

**Retirement Board of the
PARK EMPLOYEES' ANNUITY AND BENEFIT FUND**

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To all participants in the Park Employees' Annuity and Benefit Fund:

Last Friday, May 8, the Illinois Supreme Court issued a decision striking down legislation known as "SB 1". This letter is in response to questions we have received about the impact of the Supreme Court decision on the changes that were made to the Park Employees' Annuity and Benefit Fund pursuant to legislation signed into law in January of 2014.

The Supreme Court decision was limited to consideration of Senate Bill 1, which was enacted in 2013 and made changes to four pension systems operated by the State of Illinois. The legislation that made changes to the Park Employees' Fund, known as "SB 1523" or "Public Act 098-0622", is separate and distinct from SB 1. The Supreme Court has not issued any ruling whatsoever regarding the changes to the Park Employees' Fund.

We have been asked whether the Supreme Court's decision means that the changes to the Park Employees' Fund will also be struck down. No one can guarantee what a court will do, if presented with that question. However, there are significant differences between the situation at issue in SB 1 and the circumstances that led up to SB 1523. As the Supreme Court emphasized in its decision, the State, over many years, knowingly underfunded those pension systems and on multiple occasions did not contribute the amount it was legally obligated to pay into the pension systems. At the Chicago Park District, in contrast, there has never been a time where the employer failed to pay what it was legally obligated to contribute to the Fund (just as the employees always paid every penny of what they were legally obligated to contribute). The problem with the Park Employees' Fund was that even with the employees and the employer making their required contributions, the Fund would be insolvent in 10 years or less. SB 1523 represents the commitment by the stakeholders to save the Fund and make sure everyone will receive a monthly check when they retire.

We appreciate and understand that these are confusing, even stressful times. We will do everything in our power to ensure that you are provided with accurate information on a timely basis. Please do not hesitate to contact me if you have any questions regarding this.

Very truly yours,



Dean J. Niedospial
Executive Director