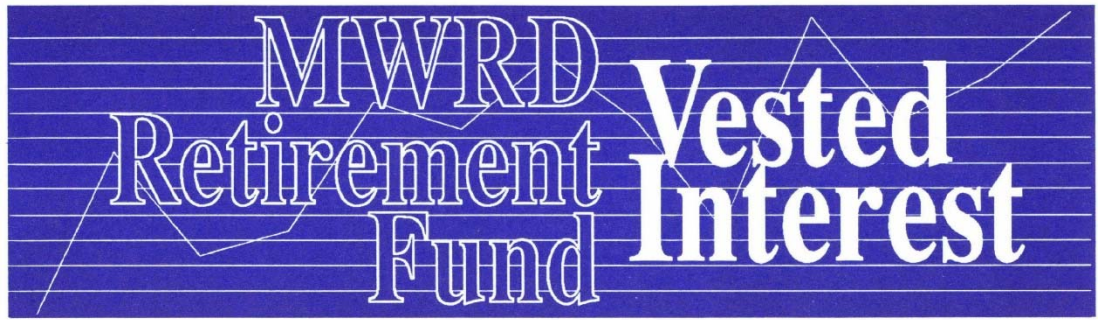


BOARD OF TRUSTEES

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PROVIDING A FORUM FOR AN ACTIVE MEMBERSHIP

**VOLUME 25, ISSUE 1
NOVEMBER 2017**

IN THIS ISSUE:

Trustee John P. Dalton
Re-appointed



Brian Gillespie Joins
Staff



Remembering
James Kennedy



Invested Assets
Review



Recent Retirees &
Recently Deceased
Retirees



Vacation Usage in the
Year of Retirement



Medicare Corner



Update your Phone
Number



New Medicare Cards



VESTED INTEREST

is published for
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Retirement Fund**
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(312) 751-3222

www.mwdrf.org

Editors:
Retirement Fund Staff

JOHN P. DALTON, JR. RETAINED AS TRUSTEE



At the Regular Board meeting held on September 27, 2017, the Board of Trustees declared John P. Dalton, Jr. the duly selected employee member of the Retirement Fund for the four-year term, beginning December 1st. The Judges of Election certified his election in accordance with the Rules of Election. Mr. Dalton was sworn in for the new term at the Board's November 15th meeting.

Mr. Dalton has served as a Trustee since 2005. He began his District career in 1993 as an Electrical Mechanic and currently works in the District's Maintenance & Operations Department as a Master Mechanic I at the Calumet Water Reclamation Plant.



BRIAN GILLESPIE JOINS STAFF AS FINANCIAL ANALYST

On October 16, 2017, Brian Gillespie joined the Retirement Fund staff as its Financial Analyst. Brian joins us from Perritt Capital Management where he served as a research analyst and a portfolio manager. Brian received his MBA from Loyola University. In his spare time, Brian enjoys spectating all Chicago sports teams. He looks forward to working alongside the Fund's investment consultant. Join us in welcoming Brian to the Retirement Fund team.



Remembering James Kennedy



The District mourns the passing of James Kennedy, who died on July 17, 2017 at the age of 79. Mr. Kennedy began his District career on August 10, 1956 as a temporary engineer trainee. He was enrolled in a co-op program between the District and the Illinois Institute of Technology. He pursued his law degree at Loyola University at night while working full-time at the District. On January 13, 1991, Mr. Kennedy retired from District service as a head assistant attorney. He was appointed as a Circuit Court Judge in 1991 and remained on the bench until 2010.

Mr. Kennedy served on the Retirement Board for over 22 years. He was first elected for a term beginning on December 1, 1968, and became president of the Board on December 1, 1976. He served in that capacity until the time of his retirement. During his service as a trustee on the Retirement Board, assets increased from twenty million dollars to five hundred million dollars.

Mr. Kennedy and his wife, Mary Jo, met on a blind date. Eight years later they married. For the following 54 years, they devoted their lives to their 10 kids, 75 foster kids and 31 grandkids. For many years he coached football, volunteering for the beginner's team. Mr. Kennedy and his wife enjoyed travelling. Often times, they were accompanied by friends they had made through the District.

His commitment to family and public service and his contributions to the Retirement Board will inspire us for years to come.

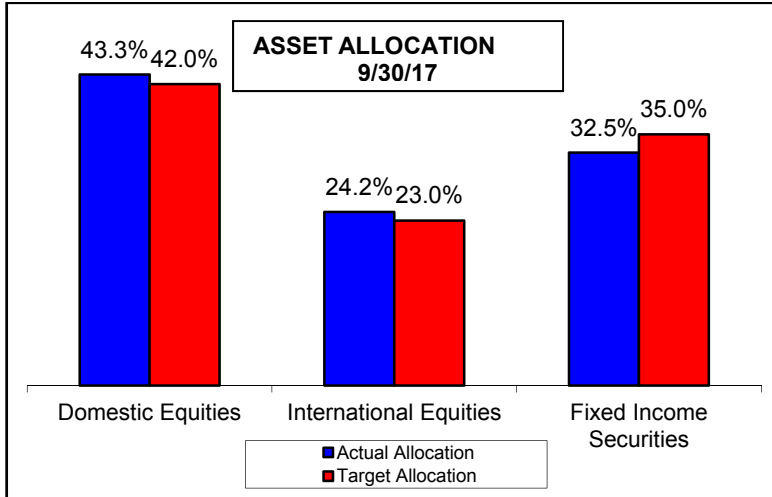
3RD QUARTER FUND REVIEW



FUND'S ASSETS AS OF 9/30/17: \$1.378B

Fund performance as of 9/30/2017	3rd Quarter	1 Yr.	3 Yr.	5 Yr.	10 Yr.
Total Fund (net of fees)	3.5%	12.9%	7.7%	9.8%	6.4%
Policy Index*	3.7%	12.2%	7.8%	9.6%	6.4%

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, 7% Barclays Global Aggregate (Hedged) Index, 28% Barclays Aggregate Index.



Stock Description	#Shares	\$MM
1. The Boeing Co.	19,681	\$5.0
2. AFLAC Inc	60,750	4.9
3. Apple Inc	29,022	4.5
4. First American Financial Corp	73,200	3.7
5. Zimmer Biomet Holdings Inc	30,300	3.5
6. Laboratory Corp of America	22,500	3.4
7. Alphabet Inc	3,331	3.2
8. Northern Trust Corp	34,100	3.1
9. Lazard LTD	68,400	3.1
10. The JM Smucker Co	29,100	3.1

3RD QUARTER MARKET REVIEW

- ❖ **U.S. equity markets** Most of the major benchmarks finished the quarter with near record highs and up double digits for the year. The S&P 500 index finished up 4.5% in the period and up 14.2% for the year. Small caps outperformed large caps. The Russell 2000 small-cap index returned 5.7% in the 3rd quarter and was up 10.9% YTD through 9/30/17. Growth stocks continued to outperform value during the quarter.
- ❖ **International equity markets** Non-US markets posted another strong quarter pushing YTD returns to above 20% across all major indices. The MSCI ACWI ex-U.S. index returned 6.2% in the most recent quarter and has returned 21.1% for the YTD period through 9/30/17.
- ❖ **Fixed income** The 10-year Treasury yield increased marginally by 2 basis points to finish the quarter at 2.33%. Within the quarter the 10-year Treasury hit a 10-month low of 2.04% on September 7th. Several factors played into the swings. Among them were concerns over North Korea-US relations, and the Trump administration's announcement of tax reform.

Transitions



RETIREES (since May 2017)

Calvano, Joseph	Dunlap, Linda S.	Kirie, George P.	Riley, Rosemary F. *	Tiffin, Joseph E.
Collins, William J.	Feeney, Daniel J.	Lynch, John J.	Rodriguez, Xavier A.	Trotter, Darryl R
DeLong, Richard E.	Gutierrez, Thomas R.	Lyubkina, Irina	Ryan, Kenneth M.	Wagner, Patricia C.
DePass, Martin A.	Harris, Henry	Mardoian, Charles M.	Serbanescu, Aruna R.	Weber, Jeffrey
DeSalvo, Christine M.	Hawkins, Diane	McInnes, Colin	Schrean, Artelia (Tia) C.	Weibust, Glenn
Dillard, Samella	Johnson, Gwendolyn	Peeples, Marvin A.	Sivils, Jean M.	
Diller, Sandra	Kalvaitis, Jonas L.	Peretti, Dawn M.	Tiffin, John P.	*Retired from Reciprocal Fund

DECEASED EMPLOYEES AND RETIREES (since May 2017)

Banhidi, Robert T.	Dunigan, Vinnie	Hardaway Jr., Edgar J.	Kowalsky, John	Spencer, Berdel W.
Bojanowski, Joseph C.	Dvoracek, Gary A.	Hickey, Patrick	Kron, Kenneth	Stertz, Henry
Catuara, Mary Ann	Dychton, Richard	Hoskins, William *	Montgomery, Deosie	Webb, John J.
Deschamps, Arthur	Edwards, Thomas M.	Jones, Cleo	Oyler, Warren L.	Wilkerson, Ernest L.
Dreyer Jr., Walter C.	Gaston Sr., James D.	Kennedy, James W.	Sokal, Catherine H.	Yadron, William
Driscoll, Michael W.	Grande, John C.	Kling, John J.	Sparagowski, Trudy A.	

*Death in Service

Vacation Time in the Year of Retirement

If you've contacted the Retirement Fund for an estimate, you've heard us tell you about vacation time usage. Each January, the District credits your annual vacation time allotment to your time bank. That balance assumes that you will work the entire year. If you retire before year-end, vacation time is pro-rated. Annuity estimates include the statement:



“VACATION USAGE: Please note that the vacation balance shown on your pay stub assumes that you will work through the end of the year (26 pay periods). Therefore, if you retire before the end of the year, you are only entitled to use 1/26th of your annual vacation entitlement for each pay period that you work. Using more vacation than you are entitled to will result in reducing your pension.”

The Retirement Fund recommends saving your vacation time if you plan to retire before year-end. If you use more vacation time than you have accrued when you retire, your credited service will be adjusted. It will also adversely affect your final average salary.

For example, an 8-hour employee with 200 hours vacation time who retires on 4/30/18 is entitled to 69.25 hours of vacation, but used 133.25 hours. The employee overran 64 hours of vacation. This will reduce service credit by 8 working days. Refer to the calendar below:

April 2018

Sun	Mon	Tues	Wed	Thu	Fri	Sat
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

Since the employee will lose credit for weekends as well, their service is reduced by 12 days or 0.10 years (12/120). Service credit would be 0.90 for 2018 versus a full year. This may also impact an early retirement discount, if applicable. If you have questions, please contact our office.

Medicare Corner

In this issue, we would like to highlight three issues facing our members who are enrolled in District-sponsored retiree health insurance who are either already age 65 or will soon be turning age 65.

Address issues

- Annuitants enrolled in the UnitedHealthcare (UHC) MAPD plan must have a street address on file with the Retirement Fund. UHC cannot mail information to a PO Box. At present, the Retirement Fund can only store one address in its database. In 2018 we are expanding to incorporate a second address.
- UHC will not forward mail. If you have moved or are using a temporary address, please contact the Retirement Fund with your current address. UHC may disenroll members if mail is returned for an incorrect address.

Medicare Eligibility under a Younger Spouse's Record

Some members do not have 40 quarters of Medicare earnings under their own work record. If the member has a qualifying spouse or ex-spouse, the retiree must apply for Medicare under the spouse or ex-spouse's work record. If the (ex-)spouse is not yet age 62, the member cannot apply under that individual's work record until that individual has attained age 62. The retiree should apply for Medicare Part B at age 65. When the (ex-)spouse reaches age 62, the spouse may open their Social Security record and the retiree can apply for Medicare Part A.

However, the spouse or ex-spouse is not required to commence receiving Social Security benefits at that time. There have been incidents in which retirees were not correctly advised by Social Security staff. If you do not feel that you've received correct information from the Social Security Administration, contact the Social Security Administration for appeal information.

Apply in a Timely Manner

Retirees and dependents reaching age 65 must supply the Retirement Fund with a Medicare card within three months of the 65th birthday. Failure to provide a copy of the Medicare card may result in loss of medical insurance coverage.



Operator, could you help me place this call?

Gone are the days of phone booths, rotary phones, and many landlines. If you have disconnected your landline since you retired, the Retirement Fund may not have a current phone number for you. If your primary phone number has changed, please call the Retirement Fund at (312)751-3222.



NEW MEDICARE CARDS COMING SOON!

The Health Insurance Claim Number (HICN) is a Medicare beneficiary's identification number, used for paying claims and for determining eligibility for services. The Medicare Access and CHIP Reauthorization Act (MACRA) mandates the removal of the Social Security Number based HICN from Medicare cards to address current risk of identity theft. The legislation requires that Medicare mail new Medicare cards with a new Medicare Beneficiary Identifier (MBI) by April 2019. Some Medicare recipients will receive new Medicare cards as early as April 2018. The District's Medicare Advantage Plan provider, UnitedHealthcare, will directly inform the Retirement Fund of this new number once it has been assigned to you. There is no action required on your part. If you have questions, contact Social Security at 1-800-772-1213

MWRD Retirement Fund Staff Directory

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Insurance, Address Changes, Forms Requests.....	Debra Kozlowski	x <u>3222</u>	<u>KozlowskiD@mwrdd.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.

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