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VESTED INTEREST

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LEGISLATURE CONSIDERS BILL FOR MWRDRF FUNDING

In an effort to improve funding and assure retirement security for our members, the Retirement Fund Trustees and the Board of Commissioners introduced House Bill 4513 at the Spring 2012 legislative session.

This bill would:

- Increase the employer multiplier from 2.19 to the lesser of 4.19 or the annually required contribution. The annually required contribution is the amount required to pay the sum of the pension plan's normal cost (the cost of benefits accrued in the current year) and the cost to amortize the plan's unfunded actuarial accrued liability. Currently, for each dollar a member contributes, the District contributes \$2.19. This legislation would increase that amount to as much as \$4.19 for each dollar contributed; and
- Increase employee contributions by 1% per year for the next three years starting in 2013. At present, all active members contribute 9% of their pensionable earnings as pension contributions. Under this legislation, this amount would increase to 10% in 2013, 11% in 2014, and 12% in 2015.

The bill was approved by the Illinois House of Representatives on March 29, 2012. It is currently before the State Senate for consideration. If the bill passes the Senate, it will then be sent to Governor Quinn for his signature.



WHAT..... A REBATE?

Watch for your insurance rebate coming in June! In 2011, the District participated in a federal subsidy program called the Early Retiree Reinsurance Program (ERRP). Through this program, the District qualified for a reimbursement of certain healthcare expenses which must be used to reduce healthcare costs. The Board of Commissioners approved the distribution of these funds to each plan participant with a one-time medical insurance rebate of \$197.

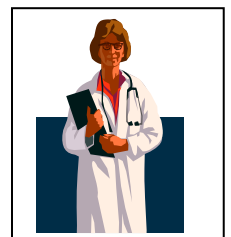
The rebate will be distributed as follows:

- For active employees, through payroll
- For retirees, as a reduction in the monthly health insurance premium amount on the June 2012 annuity payment.

Health Insurance Open Enrollment and Premium Increase

The Health Insurance Open Enrollment period this year is May 1, 2012 through May 31, 2012. The District continues to offer Blue Cross Blue Shield PPO and HMO Illinois. Notices were recently mailed to our members regarding the new premiums, which increased by 3.25%. The new rates will be reflected on the July 1, 2012 annuity payment.

For more information regarding these plans, please refer to the benefits comparison guide and the health benefit booklets posted on our website at www.mwrdrf.org or, contact the Fund's office at 312-751-3222 if you have any questions.



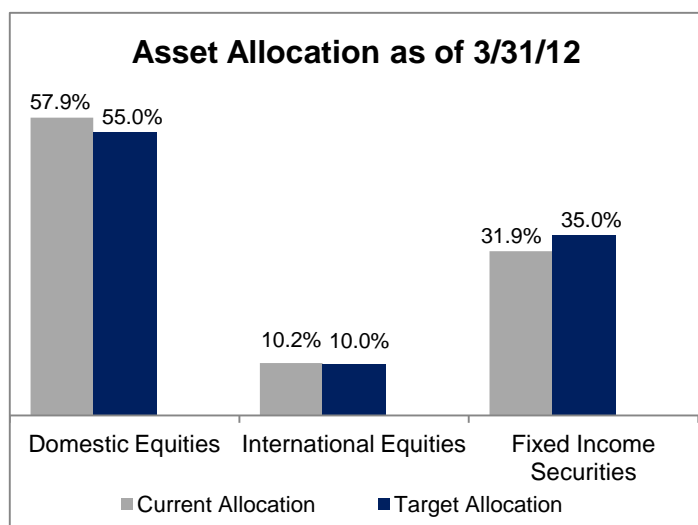
INVESTED ASSET REVIEW



During the first quarter of 2012, global equity markets continued to climb higher with a second straight quarter of strong returns as the eurozone avoided a collapse. The U.S. economy has shown signs of growth and hiring, and central banks have extended easing monetary policies to support economic growth. U.S. equity markets posted their strongest first quarter performance in more than a decade as signs continued to point to an easing of Europe's debt troubles and a strengthening in the global economy. The S&P 500 Index finished the quarter up over 12%, the best quarterly return since 1998. International equity markets were also higher producing similarly strong quarterly returns. The MSCI EAFE Index was up nearly 11% and the MSCI Emerging Markets Index was up over 14% for the quarter.

The U.S. bond market posted mixed results for the quarter with U.S. Treasuries as the worst sector of the market, turning in a slightly negative return as yields on Treasuries rose for the quarter. The high yield market posted the strongest return for the quarter, up over 5%, as sustained signs of stronger economic data gave confidence that the economy has improved. In addition, high yield new issuance broke an all-time record, another sign that investors' appetite for higher risk debt has improved. Emerging market debt performance was just as strong as the U.S. high yield market, posting a quarterly return of over 5%.

The Fund's invested assets as of March 31, 2012, totaled \$1.058 billion compared to \$987.2 million as of December 31, 2011, returned 9.3% (net of fees) for the quarter. The one-year return ending March 31, 2012, was 3.7% versus the policy index at 5.8%, which is composed of 55% domestic equities (25% S&P 500 Index, 20% Russell MidCap index, 10% Russell 2000 Index), 10% international equities (MSCI EAFE Index) and 35% domestic fixed income (Barclays Aggregate Index).



TOP TEN STOCK HOLDINGS AS OF 3/31/12

Stock Description	# Shares	\$MM
1. Apple Inc.	18,850	\$11.3
2. Philip Morris Int'l.	83,840	7.4
3. Exxon Mobil Corp.	82,912	7.2
4. JP Morgan Chase & Co.	119,493	5.5
5. Wells Fargo & Co.	132,188	4.5
6. IBM	20,286	4.2
7. Microsoft Corp.	127,992	4.1
8. Qualcomm Inc.	59,677	4.1
9. Citigroup Inc.	102,740	3.7
10. Nestle SA	57,486	3.6

Transitions

RETIREEES (since October 2011)

Adams, Tiran	DeSousa, Brian A.	Holliday, Lynda J.	Murray, Pamela	Troy, Peter J.
Austiff, Gerald A.	Diduch, Dennis A.	Jares, Jerry	Orlowski, Walter J.	Villari, Kenneth J.
Berent, James M.	Dykema, Raymond	Jumes, Peter L.	Riordan, Dennis	Wiater, Adam J.
Black, Alvin	Gadbois, Claire A.	Kallansrude, Michael D.	Robinson, Adeline M.	Wrobel, Jerome J.
Borsilli, Thomas K.	Gaggiano, Robert	Kits, Kenneth A.	Robinson, Eddie L.	Zanders, Cora A.
Cedano, Robert	Galloway, John	Lagorio Jr., George L.	Simek, Barbara J.	Zanders, Mary J.
Coleman, Linda	Glavas, Michael J.	Lapidario, Jane F.	Singer, Alla	
Corbett, Thomas J.	Gomberg, Lionel	Martinez-Johnson, Adela	Swets, Dennis J.	
Cox, Danette	Hayes, Ronald	Mathieu, John	Tkachenko, Anatolie	

DECEASED EMPLOYEES AND RETIREEES (since October 2011)

Barbaro, Joseph R.	Doty, Charles M.	Hannigan Sr., Edward J.	McCutcheon, Orla E.	Schafer, Joseph C.
Caldwell, Donald*	Figueroa, Miguel A.	Johnson, William R.	McInerney, Thomas J.	Shepard, Edmund
Capron, Anthony R.	Gabriel, John F.	Kiedaisch, Melvyn W.	Millette, George J.	Steinhaus, Gerald H.
Castellan Sr., Edward E.	Gatch, Jr. Ben	King, Margaret Parks	Nagle, John M.	Strong, Richard H.
Corr, Stephen R.	Gora, Erwin R.	Kohler Jr., Vernon	Pociask, Stanley	Szatkowski, Victor J.
Courchene, James M.	Greco, Vito M.	Langwinski, Michael J.	Randolph, Kayedon	Tenerelli, Anthony
DiCristofano, Domenic	Griesbach, Paul J.	Link, John	Rataj, Jeanne L.	Thurmon, Hubert
Dillon, Lewis E.	Griffin, Willie F.	Lyons, James E.	Sausen, James P.	Tolomei, Ralph

*Death in service

Vision Discount Program through Davis Inc.

Blue Cross Blue Shield of Illinois offers its members a vision discount program through Davis Vision Inc. Since the PPO plan has no vision coverage, the retirees who are enrolled in the PPO plan will find the discount program valuable. The Davis Vision Network consists of major national and regional retail locations such as EyeMasters and Visionworks, as well as independent ophthalmologists and optometrists.



- ❖ To qualify for this Vision Discount Program, the member must go to a participating provider and present their Blue Cross ID card to take advantage of the savings. The savings include discounts on eye exams, eye wear, including frames, lenses and lens options, permanent and disposable contact lenses.
- ❖ Members can also receive discounts on laser vision correction services through the TLC/TruVision network plus great savings on replacement contact lenses through the Lens 123 Mail Order Contact Lens Replacement Program. There are no premiums, no deductibles, no applications, and no claim forms.

For more information on specific discounts and providers, please refer to the Blue Cross website at www.bcbsil.com and log onto the Blue Access for Members or call Davis Vision at (877) 393-8844. HMO Illinois members have vision coverage under their medical plan which is administered through Davis Vision. For more information on HMO vision coverage, please contact Davis Vision.

Employee Wellness Promotion Winners



The District held the first Employee Wellness promotion. Those members who registered or logged into Blue Access for Members (BAM) during March were entered in a raffle to win an iPod Nano or Shuffle which will be provided by Blue Cross Blue Shield. The winners of the first Employee Wellness promotion are:

Active Employees: **Keena Wallace & Simon Kogucki**

Retirees: **Robert Groszek & Andrew Prusak**

Congratulations to the winners! The District encourages all members to register on the Blue Access for Members and take advantage of the resources provided by the Personal Health Manager tool available at www.bcbsil.com/mwrd.

5 Tips for *Easing Into Retirement*

Individuals around the world fantasize about the last day of the daily grind. No more ringing alarm clocks. No more bumper-to-bumper traffic. No more pressure. Just freedom! But the reality of it all is, the mound of free time offered at retirement comes with its own set of challenges - and many people aren't quite prepared for it. But give equal thought to your financial situation and future state of mind.



Here are five steps you should consider:

1. **Find your passion.** Golfing, gardening, teaching? It doesn't have to be something formal. When you're tied up working your full-time job, your passion doesn't come to you right away. It could be related to work, but it doesn't have to be.
2. **Don't go cold turkey.** If the idea of going from "60 mph to 0" frightens you, consider a part time job possibly one with new challenges and more free time.
3. **Get a health checkup.** If it's time for a doctor visit, make the appointment now. Experts say you should retire as healthy as possible so you can be active. "You can't put a price on good health."
4. **Connect with others.** We often allow work to steal us away from our involvement in the community. Take a good look at what and who is around you. Get more involved in organizations and groups that may need your contributions.
5. **Talk to your spouse.** We often assume that our spouses feel like we do about retirement. When one wants to sleep in, and the other has more energy, it is a source of tension. You have to know what's expected. Have that dialogue now so you're not flying blind.

Roll out the Barrel!

Homeowners can collect and reuse stormwater by installing a rain barrel, and the MWRD is making it easier for residents living in our service delivery area to purchase rain barrels. Now available year-round for \$58 plus tax, the price includes an installation kit and home delivery. For an extra \$20, your rain barrel can be installed. Up to two rain barrels per household may be purchased.



Please place your order through www.mwrdd.org. For additional information, please call (312) 751-6633.

MWRD Retirement Fund Staff Directory

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- e-mail** Contact us via the District's Outlook system, or at our internet e-mail addresses, shown above. Provide a phone number where you can be contacted on weekdays between 8:45 a.m. and 4:30 p.m. (Central time).
- U.S. mail** using the address below. **Fax** (312) 751-5699

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