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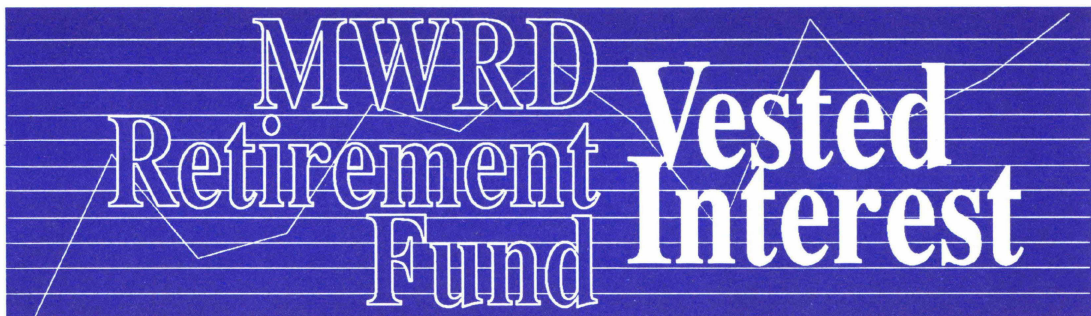
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**MWRD  
Retirement Fund**  
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[www.mwrdrf.org](http://www.mwrdrf.org)

**Editors:**  
Retirement Fund Staff



PROVIDING A FORUM FOR AN ACTIVE MEMBERSHIP

## Retiree Dental Plan Coming Soon

The Metropolitan Water Reclamation District Retirement Fund is very excited to announce a new program for our annuitants and their dependents. The Fund will be offering a voluntary Dental and Vision Plan over the summer which will become effective this fall. The Fund has made arrangements with Group Benefit Associates (GBA) to provide this supplemental Dental and Vision benefit. Our annuitants and dependents will have the choice of one of two plans. Complete information on the programs will be mailed by the Fund to your address of record and will be available online in approximately a month.



Other important information for our annuitants:

- GBA will be the third party administrator of the plan. The Fund's role in the plan is to identify retirees and surviving spouses as group members for the administrators.
- Annuitants wishing to enroll in the plan will enroll directly with GBA.
- Premiums will be paid directly to GBA. The Fund will not deduct the premium from your monthly annuity.
- There is no District subsidy of the dental premium.

Just like bones, our teeth become more brittle with age and require more maintenance. You may wish to take advantage of this plan. More information will follow shortly.



## Do You Need Assistance with Your Insurance Claim?

Many annuitants call our office regarding pharmacy or medical insurance claim problems. The common causes for pharmacy coverage denials are:

- Prior Authorization is required.
- The requested prescription is a part of the Step Therapy Program.
- If our member is Medicare eligible the prescription may be denied because it is not covered by Medicare Part D. In these cases, the prescription should be processed under the supplemental (wrap) provision.

If you are experiencing issues with prescription drug coverage, your pharmacy should call Envision's customer service department. For annuitants or dependents with Medicare, call (800) 250-2005. For those without Medicare, call (800) 361-4542. For mail order issues, call (800) 607-6861.

If you are experiencing issues with a medical claim, contact the appropriate customer service line based on your coverage:

PPO Customer Service	(800) 772-6895
HMO Customer Service	(800) 892-2803

When you contact BCBS customer service, you should have your explanation of benefits and insurance card on hand. The EOB includes relevant information such as the provider, dates of service, and the amount of the claim.



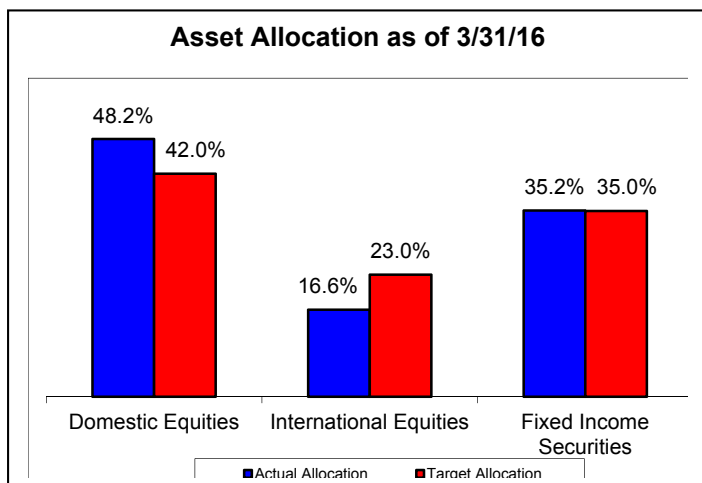
## Fund's Assets as of 3/31/16: \$1.213B

Fund performance as of 3/31/16	1st Quarter	1 Yr.	2 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Fund (net of fees)	1.4%	-2.0%	3.0%	7.0%	6.9%	5.7%
Policy Index*	1.8%	-2.6%	2.9%	6.5%	7.2%	5.9%

\* The policy index is composed of the following: 21% S&P 500 Index, 10% Russell Midcap Index, 11% Russell 2000 Index, 11% MSCI ACWI ex-US Index, 6% S&P Developed ex-U.S Index, 6% MSCI Emerging Markets Index, 8.75% Barclays Global Aggregate (Hedged) Index, 26.25% Barclays Aggregate Index.

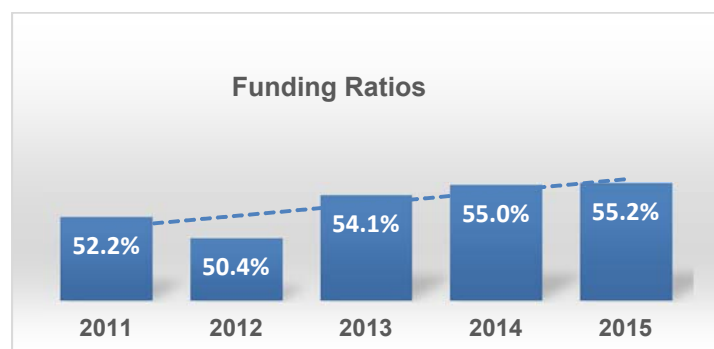
### 1Q16 Capital Market Highlights

- **U.S equity markets:** started the year with a whimper. Given the turnaround that occurred in the middle of February, most sectors ended the quarter with positive returns. Non-cyclical sectors outperformed, with telecom, utilities, and consumer staples leading the way. Earnings expectations dropped amid concerns about growth, dollar strength, and low oil prices. The S&P 500 ended the quarter on a positive note returning 1.3%.
- **International equities:** emerging market equities outperformed developed-market equities. Unlike much of 2015, currency was a positive contributor, as the dollar's relative weakness provided a boost for U.S. based investors. The MSCI Emerging Markets index was up an impressive 13.2% for the month of March and returned 5.7% for the quarter.
- **Fixed income:** interest rates dropped sharply during the first quarter, resulting in the outperformance of long-duration bonds and positive gains across every major bond sector. As the quarter ensued, credit spreads narrowed, but remained somewhat above their historical averages for both corporate and emerging-market debt. The Barclays Capital Aggregate returned 3.0% for the quarter and the Barclays Capital U.S Long Credit index returned 6.8%.



**TOP TEN STOCK HOLDINGS AS OF 3/31/16**

Stock Description	# Shares	\$MM
1. British American Tobacco	72,599	\$4.3
2. Phillip Morris International	42,955	4.2
3. Nestle SA	55,603	4.2
4. AFLAC Inc.	64,625	4.1
5. Illinois Tool Works	38,505	3.9
6. Roche Holding AG	14,838	3.7
7. Reckitt Benckiser Group	34,876	3.4
8. Zimmer Biomet Holdings	31,200	3.3
9. Viacom Inc.	78,866	3.3
10. Fabrinet	98,890	3.2



### Funding Status

The Fund's funded ratio, which is computed as the actuarial value of assets divided by the total actuarial liability, was 55.2% as of December 31, 2015, up from 55.0% in 2014. The recent upward trend in this ratio started in 2013 as a result of good investment returns in 2013 and 2014, special contributions from the District and legislation changes resulting in increased employee and employer contributions.

## RETIREES (since March 2016)

Ammons-Lewis, Delores	Dudko, Richard	Kron, Kenneth	Powell, Romero	Stark, Barbara
Bernstein, Doris	Gilmore, Willie A.	Longo, Dominic	Qunintanilla, Antonio	Strama, Raymond
Boswick, Suzanne M.	Gonzalez, Arturo	Markby, Donna C.	Rodriguez Jr., Antonio	Swider, Andrew
Brown, Larry	Hafezi, Farsheed	McGraw, Joe	Rojas, Antonio	Talley, Phyllis R.
Chrisos, Charles	Hamer, Celeste	Misniakiewicz, Robert	Ruggiero, Richard	Tempel, Elizabeth
Clark, Bert	Hussaini, Syed M.	Morton, Joannetta	Seaholm, David	Vega, Richard G.
Collier, Kevin	Ivy, Zendal	Oleszkiewicz, Anthony	Serbanescu, Laura	Venuso, Anthony
Cunnane, John	Johnson, Kevin	Patel, Jitendra	Sharma, Manju P.	Wysocki, Franklin
Dixon, Richard	Kelleher, Timothy	Poland, Steven C.	Shingles Jr., Homer	Yarn, Sabina
Doll, Richard	Khanna Jagannath	Polis, Robert	Smith, Patricia	Zhou, Yiping
Douin, Joseph	Kopacz, Roger	Powell, Dawn		

## DECEASED EMPLOYEES AND RETIREES (since March 2016)

Ali, Syed W.*	D'Ambrosia, Richard	Natividad, Leticia L.	Phillips, Toni R.	Tines, Theophilus
Ashley, Nathaniel	Joseph, Antoinette	Nielsen, Richard A.	Rattigan, John J.	Vallos, Virginia
Canizaro, Angelo P.	Mazeika, Joseph P.	Obuchowski, Harry J.	Sato, Marvin	Weaver, Walter
Carr, Thomas J.	McDermott, William	Padiyara, Sebastian*	Scarpitti, Salvatore	Wendte, James C.
Carlson, Robert O.	Morgan, Edward M.	Pappas, Leo J.	Schnoebelen, Ronald	Wortham, Melvin
Currie, Robert G.				

\*Death in Service

## What Happens When I Run out of Sick Time?

Employees may not be familiar with disability benefits to which they may be entitled in the event of surgery, childbirth, or other non-work related long-term illness. It is always best for employees to conserve their sick time for such circumstances. Yet even the most prudent employees can exhaust their sick time if they have an extended illness. Ordinary Disability (OD) benefits may be payable in cases where an employee has exhausted his sick time and remains medically unable to return to work. Here are some common questions and answers about OD.



### Q When do I need to apply for OD?

A Contact the Retirement Fund as soon as possible. The member must satisfy statutory application requirements within 30 days of the start of the disability.

### Q How do I apply for OD?

A Call the Retirement Fund at (312)751-6641 and request an OD application packet. The packet includes:

- An Application for Disability Benefits;
- Employee's Doctor report;
- Substitute W-4P form; and
- Credit Union Deduction form.

The employee's physician must complete the Employee's Doctor Report. The employee must complete the application, the W-4P and the Credit Union deduction form (if applicable). The completed Credit Union form must be submitted to the Credit Union for approval. When the Fund receives the completed application package, the employee will be scheduled for an examination by the Retirement Fund's physician for verification of the disability.

### Q How much is the OD benefit?

A The OD benefit is 50% of your salary at the date of disability, subject to the salary cap for Tier 2 employees. For employees hired after June 13, 1997, OD benefits are not payable for the first three days of disability unless the benefits are provided for a minimum period of two weeks.

### Q What is deducted out of my OD Check?

A Premiums for medical, dental, and life Insurance as well as deductions for medical spending, credit union, and federal withholding tax.

If you have any additional questions or if you need an application for OD benefits, please contact Valerie Crouch in the Retirement Fund office at 312-751-6641. Other questions and answers may be found on the Fund's website:

<http://mwrdrf.org/active-member/ordinary/>

# RETIREE HEALTH SAVINGS ACCOUNT BALANCES



In 2005 and 2006, the District offered qualified employees an opportunity to deposit pre-tax contributions into a retiree health savings plan (RHS). Those savings could be used to reimburse the member for retiree health insurance premiums or other qualified post-retirement health expenses. The original plan was administered by ICMA. Remaining balances have been transferred to a new administrator, Connect Your Care. If you have funds remaining in an RHS account, you may contact them by phone at 1-877-292-4040 or on their website <http://www.connectyourcare.com/> for information on balances or receiving disbursements.

## MWRD Retirement Fund Staff Directory

**(312) 751-XXXX**

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Duty Disabilities, Estimates .....	Jean Sivils.....	x <u>3227</u> .....	<u>SivilsJ@mwrdr.org</u>
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Insurance, Address Changes, Forms Requests.....	Debra Kozlowski .....	x <u>3222</u> .....	<u>KozlowskiD@mwrdr.org</u>

### **Contact us by...**

**Phone** From District locations, dial 1 + the underlined phone extension, above.

**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

**MWRD RETIREMENT FUND**  
**111 East Erie Street, Suite 330**  
**Chicago, IL 60611-2898**

**FIRST-CLASS MAIL**  
**U.S. POSTAGE**  
**PAID**  
**Chicago, IL**  
**Permit No. 2543**

**METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND  
STATEMENT OF FIDUCIARY NET POSITION**

	<u>12/31/2015</u>	<u>12/31/2014</u>
<b>ASSETS</b>		
Cash	\$ 104,287	\$ 274,732
Receivables		
Employer contributions - taxes (net of allowance for uncollectible amounts of \$5,251,618 in 2015 & \$3,494,543 in 2014)	70,772,260	61,654,025
Securities sold	10,565,077	9,929,266
Forward foreign currency exchange contracts	83,320,292	28,088,531
Accrued interest and dividends	4,368,109	4,529,446
Accounts receivables	52,787	40,030
Total receivables	169,078,525	104,241,298
Investments - at fair value		
Fixed Income	312,643,657	252,271,238
Pooled funds - fixed income - short-term	39,867,518	34,620,768
Pooled funds - fixed income - long-term	111,637,989	186,015,905
Common stocks and mutual funds	787,682,627	808,448,546
	1,251,831,791	1,281,356,457
Securities lending collateral	36,892,528	51,053,444
Total investments	1,258,724,319	1,332,409,901
Total assets	1,427,907,131	1,436,925,931
<b>LIABILITIES</b>		
Accounts payable	1,383,154	1,646,236
Securities purchased	19,657,659	18,342,100
Forward foreign currency exchange contracts	83,320,292	28,088,531
Securities lending collateral	36,892,528	51,053,444
Total liabilities	141,253,633	99,130,311
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>	<b>\$ 1,286,653,498</b>	<b>\$ 1,337,795,620</b>

**2015 FINANCIAL REPORT TO FUND MEMBERS**

These financial statements are excerpted from the MWRD Retirement Fund's 2015 audited financial statements and are intended to provide our membership with general financial information about the Fund. The financial statements and their accompanying notes appear in full in the Fund's 2015 Comprehensive Annual Financial Report which is available on-line at [www.mwrdrf.org](http://www.mwrdrf.org), or by request.

During 2015, the Fund's net assets available for benefits decreased 3.8% from \$1.34 billion to \$1.29 billion, the net effect of negative investment returns and withdrawals for benefit payments. The funded ratio which measures the actuarial value of assets against the actuarial accrued liabilities improved from 55.0% at year-end 2014 to 55.2% at year-end 2015.

The Fund maintains a conservative, long-term outlook with regards to its investments. On December 31, 2015, 46.5% of assets were invested in domestic equity securities, 15.6% in international equities, and 37.9% in fixed income securities and short-term investments.

**METROPOLITAN WATER RECLAMATION DISTRICT RETIREMENT FUND**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

	<u>2015</u>	<u>2014</u>
<b>ADDITIONS</b>		
Contributions		
Employer contributions	\$ 71,041,361	\$ 73,906,168
Employee contributions	21,385,212	18,974,954
Total contributions	<u>92,426,573</u>	<u>92,881,122</u>
Investment income		
Net appreciation (depreciation) in fair value of investments	(20,894,824)	63,589,719
Interest	10,372,029	8,935,932
Dividend income	14,072,578	14,539,290
Total investment income	<u>3,549,783</u>	<u>87,064,941</u>
Less investment expenses	<u>(5,542,836)</u>	<u>(5,899,566)</u>
Investment income (loss), net of expenses	<u>(1,993,053)</u>	<u>81,165,375</u>
Securities lending income		
Earnings	98,280	64,302
Borrower rebates	645,265	505,896
Less bank fees	<u>(178,331)</u>	<u>(135,007)</u>
Net income from securities lending activities	<u>565,214</u>	<u>435,191</u>
Other		
	<u>28,817</u>	<u>4,460</u>
Total additions	<u>91,027,551</u>	<u>174,486,148</u>
<b>DEDUCTIONS</b>		
Annuities and benefits		
Employee annuities	116,884,577	111,351,904
Surviving spouse annuities	21,279,363	20,443,693
Child annuities	116,000	157,500
Ordinary disability benefits	721,720	820,626
Duty disability benefits	<u>159,251</u>	<u>139,779</u>
Total annuities and benefits	139,160,911	132,913,502
Refunds of employee contributions	1,348,845	984,346
Administrative expense	<u>1,659,917</u>	<u>1,406,507</u>
Total deductions	<u>142,169,673</u>	<u>135,304,355</u>
NET INCREASE (DECREASE)	(51,142,122)	39,181,793
<b>NET POSITION RESTRICTED FOR PENSION BENEFITS</b>		
Beginning of year	<u>1,337,795,620</u>	<u>1,298,613,827</u>
End of year	<u>\$ 1,286,653,498</u>	<u>\$ 1,337,795,620</u>