

NOVEMBER 2006

MONTHLY NEWS AND INFORMATION FROM THE FUND SECRETARY

ANNUAL WIDOWS AND ORPHANS DISTRIBUTION

The following comments were made by Trustee George M. Korda at his last meeting as Active Firefighter Trustee:

It is with great honor and in keeping with the longstanding tradition embodied by the Firemen's Annuity & Benefit Fund of Chicago, that I ask my fellow Trustees that we once again provide an assistance check to our neediest widows and orphans this holiday season from the Fund's Gift Fund Reserve.

The Fund has many retirees and widows trying to get by on \$1,200 or less per month. When you consider that each month's pension check is reduced by the cost of health insurance and taxes, these annuitants are forced to survive on amounts barely above the poverty level.

We have 772 widows receiving \$1,200 or less each month.

And we are taking care of 115 children whose parent died while serving as an active firefighter or paramedic for our great city.

These individuals represent 1 out of every 5 (20%) participants receiving a benefit from the pension fund.

With this in mind, I would like to make a motion that the Firemen's Annuity & Benefit Fund of Chicago Gift Fund Reserve, issue a "13th check" in the amount of \$500 to our widows currently receiving an annuity of \$1,200 or less. Included in this motion, I also ask that all orphans of deceased firefighters receive a 13th check of \$500. I ask that our Fund Secretary coordinate with staff to ensure that these checks are disbursed no later than November 30th.

On motion by Korda, seconded by Carlson, to provide a \$500 "13th check" from the Firemen's Annuity & Benefit Fund of Chicago Gift Fund Reserve, Firemen's Annuity & Benefit Fund of Chicago Gift Fund Reserve to all widows and orphans currently receiving benefit payments of \$1,200 or less a month.

The vote was:

All in favor----AYES (UNANIMOUS)

All Opposed---NONE

PENSION PROTECTION ACT

The Board adopted a recommendation of the Legal Committee at the October 2006 meeting to provide notice to all retired Fund participants explaining the provisions of the Pension Protection Act of 2006. This Act allows our retired sworn firefighters and paramedics to direct the Fund to pay their health care premiums on their behalf with pre-tax dollars. The Fund continues to review the language of the Act. The Fund has subsequently received additional guidance concerning the implementation of this benefit from the National Conference of Public Employee Retirement Systems (NCPERS) and will utilize this information within the notice that will be sent to our retired members. This notice will be mailed to retired participants in early December.

The Fund will also allow future retirees to elect to take advantage of the provisions of this Act at the time they make application for retirement.

ACTIVE MEMBER PARTICIPANT DATA

The Board authorized a thorough audit of all active participant records in order to update the Fund's data system and to notify these participants of their current family status and beneficiary data on file.

This audit has been completed and on November 15, 2006 approximately 5000 active participants were mailed a printout of the family information the Fund currently has on file. Named beneficiaries listed on your death benefit directive were also provided. Members should review the information and notify the Fund of errors or changes in their family status and submit the required certificates. Members may also request a change of beneficiary for their death benefit.

Since this mailing, the Fund has received numerous phone calls concerning the details of these informational mailings. Please call us with any questions. We also ask that you be patient as Fund staff responds to the many inquiries and requests that we are receiving.

RESOLUTION HONORING OUTGOING CITY TREASURER JUDITH RICE

THE FIREMEN'S ANNUITY AND BENEFIT FUND OF CHICAGO NOVEMBER 15, 2006

RESOLUTION HONORING JUDITH C. RICE

WHEREAS; In November 2000 Judith C. Rice was appointed by Mayor Richard M. Daley of the City of Chicago to serve as the City Treasurer, having previously served as Commissioner of the City's Department of Transportation and Department of Water and as Deputy Director and then Director of the City's Department of Revenue; and


WHEREAS, Judith C. Rice was then elected in February 2003 by the citizens of the City of Chicago to serve as their City Treasurer, an office in which she has served the needs of the citizenry of Chicago with honesty, dignity and intelligence; and

WHEREAS, in her role as City Treasurer, Judith C. Rice is statutorily appointed to serve as an ex-officio trustee of the Retirement Board of the Firemen's Annuity and Benefit Fund of Chicago, and in such position, at all times and under all various types of circumstances, Ms. Rice has represented the best interests of all Fund participants, serving in numerous capacities, including as Chairman of the Board's Legal Committee; and

WHEREAS, in her capacity as City Treasurer and Ex-Officio Trustee of all City of Chicago Pension Funds, Judith C. Rice was invaluable in her ability to understand issues that had impact across several of the Funds. On many occasions, Ms. Rice utilized her legal background and diplomatic skill to expedite solutions to these issues that were acceptable to each of the Funds; and

WHEREAS, on this 15th day of November, 2006, the Trustees and staff and all Active and Annuitant members of the Firemen's Annuity and Benefit Fund of Chicago wish Judith C. Rice health and prosperity in her continuing career with the City of Chicago and all of her future endeavors. We will miss her knowledge and understanding of the issues brought before the Retirement Board and the deliberative manner in which she guided her fellow Trustees, as well as the warm, calm and endearing manner in which she treated all who became associated with her.

IT IS HEREBY RESOLVED, in order that all may know of the esteem and honor in which this Fund, its Trustees, its staff and its participants hold Judith C. Rice, that this resolution be entered on the permanent record of this Fund and that a copy of this resolution be suitably engraved and presented to Judith C. Rice as a token of the respect and affection we have, and will continue to have, for her.



Derrick Jackson
Fund President



Anthony Martin
Fund Secretary

**RESOLUTION HONORING OUTGOING ACTIVE FIREFIGHTER TRUSTEE
GEORGE M. KORDA**

RESOLUTION HONORING GEORGE M. KORDA

BE IT HEREBY RESOLVED THAT *WHEREAS*, George M. Korda, currently serving as a member of the Chicago Fire Department in the rank of Battalion Chief, and having performed in various capacities for thirty one years; and

WHEREAS, George M. Korda, known by all as a man of character, compassion and commitment, dedicated and devoted to the best interests of all members of the Chicago Fire Department ; and

WHEREAS, George M. Korda, having served his brothers and sisters of the Chicago Fire Department as Editor of the Sounder, Legislative Aid and Director of Political Action for the Chicago Firefighters Union, Local Two, of the International Association of Firefighters Union, from 1982 through 1993; and

WHEREAS, George M. Korda was subsequently elected Active Firefighter Trustee of the Firemen's Annuity and Benefit Fund of Chicago in 2000 and re-elected in 2003, and having faithfully tended to the participants for six years as Fund Secretary, Legislative Committee Chairman and Investment Committee Chairman; and

WHEREAS, as Director of Political Action of Local Two and Legislative Chairman of the Fund, George M. Korda possessed a thorough understanding of the Illinois State Pension

Code and the legislative process, permitting him to exercise shrewd judgment in all actions involving legislation, benefit and funding proposals; and

WHEREAS, as Investment Committee Chairman, George M. Korda, with wisdom, vision and insight, built upon the Fund's strong investment foundation by adding progressive, innovative investment opportunities which enriched the Fund while diminishing the overall risk of the Fund; and

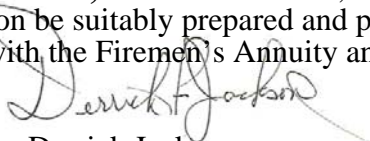
WHEREAS, George M. Korda worked to enhance the financial security in retirement for all eligible Fund participants by making Emergency Medical Technician, Ambulance Commander and duty availability pay pensionable and by ensuring adequate health care coverage for all retirees, spouses and members who became sick or injured in the line of duty; and

WHEREAS, George M. Korda, performed his fiduciary responsibilities with the utmost diligence, honesty and integrity along with grace, goodwill, generosity and humor; and

WHEREAS, on this 15th day of November, 2006, the Trustees, staff, active and pensioned participants and all others associated with the Firemen's Annuity and Benefit Fund of Chicago express their deepest appreciation and gratitude to George M. Korda and wish him, his wife and family continued health, prosperity and good fortune in all future endeavors; and

NOW THEREFORE, in order that all may know of the esteem and honor in which this Fund, its Trustees, its staff and its participants hold Battalion Chief and Trustee George M. Korda, that this resolution be entered into the permanent record of this Fund; and

FURTHER, be it resolved that, as a token of respect, admiration and affection, a copy of this resolution be suitably prepared and presented to George M. Korda and shared with all those associated with the Firemen's Annuity and Benefit Fund of Chicago.


Derrick Jackson
Fund President


Anthony Martin
Fund Secretary

2006 ACTIVE FIREFIGHTER ELECTION

The Election for Active Firefighter Trustee member of the Retirement Board was counted on October 30, 2006. The results were as follows:

Michael J. Shanahan	942	Winner
George M. Korda	846	
Sedalia Peoples	193	
Timothy McPhillips	153	

On behalf of all participants, the Board and staff of the Fund, we extend our congratulations to Mr. Shanahan.

Of note, during the course of this election, several members from zip code 60655 called to report that they had not received their ballots. The following information is being provided in response to that issue.

- It was absolutely determined that the correct number of ballots (5,529) were delivered to the main post office by the Fund's independent printing agent under the supervision of our auditor.
- All members that reported missing ballots (69) were mailed the proper control form to obtain a new ballot from our auditor.
- A special simulcast was broadcast advising all members of this situation. Special accommodations, under the supervision of the Fund's auditor, were made to allow these members who specifically requested ballots, to vote in time to be counted.
- Follow up was undertaken with each of the members reporting missing ballots. Every member contacted from 60655 had reported that they received their ballot and had voted within the appropriate time period.