

April 25, 2008

In addition to the benefits granted to members and spouses each month, the Secretary will also be presenting, for informational purposes only, items of interest that may affect our members.

Questions regarding any member's specific situation should be addressed directly to the Fund Office.

MONTHLY NEWS AND INFORMATION FROM THE FUND SECRETARY

RETIREE HEALTH CARE

The City of Chicago has issued new health care rates for the Annuitant Health Care Plan effective July 1, 2008. The Risk Benefits Management Office will send a mailing to all annuitants soon with information. These rates will be posted on the Fund's website, www.fabf.org soon.

RETIREMENT INFORMATION

Please read the attached letter regarding information for members who are approaching maximum retirement.

Thank you.



Anthony R. Martin
Fund Secretary

To All Active members of the Firemen's Annuity and Benefit Fund of Chicago;

The Chicago Fire Department and the Firemen's Annuity and Benefit Fund of Chicago are aware that as many as 535 current active or disabled members have pensionable service credit beginning in February 1980. Another 444 existing active or disabled members have creditable service beginning **prior** to February 1980. The majority of these members may be able to retire at full retirement benefits (75% of Final Average Salary) beginning in March of 2009 or sooner.

In anticipation of inquiries regarding retirement benefit estimates, Fund staff has compiled a table that illustrates (by retirement date and permanent career service rank) the estimated gross monthly retirement amounts that may apply to both groups of these members. **This table is not intended to provide precise calculations for the members in these groups, but rather, to provide a starting point for retirement planning.** For the calculation of any individual member benefit, the Fund is required to adhere to the provisions as embodied within the governing statutes 40 ILCS Act 5, Section 6 which may produce amounts different than amounts listed here as estimated benefit. The Table does not include the effects of any pending or future legislative amendments.

As stated, the attached table of estimated benefits is based upon career service ranks and salaries. It does not apply to members who are in exempt rank positions within the Chicago Fire Department. Exempt members are requested to email their retirement questions to the staff members listed at the end of this letter.

The estimated benefit amounts shown in the Table assume that individuals within this group have held their current permanent career service rank for at least a 48 month period immediately preceding the estimate calculation. It was also assumed that individuals in these categories have received salary at the 25-year step for the same 48 month period. Until a new contract and new negotiated salaries are agreed to and ratified by the City of Chicago, the Fund will utilize salaries detailed in the Labor Contract between the City of Chicago and the Chicago Fire Fighters Union Local No. 2 of the International Association of Fire Fighters, AFL-CIO-CLC, which expired on June 30, 2007.

Many factors impact upon a member's service credit for pension purposes and may lower their pension benefit to less than the 75% of their final average salary as listed in the table. Any reduction to applicable service credit may reduce the percentage of Final Average Salary (FAS) that

a member will receive as a retirement benefit. The following are examples of some, but not all of the items affecting the calculation of applicable service credit.

- service time lost due to military service suspensions from duty
- leaves of absence with whole or partial pay
- prior terminations from the Chicago Fire Department
- failure to repay the Fund prior refunds of contributions and interest
- failure to purchase prior service time in the Chicago Police Department (Article 5 of the Code)
- failure to purchase prior service time in the Municipal Fund (Article 8 of the Code).

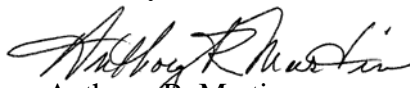
Existing statutes also provide that eligible members, ***born before January 1, 1955*** are entitled to receive an automatic annual increase (AAI) of 3% of their original grant of retirement annuity. Eligible members ***must have attained age 55, be retired for one year and one month, and have at least 20 years of creditable service.*** Additional 3% raises are added each January 1st thereafter, throughout the member's lifetime.

Members, ***born after December 31, 1954,*** are entitled to receive an automatic annual increase (AAI) of 1 ½ % of their original grant of retirement annuity. Eligible members ***must have attained age 60, be retired for one year and one month, and have at least 20 years of creditable service.*** Additional 1 ½ % increases are added each January 1st thereafter. These increases are limited to 30% maximum.

The Fund is aware that many factors impact upon each member's decision to retire from Active service from the Chicago Fire Department. It takes about 4 hours of Fund staff time to calculate and verify an estimate correctly. The Fund asks that a formal request for benefit estimates not be submitted by any member until the member is fairly certain of his or her retirement date. Further, we are requesting that you help us help you by giving us as much advance time as possible to provide an accurate estimate calculation. When you know your retirement date, an estimate of benefits may be obtained by calling the Fund Office at (312) 726-5823.

The Fund looks forward to assisting you with any questions you might have concerning this very important decision. Please e-mail any specific questions concerning your individual retirement benefit estimate to any or all of the following individuals, tkulbida@fabf.org, lizpauss@fabf.org, kenkaczmarz@fabf.org, , janpelech@fabf.org. Please be sure to include your name, current mailing address, Date of birth current phone number, and the last 4 digits of your social security number with any questions you might have.

Sincerely,


Anthony R. Martin
Fund Secretary

Estimated Monthly Retirement Benefits at February and March 2009 For Members With Creditable Service beginning at February 1980 Or Prior that will have at least 29 years and 1 day of service and eligible for 75% Of Final Average Salary

(Based (This table utilizes the Salary Structure included in the July 1, 2003 through June 30, 2007 contract)

<u>Permanent Career Service Rank</u>	<u>Number Of Participants (Prior To Feb. 1980)</u>	<u>Number Of Participants (Feb. 1980)</u>	<u>If 29 Years & 1 Day Of Service (75%) Is Achieved On Or After The Following Dates:</u>					
			<u>Feb. 2, 2009 8am Thru Mar. 1, 2009 8am</u>			<u>Mar. 2, 2009 8am Thru Apr. 1, 2009 8am</u>		
			<u>Monthly Amount</u>	<u>1.5% AAI*</u>	<u>3.0% AAI*</u>	<u>Monthly Amount</u>	<u>1.5% AAI*</u>	<u>3.0% AAI*</u>
Paramedic	4	1	\$4,959.00	\$74.39	\$148.77	\$4,968.00	\$74.52	\$149.04
Firefighter	115	175	\$5,013.00	\$75.20	\$150.39	\$5,021.00	\$75.32	\$150.63
Firefighter-EMT	5	10	\$5,198.00	\$77.97	\$155.94	\$5,207.00	\$78.11	\$156.21
Paramedic In Charge	7	0	\$5,295.00	\$79.43	\$158.85	\$5,304.00	\$79.56	\$159.12
Firefighter-Paramedic	2	0	\$5,343.00	\$80.15	\$160.29	\$5,353.00	\$80.30	\$160.59
Engineer	44	53	\$5,350.00	\$80.25	\$160.50	\$5,357.00	\$80.36	\$160.71
Firefighter Per Arbitration Award	2	1	\$5,350.00	\$80.25	\$160.50	\$5,357.00	\$80.36	\$160.71
Engineer-EMT	16	41	\$5,547.00	\$83.21	\$166.41	\$5,556.00	\$83.34	\$166.68
Firefighter Per Arbitration Award-EMT	1	0	\$5,547.00	\$83.21	\$166.41	\$5,556.00	\$83.34	\$166.68
Engineer-Paramedic	1	0	\$5,702.00	\$85.53	\$171.06	\$5,711.00	\$85.67	\$171.33
Firefighter Per Arbitration Award-Paramedic	4	1	\$5,702.00	\$85.53	\$171.06	\$5,711.00	\$85.67	\$171.33
Lieutenant	51	73	\$5,889.00	\$88.34	\$176.67	\$5,898.00	\$88.47	\$176.94
Lieutenant-EMT	47	62	\$6,106.00	\$91.59	\$183.18	\$6,117.00	\$91.76	\$183.51
Lieutenant-Paramedic	11	1	\$6,278.00	\$94.17	\$188.34	\$6,289.00	\$94.34	\$188.67
Paramedic Ambulance Commander	17	5	\$6,398.00	\$95.97	\$191.94	\$6,424.00	\$96.36	\$192.72
Captain	19	28	\$6,593.00	\$98.90	\$197.79	\$6,603.00	\$99.05	\$198.09
Captain-EMT	27	46	\$6,837.00	\$102.56	\$205.11	\$6,849.00	\$102.74	\$205.47
Paramedic Field Officer	18	4	\$7,018.00	\$105.27	\$210.54	\$7,042.00	\$105.63	\$211.26
Captain-Paramedic	3	1	\$7,030.00	\$105.45	\$210.90	\$7,042.00	\$105.63	\$211.26
Battalion Chief	20	12	\$7,191.00	\$107.87	\$215.73	\$7,202.00	\$108.03	\$216.06
Battalion Chief-EMT	29	21	\$7,459.00	\$111.89	\$223.77	\$7,471.00	\$112.07	\$224.13
Battalion Chief- Paramedic	1	0	\$7,669.00	\$115.04	\$230.07	\$7,682.00	\$115.23	\$230.46
Total Participants	444	535						

* Statutory Automatic Annual Increase Per ILCS 40, Act 5, Section 6-164.