



ILLINOIS PUBLIC PENSION FUND ASSOCIATION

Preparing Pension Funds for Tomorrow

www.ippfa.org

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September 2011 Newsletter



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Police, fire health benefits case moves ahead

By Bob Okon Bokon—The Herald-News—A Chicago-Sun Times Publication

JOLIET — Four retired Joliet police and firefighters have won another phase in their case claiming any change in their health benefits violates the Illinois constitution.

The case would likely have an impact on other government retirees not only from the city of Joliet but municipal work forces statewide. "This case is unique in that it is the only case dealing with whether the state constitution applies to health insurance and not just pensions," City Attorney Jeff Plyman said Wednesday. "That issue has never been tested before in Illinois."

The Joliet retirees contended that the Illinois constitution not only prohibits changes in pensions after retirement but also health care benefits. The city in January 2010 started a \$250 deductible to retirees' health insurance and increased drug co-payments by \$3 to \$5. Will County Associate Judge Bobbi Petrunaro ruled in October that the state constitution does provide the same protections to retiree health benefits as pensions, a decision expected to be tested at some point in state appellate court. - [click here for more...](#)

4th Annual 16" Charity Softball Game, Chicago Fire & Police vs Chicago Blackhawks Alumni

In honor of the 10th Anniversary of the September 11, 2001 terrorist attacks on the United States of America, the

Chicago Fire Department and the Chicago Police Department will be holding a special memorial before the softball games, at 12 PM to honor the victims of September 11th.

See the attachment for more information on purchasing raffle tickets and a schedule of events. [click here for more...](#)

2011 Midwest Pension Conference Agenda is now available

SEE what the 2011 Midwest Pension Conference has to Offer this year. See the attached agenda for the training each of you will receive while attending this Conference. This conference will also meet the annual 16 hour training standard, set by the state, for each pension trustee in Illinois!! - [click here for more...](#)

NCPERS Family Protection Plus Plan

Additional financial security available for you and your family. Benefit to help protect your family while you are working protecting the public. If you did not sign up for this benefit last year, as an active employee you have another chance during the upcoming open enrollment period of October 1 to November 30, 2011. Coverage is being offered through our membership in the National Conference on Public Employee Retirement Systems (NCPERS) and underwritten by Prudential Insurance Company of America.

The Family Protection Plus Plan is decreasing term life insurance, which means the monthly premium remains level over time while the benefits decrease with age. This unique design provides younger employees who have the greatest need and the lowest accrued retirement benefits, to receive the greatest financial protection for your loved ones. The monthly premium is very affordable at \$17 a month and can be continued into your retirement.

This benefit requires *no* medical underwriting and there are *no* exclusions based upon your occupation (except for aviation professionals). In fact, there is an accidental death and dismemberment benefit and a waiver of premium provisions which covers you while on or off the job or disabled*. Additionally, for \$17 a month, this benefit not only covers you, but also provides a life benefit covering your spouse/domestic partner** and children. The amount of coverage is dependent upon your age.

Open enrollment begins October 1 and ends November 30, 2011. It's easy to enroll online through the NCPERS Family Protection Plus website. Plus, for ease of convenience, premiums can be paid through a

monthly electronic (ACH) bank withdrawal, or if preferred, paid monthly using a paper coupon provided to you. It's a fact; just a few minutes of your time today could greatly impact your family's future. If you have any questions or problems enrolling online, you may contact the Plan's administrator, HealthSmart Benefit Solutions, Inc. at 888-697-8897 for assistance.

*Example: for a member at least 25 years old and less than 30 years old, who died in an accident, there would be a \$170,000 life insurance benefit plus a \$100,000 AD&D insurance benefit—a total of \$270,000. That would make a tremendous difference to a young family.

**Where recognized - [click here for more...](#)

State budgets under stress: Paths to sustainability

by *Richard H. Mattoon, senior economist and economic advisor-Chicago Fed Letter*

State governments have been noticeably absent in contributing to U.S. economic growth since the recession of 2008–09. Despite some recovery in tax revenues, many states are still reporting budget shortfalls and spending pressures for pensions and health care.

Fiscal stress at the state level is filtering down to local governments in the form of reduced aid, and this in turn is reflected in the loss of 539,000 state and local government jobs since August 2008. Are these budget woes primarily due to the fallout from a particularly harsh recession or are they the result of underlying structural problems in the state government sector that require new policy responses?

On June 23–24, the Federal Reserve Banks of Chicago, New York, and Philadelphia, in conjunction with the John D. and Catherine T. MacArthur Foundation and the National Association of State Budget Officers, convened a conference to examine how states are dealing with immediate fiscal pressures and whether new policies and governance structures are needed to improve the fiscal sustainability of the sector in the future.

[click here for more...](#)

Report: Pension bill will be debated in fall veto session

From—Capitol Fax.com by Rich Miller

Illinois House leaders say they still are working on legislation that would ease the state's crushing pension burden, although they are closed-mouthed about what those changes will be and when the General Assembly will be asked to consider them. [...]

Madigan and Cross co-sponsored Senate Bill 512 in the House, which gives state employees three options for their pensions: Keep the same level of benefits but pay more. Accept the reduced benefits approved last year for new employees. Choose a defined-contribution plan commonly known as a 401(k). [...] - [click here for more...](#)

Chicago Fed Letter: Tempestuous municipal debt markets: Oxymoron or new reality?

by *Gene Amromin, senior financial economist/Anna Paulson, vice president & director of financial research*
Municipal bonds (munis) are issued by states, cities, or other local government agencies. They may be

general obligations of the issuer or secured by specified revenues, like fees paid by tollway users. The interest on municipal bonds is usually exempt from federal income taxes. Investors have long regarded these bonds as a relatively safe investment. Not coincidentally, holdings of municipal securities (or munis) have been heavily concentrated among household investors, who own about two-thirds of the \$2.9 trillion market.- [click here for more...](#)

The Oak Forest Firefighters Union, Local 3039, will host Annual Fundraiser on September 18, 2011

The Oak Forest Firefighters Union, Local 3039, will be hosting our Annual Fundraiser on September 18, 2011. The event will take place from 12:00 pm to 6:00 pm at the Oak Forest Bowl and Park, 15240 S. Cicero Av. Oak Forest, Illinois. The cost is \$20.00 which includes a Pizza and Pasta buffet. We will be having 2 types of raffles, 50/50 split the pot, bean bag tournament, and volleyball. It is a cash bar. This year we have the band **Sean and Charlie** starting at 3:00 and playing until 6:00. There are many TV's outside to watch the Bears beat the Saints! - [click here for more...](#)

Public safety retirees told to fight pension, benefits cuts

August 3, 2011 By John Hill & Tom MOONEY-Journal Staff Writers/Rhode Island News

Adams is recruiting volunteers to keep the doors of the library open. The library has reopened part-time three days a week.

CENTRAL FALLS — A national police union lawyer told about 60 angry retired city police and firefighters Tuesday night that they should go to court and fight what he called an unconscionable decision by the state receiver to cut their pensions and health coverage. The retirees applauded when Jack Parlon, a lawyer for the national Fraternal Order of Police, said “someone should go to jail” over receiver Robert G. Flanders Jr.’s reduction in pension benefits by about 50 percent to save \$2.5 million this year. Flanders also required the retirees to pay 20 percent toward their health-insurance premiums.

Flanders has said he hoped to negotiate concession agreements rather than impose the cuts and higher costs, which he announced Monday in connection with petitioning the city into Chapter 9 bankruptcy. An initial hearing on the petition is Wednesday morning. Parlon told the gathering at the Cumberland Fraternal Order of Police Hall that they should put together a legal team to fight Flanders’ order. The FOP can only represent active members and not retirees. But, he said, he and the national FOP were willing to help them raise money to wage that fight.

- [click here for more...](#)

Illinois Public Employee Retirement Systems (IRSI)

UPDATED August 11, 2011 from Illinois Retirement Security Initiative

The five public employee retirement systems in Illinois are the: State Employees’ Retirement System (‘SERS’), Teachers’ Retirement System (‘TRS’), State Universities Retirement System (‘SURS’), Judges’ Retirement System (‘JRS’) and General Assembly Retirement System (‘GARS’). Three primary sources of

contributions finance Illinois' State retirement systems: employee contributions, employer contributions and returns on investments. Each chart is a representation of Illinois public employees and retirees within the five state funded retirement systems. - [click here for more...](#)

Legal Updates

Legal and Legislative Update-Cases

By Richard J Reimer

Lindemulder v. Board of Trustees of the Naperville Firefighters Pension Fund, 946 N.E.2d 940, 349 Ill.Dec. 444 (Second Dist 2011) . Without expressly saying so, the Second District Appellate Court clarified that the heart/lung provisions of §4-110.1 of the Illinois Pension Code *does not* create a rebuttable presumption for firefighters seeking occupational disease disability pensions under the heart/lung provisions of §4-110.1. - [click here for more...](#)

Training and Education

2011 IPPFA Midwest Pension Conference

Important Notice!!! The Grand Geneva is Full!! There are rooms available @ the Comfort Suite [(262)248-2300] and The Cove [(800)770-7107]. IPPFA Midwest Pension Conference will be held in Lake Geneva, WI

The dates for the 2011 conference are [October 4-7, 2011](#).

The venue will be the Grand Geneva Resort & Spa. - [click here for more...](#)

Annual Golf Outing Registration—2011 Midwest Golf Outing

Illinois Public Pension Fund Association—The Highlands – October 4, 2011

Please Join Us for a Scramble Round of Golf, Lunch & Beverages on the Course
Tuesday, October 4, 2011 The Highlands - Grand Geneva

\$90 per Golfer / **\$360** per foursome/Price Includes golf with cart, lunch and beverages on the course. - [click here for more...](#)

Certified Trustee Program

Our 32-hour **Certified Trustee Program** is offered throughout the year in four eight-hour modules from 8:00am to 4:00pm. Each one of the modules is approximately one month apart. Classes are held at the NIU Outreach Centers in Naperville (N) and in Hoffman Estates (HE). All modules must be completed within a

twelve month period - [click here for more...](#)

Online Training/eLearning

_This course introduces students to various aspects of financial management related to Police and Fire pension funds along with the administration of those pension funds. Each topic will be taught by a professional in their field.- [click here for more...](#)