

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

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Dean J. Niedospial
Executive Director

Jaime L. McCabe
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December 1, 2015

Re: REMINDER - COLA Calculation for 2016 / Lawsuit Challenging Public Act 098-0622

To the Retirees of the Fund:

In March of 2014, the Fund sent a letter to our retirees addressing the impact of Public Act 098-0622. This letter can be found on the home page of the Fund's website at www.chicagoparkpension.org under the caption "Letter to the Retirees Re: Public Act 98-0622". According to Public Act 098-0622, the annual increase in the basic retirement annuity ("COLA") will be the **lesser** of ½ of the increase in inflation the previous year, as measured by the Consumer Price Index-Urban ("CPI-U"), or 3% of the annuity granted at retirement. The CPI-U as measured by the U.S. Bureau of Labor Statistics for the period which determines the increase in 2016 was 0.0%. Therefore, **there will be no COLA increase in 2016**. In other words, your retirement annuity will not increase in 2016.

I would also like to bring to your attention that on Wednesday, October 14, 2015, the Fund was served a summons and complaint which challenges Public Act 098-0622 on the grounds that this amendment to the Illinois Pension Code unconstitutionally diminishes and impairs the benefits of participants in the Fund. The Circuit Court has granted the Fund's request to defer any legal action until after the Supreme Court of Illinois rules on a case involving two Chicago pension systems that involves changes to benefits that are similar to those created by Public Act 098-0622. We will keep you updated as this lawsuit moves forward.

Please feel free to contact me should you have any questions.

Very truly yours,



Dean J. Niedospial
Executive Director