



# PENSION NOTES

Spring 2014 Employee Member Newsletter

## A Message from the Executive Director

Dear members,

Welcome to the latest edition of *Pension Notes*, the member newsletter of the Cook County Pension Fund ("the Fund"). As always, we hope you will read this newsletter carefully, as it contains important updates about your benefits. Please visit our website often for current news and information.

### *Looking Back on 2013*

Since our last newsletter, we closed out a very successful 2013. As of December 31, the Fund counted 17,221 annuitants and 21,821 employees among our membership, with 951 retirements in 2013. Several new staff joined the Fund in 2013, and we've started out 2014 with a strong team in place to serve our growing membership.

In December 2013, Trustee Alexis Herrera succeeded Trustee Jack Fitzgerald as President of the board. After serving as President for three years, Trustee Fitzgerald elected to not to run for an additional term, but remains a member of the board as an elected Cook County Annuitant. We thank Trustee Fitzgerald for his dedicated leadership as Board President during a period of growth and many new initiatives for the Fund.

### *Strong Investment Gains*

Our investment portfolio is hard at work for you, earning roughly 15.1% in 2013, more than double the assumed actuarial rate of return. This performance grew the assets held in trust for your benefits by almost \$900 million last year as the investment portfolio attained its highest recorded market valuation. Other sources of revenue for the Fund in 2013 included roughly \$194 million in contributions from Cook County and \$126 million in member contributions. Please see p. 2 for more information on investment performance and allocation.

### *Facing Forward in 2014*

As our retiree population grows, we continue to innovate new ways to serve you efficiently and effectively. Much of our work in 2014 will occur behind the scenes as we ensure that the appropriate infrastructure, human resources, and systems are in place to meet the needs of our membership now and in the future.

We continue to closely monitor pension reform activity at the state legislature and in the court system. As of this publication, no legislation has been introduced that would impact members of our Fund. However, the Board continues to advocate for 100% funding to put the Fund on a path toward solvency. The Board recently established a special committee on legislation to engage with our lobbyist and various stakeholders around pension reform efforts for Cook County, with a particular focus on the need for increased funding. Any final solutions that impact our members will be communicated by the Fund.

Please do not hesitate to visit, call, or email with any questions or concerns regarding your benefits in 2014. We look forward to hearing from you!

Nickol R. Hackett  
Executive Director

## Inside this issue...

Investment Performance	p. 2
Inquire Before You Retire	p. 3
Legislative Update	p. 4

Your 2013 Annual Contribution Statement is included with this newsletter.

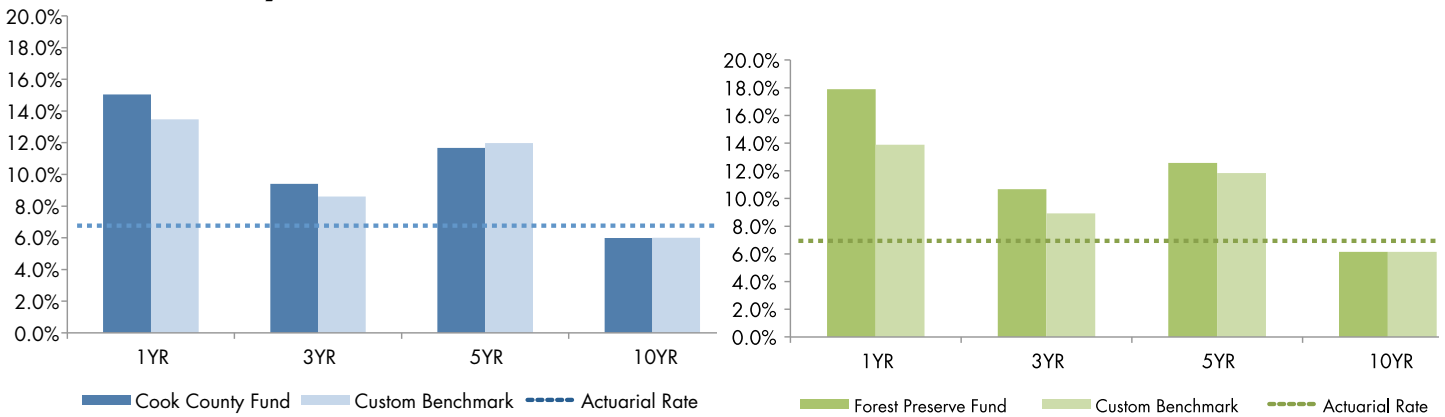
# Investments Surpass Benchmarks in 2013

The investment portfolio delivered strong performance in 2013, benefiting from robust domestic and international equity markets. Total assets increased by almost \$900 million last year, as the total Fund achieved peak market valuation of \$8.9 billion.

As of 12/31/13, the Cook County Fund was valued at \$8,702,433,174 and the Forest Preserve Fund was valued at \$197,238,479. Both funds significantly outperformed the long-term actuarial benchmark of 7.5% as well as their custom benchmarks. In 2013 the Cook County Fund realized a 15.1% return and the Forest Preserve Fund achieved an 17.5% return, net of investment management fees.

**Cook County Fund Performance**

**Forest Preserve Fund Performance**



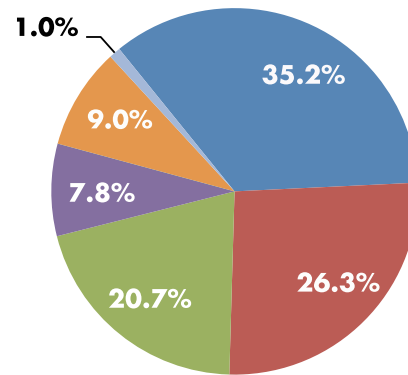
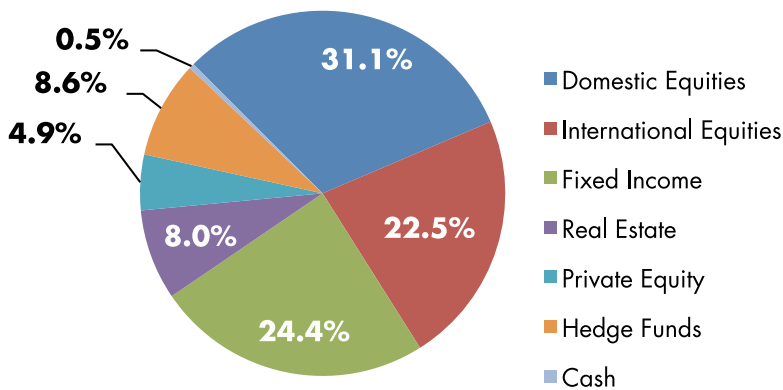
## Strategic Asset Allocation

The Fund maintains a diversified investment portfolio to manage risk throughout different market conditions and to maintain liquidity to pay member benefits. It's an approach that works: investment returns account for about fifty cents of every dollar members receive in benefits. The Fund adopted a new strategic asset allocation strategy in 2011 and largely completed implementing it over the course of 2012 and 2013, bringing 93% of the portfolio in line with strategic targets.

## PORTFOLIO ASSET ALLOCATIONS AS OF 12/31/2013

**Cook County Fund**

**Forest Preserve Fund**



The Fund also maintains a firm commitment to Emerging Investment Managers, investing 17% of the total portfolio with minority-, women-, and disabled-owned businesses with assets under \$10 billion in 2013. Questions about how we invest? Call us at (312) 603-1305 or email us at [info@countypension.com](mailto:info@countypension.com).

# Inquire Before You Retire

Are you considering retirement? Congratulations! This is an exciting time as you wrap up a career in public service and prepare to start your next chapter. Whether your retirement date is weeks or still years away, careful planning will serve you well. Here is a suggested timeline to follow as you prepare for retirement. Please note that certain options with regard to your benefits are only available before you leave County employment – calling our office on the day after you retire is too late!



1. Speak to a benefits counselor **2-4 years** before retirement. Our benefits staff is available in person (no appointment necessary) or over the phone from 8:30 – 4:30 PM, Monday through Friday. It's best to contact our benefits department well in advance of your separation from service so they can go through your records in detail and talk through estimated retirement dates to consider.

2. Contact the Fund again **6-12 months** before retirement. Our staff will answer any questions you may have, provide you with a printed estimate of your monthly pension, explain eligibility for health benefits, and discuss tax implications.

3. Apply for your annuity **30-60 days** before retirement. You must apply for annuity benefits. We recommend that you apply for benefits in person,

though you may also request an application over the phone or via email. Now is also the time to consider retiree health benefits if you will need them.

4. Look for your first check **8-10 weeks** after retirement. It takes about two and a half months to process your annuity application (longer under reciprocity with another retirement fund), which will be retroactive to the first of the month following your retirement date. Thereafter your annuity will be paid on the first of every month. Once your first annuity check arrives, we recommend signing up for direct deposit as the fastest, most efficient means of receiving your monthly benefit.

Please contact us if you have any questions about preparing for retirement, or visit our website for in-depth information.

## Returning to Work After Retirement

Occasionally our members return to work for the County after retirement. Here's how returning to work can affect your pension:

**You can't be an annuitant and an active employee at the same time.** Upon return to service, your pension stops until you retire permanently. Reciprocal pensions will also stop during this period of time.

**You must re-apply for benefits to start your pension again.** Your pension will not automatically re-start when you leave service a second time. Re-apply for benefits with the Fund when you retire permanently.

**In order for your pension to be re-calculated to include additional service and salary, you must have returned to work for a minimum of three years.** However, if you initially retired under an Early Retirement Incentive plan, returning to work will disqualify you from the incentive and cause your pension to be revised.

Please note that the above conditions only apply if you return to work for the County. Working in the private sector after your retirement will not impact your pension.

## Legislative Corner

In late 2013 the Illinois legislature passed a pension reform bill impacting four state retirement systems that cover state employees, General Assembly members, downstate teachers, and state university employees. This legislation, Senate Bill 1, has been challenged in court by several retiree and labor groups. The outcome of these lawsuits has not yet been determined. Senate Bill 1 does not impact the Fund's benefits for current members.

On April 8, 2014, Senate Bill 1922 passed both houses and has been sent to the Governor. This bill would affect the benefits of some City of Chicago employees.

As of this writing, no legislation has been introduced that would impact members of our Fund. Solutions are being explored towards maintaining the Fund's solvency. The Board continues to advocate for 100% funding and for the continuation of retiree health benefits to meet the needs of our members.

We are closely monitoring the legislative situation and will post updates on our website should final legislation pass that would impact the Fund.



### Contact Us

County Employees' and Officers'  
Annuity and Benefit Fund of Cook County

Forest Preserve District Employees'  
Annuity and Benefit Fund of Cook County

33 N Dearborn St, Suite 1000  
Chicago, IL 60602

(312) 603-1200 • (312) 603-9760 fax

[www.cookcountypension.com](http://www.cookcountypension.com)  
[info@countypension.com](mailto:info@countypension.com)

### Retirement Board

Alexis Herrera, President

Brent Lewandowski, Vice-President

Patrick J. McFadden, Secretary

John E. Fitzgerald

Diahann Goode

Robert Janura

Patrick Nester

Samuel Richardson, Jr.

Lawrence L. Wilson, CPA

### Office Closed

Memorial Day – May 26  
Independence Day – July 4

### Upcoming Board Meetings

May 1 • June 5 • July 10