



# PENSION NOTES

Winter 2013 Retiree 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 to stay informed about your benefits. We look forward to hearing from you with any questions or suggestions you may have.

### *What's New?*

Please join me in welcoming Brenda Deming to the Fund! Brenda joined us in August as the Health Benefits Director, getting to work immediately on health plan renewals and Open Enrollment. The Fund's Open Enrollment period for the 2014 plan year ended on November 30. Working diligently to manage costs, we successfully reduced the projected program expense by \$2.6 million for 2014 through negotiation with providers and modest plan design changes, while limiting the impact to members. For more on health benefits and information on the Affordable Care Act, please see p. 2-3.

The Fund recently formalized a Military Service Policy, which outlines the coordination of benefits available to members under the Illinois Pension Code, USERRA, and the HEART Act. Please see p. 5 for additional details. The full Military Service Policy is available on our website or by contacting the office.

On December 3, the Illinois General Assembly passed SB1, a pension reform package that primarily impacts the state retirement systems. Governor Quinn is expected to sign the bill. At this time, SB1 does not impact local funds and, as such, it does not impact any of our Fund's benefits for current employees or retirees. Additional updates will be posted on our website as more information becomes available.

### *Looking Ahead to 2014*

In 2014 we will continue several important initiatives started this year to help us better serve you now and in the future, from behind-the-scenes systems upgrades to cost management of health benefits. We encourage you to visit our website regularly to find the most current information about your benefits as well as any legislative or policy changes that may affect the Fund.

Enjoy a safe and happy holiday season, and a healthy new year.

Nickol R. Hackett  
Executive Director

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# Health Benefits Update

## Open Enrollment Recap

The Fund's annual Open Enrollment health fair was held on Friday, November 1. Over 470 members attended to meet with benefits staff and service providers, take advantage of free health screenings, get healthy living tips, and talk over prescriptions with a pharmacist. Members also generously supported a food drive in partnership with the Greater Chicago Food Depository, donating approximately 150 pounds of food to help fight hunger during the holiday season.

The Open Enrollment period ended on November 30, 2013. If you requested a change to your health benefits but do not receive a confirmation notice by mid-December, please contact our health benefits team to confirm your elections.

Open Enrollment for plans available on the new Health Insurance Marketplace is ongoing through March. These plans may represent another affordable option for our retired members under age 65. See p. 3 for more details.



*Congratulations to retiree Betty Frelich, formerly of the Cook County Comptroller's Office, on winning the bicycle raffle at this year's Open Enrollment event!*

## Open Enrollment Raffle Winners

Bicycle  
Betty Frelich

19" TV  
Leonard White

\$50 Target Gift Cards  
Nenita Caballes Bernice Fields  
Semone Greene Helen Warren

Special thanks to CVS/Caremark, Guardian,  
and BCBS for donating these terrific prizes!

## Save More on Prescription Drugs

Could you be saving more on prescription costs? Reprints of your personalized 2013 Prescription Savings Guide from CVS/Caremark are still available. Contact the Fund to request a new copy.



## Reminder: Medicare Open Enrollment

Medicare Open Enrollment lasts from January 1 through March 31 for new Medicare members. If you are age 65 or older and are eligible for premium-free Medicare Part A, you must also enroll in Medicare Part B. Failure to enroll may cause you to lose coverage through the Fund. If you have any questions regarding Medicare coverage, please do not hesitate to contact our health benefits team.

# Healthcare Reform Update: Affordable Care Act



## *What's new in 2014?*

Starting in 2014, many provisions of the Affordable Care Act (also called "Obamacare") go into effect, including the requirement that most people obtain health coverage or pay a federal tax penalty. For our retired members under age 65, the Health Insurance Marketplace (also called a "health insurance exchange") offers an additional option to consider as you look for the best coverage at the best price to manage your health needs.

Illinois residents will use the federal Marketplace at [www.healthcare.gov](http://www.healthcare.gov). Open enrollment for these plans lasts from October 1, 2013 to March 31, 2014, with coverage beginning as early as January 1, 2014.

## *What does this mean for retiree health benefits in Cook County?*

The Fund currently administers retiree health benefits for eligible Cook County annuitants. For some, the Marketplace may provide another way to obtain health coverage in retirement prior to age 65. (Note that Medicare supplement plans are not available through the Marketplace.)

## *How do the Fund's health benefits compare to plans available through the Health Insurance Marketplace?*

Plans on the Marketplace are sorted by color (bronze, silver, gold, and platinum), which corresponds to the amount you pay in monthly premiums versus out-of-pocket costs. Generally speaking, the three plans offered by the Fund for 2014 are comparable to a "platinum" plan.

Tax credits based on income are available through the Marketplace that may result in lower premiums and other costs. The Marketplace offers a wide range of plans with different coverage and cost structures, although all plans must cover the same set of essential services. Plans are generally less expensive for younger people through the Marketplace.

## *Who might benefit from purchasing coverage on the Health Insurance Marketplace?*

For retirees between the ages of 50 and 64, it is possible that less expensive health coverage is available through the Marketplace, particularly if:

- Your income is between 100% and 400% of the federal poverty level
- You want to cover children or younger dependents
- You would prefer a health plan option with a higher deductible and other out-of-pocket costs in exchange for lower monthly premiums
- You have other family members or dependents who may qualify at lower rates

Every individual's personal circumstances are different, so we recommend that you carefully research all your options before making a decision about health benefits for yourself or your family.

## *Where can I get more information?*

More information, including specific plan details and monthly rates, is available at [www.getcoveredillinois.gov](http://www.getcoveredillinois.gov) and [www.healthcare.gov](http://www.healthcare.gov) or by calling (866) 311-1119.

# FINANCE CORNER:

## Tax Forms and January 1st Payments

### Form 1099-R

The Fund sends 1099-R tax forms every year in late January. If you don't receive your 1099-R by February 11, 2014, please contact our office so that we can reissue it for you. **Important:** We can only issue a 1099-R to the address we have on file. If you have moved or changed your address in the last year, be sure to complete a change of address form. Forms are available on our website or by calling the office.



### Understanding Your 1099-R

Box 1	Reports your gross annuity paid during 2013
Box 2a	Reports your taxable amount paid during 2013
Box 4	Reports your tax withheld during 2013
Box 5	Reports your non-taxable amount paid during 2013

Your non-taxable amount paid during 2013 is determined by any post-tax contributions you made to the Fund prior to your retirement.  
 $\text{Box 1} - \text{Box 2a} = \text{Box 5}$

### Tax Withholding

You are entitled to change the federal tax withholding on your annuity at any time. To do so, download the federal tax withholding change form from our website or call (312) 603-1200 to request a form by mail.

Your annuity is not subject to Illinois state income tax. For members living outside of Illinois, check with your state's Department of Revenue to determine if your annuity is subject to state income tax, and whether you can expect to see changes for 2014.

### January 1st Payments

Your monthly annuity will likely change as of January 1, 2014 to reflect the cost-of-living adjustment (COLA), changes in your health benefits premium for 2014, and updated federal income tax withholding rates.

If you are among the majority of members who receive an annuity via direct deposit, you will receive a January 1 advice that reflects the gross annuity, deductions, and net payment amount for 2014. Keep this advice in your records for future reference.

**Please note that January 1, February 1, and March 1 fall either on a holiday or a weekend in 2014. Check with your bank regarding specific information about the availability of your funds for these direct deposits.**



## Military Service Policy: USERRA Compliance

The Cook County Pension Fund commends employees who protect our country through service in the United States Armed Forces.

In accordance with guidelines set forth in the Uniformed Services Employment and Reemployment Rights Act (USERRA) members of the Fund can purchase pension service credit for periods of service in the uniformed services during their Cook County or Forest Preserve District employment. Depending on the length of the member's period of service, he or she is entitled to take from one to ninety days following service before reporting back to work or applying for reemployment. This period of time will be treated as continuous service with the Cook County or Forest Preserve District for purposes of determining participation, vesting and accrual of pension benefits under the plan. Any payment to the plan described in this paragraph shall be made during the period beginning with the date of reemployment and whose duration is three times the period of the member's services in the uniformed services, such payment period not to exceed five years.

The Fund's complete Military Service Policy can be found online at [www.cookcountypension.com](http://www.cookcountypension.com) or can be requested by contacting the Fund at (312) 603-1200. Additional information is also available at <http://www.dol.gov/elaws/userra.htm>.



## Retirement Board Update

### *Trustee Election Results*

Pursuant to the Illinois Pension Code, a Trustee election was held on October 30, 2013 for the position of Cook County Employee Trustee. The Independent Election Administrator has certified Alexis Herrera as the winner. Trustee Herrera's new three-year term began on December 1, 2013. Thank you to all those employee members who participated by voting or running as a candidate.

Cook County Annuitant Trustee Jack Fitzgerald and Forest Preserve District Annuitant Trustee Robert Janura were unopposed for re-election in 2013. They retained their seats and also began new three-year terms on December 1, 2013.

### *Appointed Trustee Update*

The Cook County Treasurer and Comptroller, or their designees, serve as *ex officio* members of the Retirement Board. Trustee Ivan Samstein and Trustee Robert Benjamin represented these offices on the Board until recently. As of year-end, Patrick Nester has been appointed as the Treasurer's designee and Lawrence Wilson, the County Comptroller, will assume his own seat on the Board.

We are grateful to Mr. Samstein and Mr. Benjamin for their skillful leadership and service to the membership during their tenure. Please join us in welcoming Trustee Wilson and Trustee Nester to the Board!

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## Contact Us

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## Retirement Board

Alexis Herrera, President

Brent Lewandowski, Vice-President

Patrick McFadden, Secretary

John E. Fitzgerald

Diahann Goode

Robert Janura

Patrick Nester

Samuel Richardson, Jr.

Lawrence Wilson

## Office Closed

Christmas Day, December 25

New Year's Day, January 1

Martin Luther King Day, January 20

Washington's Birthday, February 17

Casimir Pulaski Day, March 3