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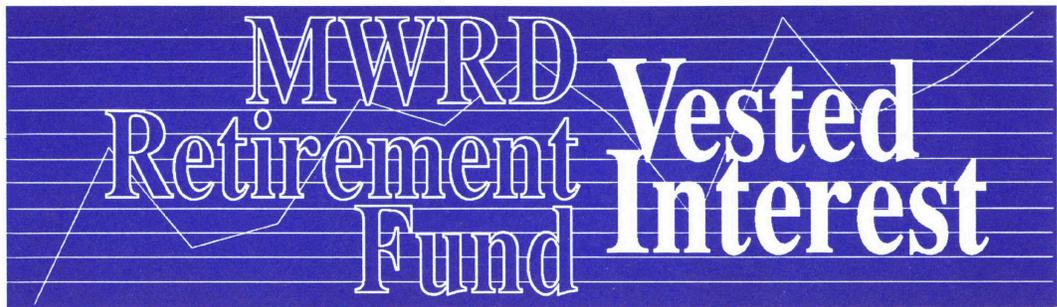
VESTED INTEREST

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PROVIDING A FORUM FOR AN ACTIVE MEMBERSHIP



Trustee Election

Every year, one employee member is elected to serve a four year term as Trustee to the MWRD Retirement Fund Board of Trustees. This year, the term of President Joseph F. Kennedy expires. The nominations of the two candidates have been certified and approved by the Judges of Election.

Candidates, as listed in petition filing order are:

2012 Candidates

Joseph F. Kennedy

Yolanda Denise Hopkins

Election ballots will be mailed on October 5th to District employees eligible to vote as of October 15th. Only ballots received at the Postal Lockbox by 10:00 a.m. on October 23rd will be counted. Votes will be tabulated that day. Please do not send your ballot through interoffice mail to the Retirement Fund office.

Contact the Fund office (at x13226) if you do not receive a **complete** set of election materials by October 15th. Unfortunately, retirees are not eligible to vote.

The Retirement Fund encourages all of its active members to vote!

Governor Quinn signs House Bill 4513

Governor Quinn signed HB 4513, now Public Act 97-0894, into law on August 3, 2012. This law will increase pension contributions for the employer and Tier I employees (those hired before January 1, 2011). The first increase will take effect starting with the first pay period paid in 2013.

Important things to know about the new law are the following:

- Existing benefits will remain intact.
- The employer contribution will increase from \$2.19 for each employee dollar contributed 2 years prior to the lesser of \$4.19 for each employee dollar contributed or the actuarially determined contribution requirement.
- Employee contributions will increase by 1% each year for the next 3 years for Tier I employees. See the table below:

Pay Period Ending:	Tier I Employees Contribution
12/30/2012	10%
12/29/2013	11%
12/28/2014	12%

4. The employee contribution rate will remain the same for Tier II employees (those hired after January 1, 2011) because their benefits fall under the new provisions which include a higher retirement age and a longer final average salary period.

5. The employee contribution rate will be reduced to 9% when the funded ratio reaches 90%.

This law was a collaborative effort by the District's Board of Commissioner's and the Retirement Board, all of whom focused on working towards the common goal of a fiscally sound pension fund.

INVESTED ASSET REVIEW

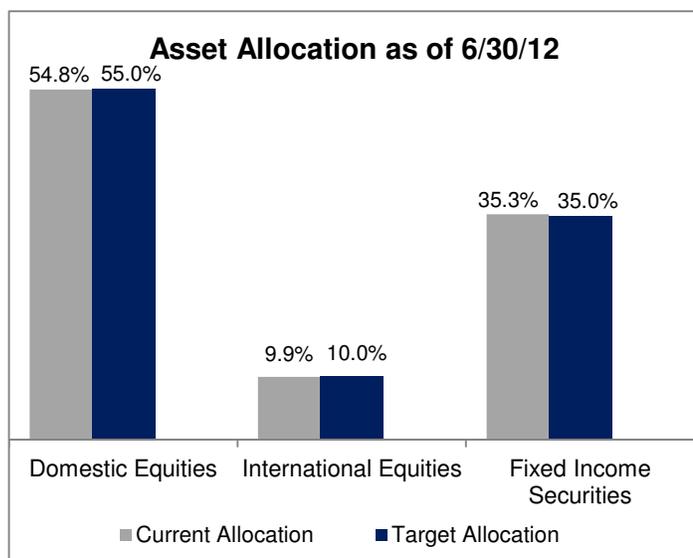


The European debt crisis once again took center stage in global markets. Concerns of an economic slowdown, potential fiscal problems in the U.S. and an uncontrollable debt crisis in Europe sent equity markets lower during the second quarter with all major U.S. indices posting negative returns.

Global equities ended the second quarter rather strong but the gains in June were not enough to offset the double-digit losses from the first two months of the quarter. Non-U.S. equities, as measured by the MSCI EAFE, fell nearly 7% in the second quarter as financial companies and material stocks led the decline.

Domestic fixed income securities performance resulted in another favorable quarter, returning approximately 2%. U.S. Treasuries and high-grade corporates were strong relative to assets of lesser quality, reversing the pattern seen in the first quarter.

The Fund's invested assets as of June 30, 2012, totaled \$1.036 billion compared to \$1.058 billion as of March 31st, and returned -3.7% (net of fees) for the quarter. The one-year return ending June 30th, was -0.6% versus the policy index at 2.8%, 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 6/30/12

Stock Description	# Shares	\$MM
1. Apple Inc.	20,516	\$11.9
2. Philip Morris Int'l.	83,438	7.3
3. Exxon Mobil Corp.	62,138	5.3
4. JP Morgan Chase & Co.	107,125	3.8
5. IBM	19,521	3.8
6. Wells Fargo & Co.	108,595	3.6
7. Microsoft Corp.	115,294	3.5
8. British American Tobacco	68,929	3.5
9. Qualcomm Inc.	57,105	3.2
10. Nestle SA	51,486	3.0

Transitions

RETIREES (since May 2012)

Allen, Darryl K.	Elsner, Jeffry J.	Joseph, Antoinette C.	Miller, Roland J.	Rafa, John C.
Cook-Sip, Cynthia	Ferencak, Joseph C.	Kane, Kevin J.	Noronha, Stany	Terzich Jr., Robert M.
DeMark, Gary T.	Gaweda, Frank M.	Land, Jesse L.	Raddick, Deborah M.	Thomas, Betty J.
				Vermillion, John G.

DECEASED EMPLOYEES AND RETIREES (since May 2012)

Behof, Andrew C.	Dillman, George W.	Keys, Gloria	Labek, Richard V.	Quinn, Patrick V.
Bratschun, Robert	Engstrom, Harry A.	Kilb, Robert	Levatino, Sam	Rapp, Jr., Eugene F.
Caputo, Mario F.	Heirty, John J.	Kinner, Richard	Mallett, Lisa R.*	Ratcliff, Sentie
Cerbin, Philip S.	Hixon, Hazel D.	Kipta, Milton	Miller, Gerald J.	Reynders, John J.
Chandler, John C.*	Hughes, Andrew L.	Klein, Jake	Palotto, Rudolph C.	Stifter, Edward
Dermody, John J.*	Kasprak, Wava	Kokinadis, Alexander	Phillips, William	

*Death in service

FAQs on Duty Disability

If an illness or injury arises out of employment with the District, then duty disability benefits are paid by the Retirement Fund and the District's claim's section. Below are some frequently asked questions and answers about duty disability:

Q. Does the employee contact the Retirement Fund when he/she is injured on the job?

A. *The Retirement Fund will receive notification from MWRD Workers' Compensation Claims Department regarding all approved and/or denied claims. Once notified by the Claims Department, the Retirement Fund will send the correct correspondence and applications to the employee.*

Q. How much salary does the employee receive while on duty disability?

A. *Typically, the employee receives 75% of their salary at the date the disability begins. The Claims Department pays 66 2/3% of the average bi-weekly salary while the Retirement Fund makes up the difference for the total 75%. If there is a pre-existing condition the employee is only entitled to 50% of their salary.*

Q. Does an employee receive pension service credit while on duty disability?

A. *An employee receives pension service credit while on duty disability, only if he/she completed the MWRD Retirement Fund's duty disability application and was approved by the Board of Trustees for the disability.*

Q. Does the MWRD Retirement Fund pay duty disability for claims that were denied by the MWRD Workers Compensation Claims Department?

A. *No, the MWRD Retirement Fund pays for a benefit if the District approves that the claim was a result of an injury or illness under the Illinois Worker's Compensation Act.*

Why Are Friendships So Powerful for Longevity?

The Centre for Ageing Studies have determined that close friendships have a dramatic effect on longevity. Reports speculate that friends may encourage older people to take better care of themselves—by cutting down on smoking and drinking, for example, or seeking medical treatment earlier for symptoms that may indicate serious problems.

Friends may also help seniors get through difficult times in their lives, by offering coping mechanisms and having a positive effect on mood and self-esteem.

According to research studies, maintaining relationships with friends and family are important for survival and it seems that non-kin relationships are equally significant.



*MWRD Retirees, from left to right:
Jim Koza, Joe Grassi, Ross Dring,
Larry Nybo & Ken Senderak*



2012 PRE-RETIREMENT SEMINARS SCHEDULED

To assist District employees prepare for retirement, the Retirement Fund in a joint effort with the Human Resources Department will be conducting pre-retirement seminars. These seminars are geared to employees with the potential to retire before December 31, 2015, and will cover the following topics:

- Separation Benefits – Learn how termination pay is calculated, including unused sick, holiday and vacation time.
- Retirement Plan Benefits – Explains the retirement process, clarifies benefit eligibility, illustrates how to estimate and maximize retirement benefits.
- Deferred Compensation – Information regarding your options for commencing payment, deferring payment, and rolling money into the deferred compensation plan.
- MWRD Insurance Options – Information regarding your dental, life and medical insurance status as you retire and/or relocate; Medicare eligibility implications.

The pre-retirement seminars will be held on the following dates and locations. Spouses are welcomed to attend the informative seminar.

Date	Location	Time	Location
September 27, 2012	Stickney WRP	4:00 pm - 6:30 pm	Auditorium
October 3, 2012	Main Office Building	4:00 pm - 6:30 pm	Board Room
October 13, 2012	Stickney WRP	10:30 am - 1:00 pm	Auditorium
October 16, 2012	Main Office Building	4:00 pm - 6:30 pm	Board Room
October 23, 2012	Calumet WRP	4:00 pm - 6:30 pm	Cafeteria
November 7, 2012	Stickney WRP	4:00 pm - 6:30 pm	Auditorium



Fabulous, Fit and over Fifty: The Benefits of Yoga

As fall and winter approach, it's easy to abandon walks outside and good eating habits. We tend to move less and as a result, we become more susceptible to a variety of ailments and a vicious cycle begins. Yoga is a practice that is open to every age, body type, and gender.

Here are some **benefits of yoga to seniors**:

- **Strength/Arthritis:** increases hand strength even in rheumatoid arthritis patients.
- **Diabetes:** helps Type II diabetics achieve better blood sugar control and pulmonary functions.
- **Chronic Pain:** aids those suffering from a variety of chronic pain and helps reduce the amount of pain medication these patients consume.

Also, yoga helps reduce stress levels and anxiety disorders as well as blood pressure. Once considered an "alternative" practice, many doctors are recommending yoga to their patients as part of their daily routine. Just a few poses a day can make an amazing difference. Go to your nearest Park District, Health Club or Senior Center and ask if they offer yoga classes.

MWRD Retirement Fund Staff Directory

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Contact us by...

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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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