by the Attorney General's Public Access Counselor. Training must be completed by the end of 2012. Members that are elected or appointed after January 1, 2012 must complete the training within 90 days of taking the oath or assuming the responsibilities of the position.

HB 3813
- Public Act 97-0651 effective January 5, 2012 amends Article 1 in regards to Fraud and Fiduciary Liability.
- Requires fiduciaries to report reasonable suspicion of false statements. The Board of Trustees must report reasonable suspicion of false statements to the State's Attorney.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

- The Act also amends 5/9-219 requiring sheriff police and correction officers that purchase service while on approved leave to represent a labor organization to remain in sworn status during the leave to be eligible to purchase service credit.

2012 Session

HB 3969
- Public Act 97-0967 effective August 16, 2012 amends Article 1 adding 5/1-166 which requires an employer to pay GARS for any additional liability created from a reciprocal retirement if the retiree's FAS is higher than their highest GARS salary, and they were employed by the non-GARS agency for 2 years or less since leaving GARS.

2013 Session

SB 1921
- Public Act 98-0551 effective August 27, 2013 amends Article 9 adds 5/9-119.1, which defines "earned annuity" to clarify how the Fund should administer Tier 2 Spouse Annuity benefits.
- Adds 5/9-202.1 to allow images to be treated as original records.
- Amends 5/9-112 to simplify the definition of salary and spells out how salary is defined for determining Ordinary Disability benefits.

SB 1
- Public Act 98-0599 effective June 1, 2014 amends Article 9 sections 219 and 220 so that new employees starting on or after June 1, 2014 shall not receive credit for lump sum vacation time paid and will not be allowed to purchase unused sick time. Note: this Act was later overturned as unconstitutional by the Illinois Supreme Court on May 8, 2015.

2014 Session

SB 2809
- Public Act 98-1137 effective June 1, 2015 amends Article 5/1-115 to allow the Attorney General to bring a civil action to enjoin the payment of benefits to any person who is convicted of any felony relating to or arising out of or in connection with that person's service as an employee under the Code.

2015 Session

SB 842
- Public Act 99-0008 effective July 1, 2015 creates Articles 5/9-184.5 and 5/10-107.5 which, if the County or County fails to transmit the required contribution to the Fund, allows the IL State Comptroller to deduct the amount due from payments of State Funds due to the Employer and remit to the Fund.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

SB 1334

- Public Act 99-0462 effective January 1, 2016 amends Article 5/1-109.1 to include aspirational goals for retirement systems to use emerging investment managers for not less than 20% of the total funds under management. It also sets aspirational goal that not less than 20% of investment advisors and other contracts to utilize businesses owned by minorities, females, and persons with disabilities as those terms are defined in the Business Enterprise from Minorities, Females, and Persons with Disabilities Act.

2016 Session

SB 2817

- Public Act 99-0578 effective July 15, 2016 adds Article 5/9-108.3 to define "In Service".
- Amends 5/9-158 to clarify that a Board Appointed Physician is not necessary for certain maternity or duty disability claims.
- Amends 5/9-179.2 to close "Other Governmental Service" provision to new participants after July 14, 2016.
- Adds 5/9-241 to clarify the Board's ability to correct any calculation errors.

HB 6030

- Public Act 99-0683 effective July 29, 2016 adds Article 5/1-140 to allow the Illinois Department of Vital Records to share death reporting information to pension systems in Illinois.

2017 Session

SB 42

- Public Act 100-0023 effective July 6, 2017 makes many changes to the pension code adding Tier 3 for new hires of the Chicago (Municipal and Laborers) and State (SERS, SURS, TRS) funds and Optional Tier 3 for Cook County and other local systems (Chicago Teachers and Chicago Park).
- Adds 5/1-162 which would allow the Cook County Board (Employer) to opt into a Tier 3 plan. If the plan is adopted by Employer ordinance, it would allow any future new hire to elect the current Tier 2 plan or the new Tier 3 plan.
- Section 1-162 gives the Employer the ability to opt into Tier 3. Changes will be effective the later of 7/1/2018 or the date the Board adopts an ordinance to adopt the changes. If adopted it would then impact any new hires after 6 months after the adoption date. The earliest impact would be for new hires on or after January 1, 2019.
- If adopted new hires after 1/1/2019 (or later depending on ordinance date) would have the option of the current Tier 2 benefit under Section 1-160 or the new hybrid plan established under Section 1-162.
- New hires must make an election of which plan within 30 days of becoming a participant. The Fund has an obligation to establish process for making this election and can adopt rules for participation.
- For those that elect the benefits under 1-162 the new Tier 3 benefit structure would be:
  - The Section establishes a Hybrid Defined Benefit(DB)/Defined Contribution(DC) plan

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

- FAS would be an average of the last 120 months (10 years)
- Salary shall not exceed the SS Wage Base
- Retirement benefits can begin at age 67 (or normal retirement age determined by SSA but not earlier than age 67) if retiree has at least 10 years of service
- Employees accrue 1.25% per year of service for DB plan
- COLA begins on first anniversary of annuity start date, calculated based on ½ CPI-w
- Survivor benefit is 66-2/3% of retiree annuity at death or earned annuity for death of employee
- Employees contribute 6.2% to DB plan, but contribution cannot exceed normal cost of benefit
- Fund establishes a DC plan
- Employee contributes at least 4% of salary to DC plan
- Employer contributes between 2% and 6% to DC plan after one year of employment. The contribution can vary by individual employee and employer contributions immediately vest into an employee's account.
- Employee contributions are reduced to cover the cost of offering DC plan

SB 1714

- Public Act 100-0542 effective November 8, 2017 requires investment consultants to report annually to the Fund regarding search disclosures for MBE, WBE, and DBE.
- Requires annual disclosure of all compensation or economic opportunity received during the last 24 months from investment advisors retained by the Fund.
- Beginning January 1, 2018 no contract for consulting services shall be awarded by the board without first requiring the consultant to make the economic opportunity and the MBE, WBE, and DBE disclosures.

SB 402

- Public Act 100-0554 effective November 16, 2017 requires the Fund, as a lobbying entity, to have a sexual harassment policy.

SB 350

- Public Act 100-0334 effective August 25, 2017 amends 5/9-235 and 5/10-109 to provide that no benefits shall be paid to any person who otherwise would receive a survivor benefit who is convicted of a felony relating to the service of the employee from whom the benefit results.

2018 Session

SB 2578

- Public Act 100-0794 effective August 10, 2018 amends 5-9/228 to allow payments to be directed to a member's certified and licensed nursing home under limited conditions where they are legally disabled.
- The act requires the nursing home to notify the Fund in the event of the disabled member's death or any other relevant change in their status.

HB 4412

- Public Act 100-0902 effective August 17, 2018 amends 5-1/109.1(5) requires all Illinois pension funds to make best efforts to ensure the racial and ethnic makeup of its senior staff represents the racial and ethnic makeup of its membership.

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

2019 Session

HB 2071

- Public Act 101-0011 effective June 7, 2019 creates 5-9/179.4 to allows active participants to establish service credit and earnings credit for periods of furlough and/or salary reduction occurring between December 1, 2017 and November 30, 2018.
- The act requires the participant to apply in writing before December 31, 2019, not receive any remuneration from the county and pay to the Fund on an after-tax basis the employee contributions and the employer's normal cost (based on the December 31, 2018 actuarial valuation) plus compound interest based on the actuarially assumed rate.
- The participant must make the above payment while they are active participants and within 12 months after their application date.

HB 2460

- Public Act 101-0473 effective January 1, 2020 amends 5-1/113.6 to require funds' investment policy include a statement that material, relevant, and decision-useful sustainability factors (as provided under the Illinois Sustainable Investing Act) are considered by the board, within the bounds of financial and fiduciary prudence, in evaluating investment decisions.
- The Act creates 5/1-113.7 requires that every pension fund adopt a written investment policy and file a copy of that policy with the Department of Insurance within 30 days after its adoption whenever a board changes its policy.

SB 1264

- Public Act 101-0546 effective January 1, 2020 (Revised Uniform Unclaimed Property Act "RUUPA") creates 765 ILCS 1026/15-1505 to require funds to report to the Illinois Treasurer all property presumed abandoned by providing the name of the owner and any beneficiaries, the last known address, the Social Security number or taxpayer ID number, and the dollar amount.
- The funds shall not have to pay the presumed abandoned account balance to the IL Treasurer, only reporting the information is required.

2020 Session

SB 2135

- Public Act 101-0640 effective June 12, 2020 amends the Open Meetings Act (5 ILCS 120/7) to allow digital meetings with members allowed to be present and vote via audio or video conference as long as certain criteria is met including the verbatim recordings being made available to the public.
- The act allows remote witnessing and notarization (with the addition of 5 ILCS 175/95-20).

APPENDIX F
SUMMARY OF LEGISLATIVE CHANGES
(continued)

2021 Session

SB 1056

- Public Act 102-0210 effective July 30, 2021 amends 5/10-107 to allow the Forest Preserve District to use other lawfully available funds in lieu of the tax levy.
- Amends 5/9-158 to allow the board to use an acceptable physician and allow the board discretion to approve periods longer than 1 year of disability.
- Amends 5/14-110(h) to allow some state employees to transfer prior Cook County service to SERS if they were in certain County positions (Police officer, corrections officer, court services officer).