



2015 Trustee Election – Considering Candidacy

This brief guide is provided to assist members who may be considering candidacy for a Trustee position on the Retirement Board (“Board”) of the County Employees’ and Officers’ Annuity and Benefit Fund of Cook County and *ex officio* for the Forest Preserve District Employees’ Annuity and Benefit Fund of Cook County in understanding the fiduciary duties, responsibilities and expectations of Trustees. The two Funds are administered jointly and are collectively referred to as “the Fund.”

Section 1: Board Composition and Responsibilities

A. BOARD COMPOSITION

The Board is a nine-member governing body comprised of representatives of the Fund’s stakeholder groups as follows:

Elected

Cook County employees – 3 Trustees
Cook County annuitants – 2 Trustees
Forest Preserve District employees – 1 Trustee
Forest Preserve District annuitants – 1 Trustee

Appointed

Cook County Comptroller* – 1 Trustee
Cook County Treasurer* – 1 Trustee

** Or designees.*

B. TRUSTEE RESPONSIBILITIES

The Trustees are jointly charged as fiduciaries to ensure sound governance of the Fund (see p. 3 – 5). In accordance with the Illinois Pension Code, the Board’s collective responsibilities include oversight and delegation with regard to all aspects of the Fund’s operations, including benefits administration and the investment of plan assets. As fiduciaries of the Fund, Trustees are subject to personal liability for willful misconduct or gross negligence in the performance of their duties.

Specific Trustee responsibilities include but are not limited to:

Governance and Meeting Attendance

- Participate as a member of the Investment Committee (committee of the whole)
- Participate as a member of one or more subcommittees
- Prepare for and attend monthly Board and Committee meetings
- Complete a minimum of 8 hours of education annually on investments or related governance topics
- File annual Statements of Economic Interest with the County Clerk’s Office for disclosure of personal economic transactions

Regulation and Compliance

- Develop and maintain understanding of financial, accounting, actuarial, and legal principles as they relate to public pension funds
- Evaluate and interpret key annual reports, including financial statements and actuarial valuations for pension benefits and postemployment health care
- Understand the Illinois Compiled Statutes, which constitute the governing statutes of the Fund
- Monitor legislative matters before the Illinois General Assembly relating to the Illinois Pension Code

Investment Management

- Establish, review, and maintain policies and objectives for all aspects of the Fund's investment operations
- Oversee prudent investment of the Fund's investment portfolio and strategic allocation of Fund assets among approved asset classes
- Comply with applicable statutes in all aspects of the Fund's investment program, including procurement, utilization of Emerging Investment Managers, and periodic reporting

Benefits Administration

- Review and approve annuity, disability, and refund cases on a monthly basis
- Facilitate requests for administrative review from members when claims have been denied
- Review felony convictions for benefit impacts
- Develop procedures to ensure that benefits are administered in accordance with the Illinois Pension Code

Fund Operations

- Review and approve the annual operating budget and purchase authorizations
- Evaluate cost drivers for health plans and Fund operations
- Retain vendors and specialized consulting services
- Negotiate fees for services provided to the Fund
- Implement appropriate risk management procedures, including information technology infrastructure and disaster recovery plans

C. COMPENSATION AND TERMS OF OFFICE

The Illinois Pension Code (40 ILCS 5/9-229) states, "No member of the board shall receive any moneys from the fund as salary for service performed as a member of the board or as an employee of the board."

Elected Trustees serve staggered three-year terms. Trustees elected in 2015 will serve from December 1, 2015 through November 30, 2018.

Section 2: 2015 Elections

In 2015 there will be three elections. There will be one election for a Cook County Employee Trustee, one election for a Cook County Annuitant Trustee, and one election for a Forest Preserve Employee Trustee.

A. CANDIDACY REQUIREMENTS

Cook County Employee Trustee

- Each Cook County candidate shall file one hundred (100) signatures of different contributors to the Cook County Fund.
- An employee must have five (5) years of service by December 1, 2015 to be eligible for candidacy.

Cook County Annuitant Trustee

- Each Cook County candidate shall file ten (10) signatures of different annuitants from the Cook County Fund.
- An annuitant must have an effective retirement date on or before September 1, 2015 to be eligible for candidacy.

Forest Preserve Employee Trustee

- Each Forest Preserve candidate shall file twenty-five (25) signatures of different contributors to the Forest Preserve Fund.
- An employee must have five (5) years of service by December 1, 2015 to be eligible for candidacy.

B. HOW TO OBTAIN AND FILE NOMINATING PETITIONS

Nominating petitions can be obtained at the Fund's main office beginning on Thursday, August 20, 2015. The Fund's office is located at 33 N Dearborn St, Suite 1000, Chicago, IL. Nominating petitions must be filed at the Fund's office between 9:00 AM on Tuesday, September 1, 2015, and 4:30 PM on Friday, September 4, 2015.

C. VOTING

In-person voting will take place from 7:00 AM until 5:00 PM on Wednesday, October 28, 2015, in Room 885 of the Cook County Building at 118 North Clark Street, Chicago, IL. Mail ballots will also be available for those who do not wish to vote in person. An application for a mail ballot will be

sent to each eligible member on or before Monday, September 28, 2015. Any eligible voter who does not receive an application for a mail ballot should contact the Pension Fund at (312) 603-1200 no later than Monday, October 5, 2015, to request another application.

Section 3: Fiduciary Obligations and Trustee Requirements

A. FIDUCIARY ROLE

The Illinois Pension Code defines the fiduciary obligations of the Fund's Trustees as follows:

“A fiduciary with respect to a retirement system or pension fund established under this Code shall discharge his or her duties with respect to the retirement system or pension fund solely in the interest of the participants and beneficiaries and:

(a) For the exclusive purpose of:

(1) Providing benefits to participants and their beneficiaries; and

(2) Defraying reasonable expenses of administering the retirement system or pension fund;

(b) With the care, skill, prudence and diligence under the circumstances then prevailing that a prudent man acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character with like aims;

(c) By diversifying the investments of the retirement system or pension fund so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so; and

(d) In accordance with the provisions of the Article of the Pension Code governing the retirement system or pension fund.” (40 ILCS 5/1-109)

B. TRUSTEE REQUIREMENTS

All Trustees must meet the following requirements:

- **Knowledge of the Illinois Pension Code.** Trustees are required to become familiar with applicable governing statutes, namely the Illinois Pension Code (Articles 1, 9 and 10 in particular). The Illinois Pension Code provides rules and regulations regarding the administration and policies for investments and benefits.
- **Attendance at meetings.** The Board convenes 1 – 3 meetings per month that require advance preparation and Trustee attendance at the Fund's office. These meetings normally begin at 9:30 AM and last from 2 – 6 hours. All Trustees serve on the Investment Committee (a committee of the whole). Each Trustee must also serve on one or both of the Health

Benefits Committee and Emerging Manager Investment Committee. Board and committee meetings require individual review of materials in advance, with an emphasis on matters of policy and asset allocation.

- **Annual education requirement.** There are requirements to complete a minimum of eight (8) hours of fiduciary training annually in key areas needed to successfully discharge Board responsibilities, such as investments and health benefits.
- **Ethical conduct.** The Board is subject to a Gift Ban. No Trustee shall intentionally solicit or accept any gift from any prohibited source.
- **Open Meetings Act compliance and training.** Trustees are required to complete training in Open Meetings Act compliance (5 ILCS 120/1 et seq.) as required for all elected and unelected voting members of public bodies.