



**Municipal Employees' Annuity and
Benefit Fund of Chicago**

A Pension Trust Fund of the City of Chicago
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Jim Mohler, Executive Director

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To Retired Members of the Fund:

On June 9, 2014 Governor Quinn signed Senate Bill 1922 into law which is now *Public Act 98-0641*. This Public Act affects all stakeholders: the plan sponsor, current employees and retirees. Below is an explanation of how this Public Act **impacts a retired member of the Fund**.

The only effect on retired members is with respect to the annual increase of their annuity.

If you are retired on annuity before the effective date of the Act (June 9, 2014), on January 1, 2015, if eligible, your annual increase will be calculated using the lesser of 3% or ½ of the annual unadjusted percentage increase in the Consumer Price Index-Urban (CPI-U), an index utilized to measure inflation. The increase will be based on **simple interest** instead of annual compounding and your 2014 gross annuity will become your base retirement annuity. The annual increase for years following will also be calculated using your 2014 gross annuity, except for 2017, 2019, and 2025 where no annual increase will be received.

Please note that if your gross annuity is \$22,000 or less, your annual increase will be at least 1% of your 2014 gross annuity when eligible. Also, you will receive an annual increase in annuity of 1% of your 2014 gross annuity in 2017, 2019, and 2025.

A summary of the changes made by Public Act 98-0641 can be found on our website at www.meabf.org.

Please let us know if we can be of further assistance.

Sincerely,

James E. Mohler
Executive Director