Firemen's Annuity and Benefit Fund of Chicago

Report to Participants

For the Year Ended December 31, 2009

A retirement fund dedicated to those who are there for others.

Board of Trustees

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Anthony Martin
Secretary

Dan Fabrizio
Elected Active

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Michael Shanahan
Vice-President

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Deputy Fire Commissioner

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Comptroller of Chicago

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Miguel del Valle
City Clerk of Chicago

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Letter From the Board

The Firemen's Annuity and Benefit Fund of Chicago's Popular Annual Report for the year ended December 31, 2009 is intended to provide basic financial information and an overview of the Fund to our members, the firefighters and paramedics of Chicago, and their eligible dependents. A complete copy of the Fund's audited financial statements, as well as other information concerning the Fund, is available on-line at www.fabf.org.

For the year ending December 31, 2009, the Board attended to the many items related to the administration of the Fund. In 2009 we had 185 retirements, 24 applications for duty disability (of which 18 were approved), 19 applications for occupational disability (of which 16 were approved) and 4 applications for ordinary disability (of which one was approved). The Fund continued its participation with the City of Chicago in the annual audit of retiree healthcare costs to guarantee the accuracy of the portion of these costs to be paid by our annuitants as outlined in the Korshak Settlement Agreement. Staff continued to work toward the completion of our data imaging project, which is intended to provide enhanced security and backup of our members' personal information.

The most notable legal development in 2009 was in *Bertucci v. The Retirement Board of the Firemen's Annuity and Benefit Fund of Chicago*. The Appellate Court's decision in this matter broadened the Fund's interpretation of Section 6-140 of the pension statute (the "plan"), thereby providing duty death widow's benefits to widows whose husbands died while in receipt of duty disability benefits whether or not there was a causal connection between their firefighting injuries and the ultimate cause of their death. The Court also ruled that this benefit must be paid back to the date of their husband's deaths. These rulings have resulted in significant payments being made by the Fund to these widows.

On the legislative front, HB 1291 allowed active firefighters and paramedics the ability to purchase service credits in the Fund for military service prior to their employment with the Chicago Fire Department. SB 1705 amended the statutory language of the plan to provide greater flexibility in determining when medical exams may be scheduled for our participants on disability, changed a prior service and re-entry provision that left several active members ineligible for benefits, allowed firefighters and paramedics from downstate fire departments, participating in an Article 4 pension system, to purchase those service credits with our Fund, and clarified the Fund's rights in subrogation against 3rd parties responsible for injuries to our participants. Finally, Public Act 96-006 affected the investment procurement and reporting requirements for all Public Employee Pension funds in the State of Illinois. This law also requires these same funds to create goals for the participation of emerging, women, minority and disabled investment managers within each fund's respective portfolio.

The investment climate improved dramatically in 2009. The Fund's portfolio rebounded from a 36.1% decline in 2008 with a positive return of 27.8% in 2009. As our country is seeking to weather the economic storm that brought increased unemployment and tremendous pressure on the budgets of every level of government, the Fund sought out opportunities to better position our portfolio. The Fund invested in the Public Private Investment Partnership Program (PPIP) and secondary private equities to take advantage of distressed valuations in otherwise promising investment opportunities. While the Fund hasn't fully recovered from the extreme market volatility that occurred in 2008, it is important for all of our members to remember that the Fund has never missed a benefit payment and that all benefits provided by the Fund are guaranteed by law.

The Board continues to be concerned with reliance on investment income to pay current benefit payments. In 2009, the shortfall between combined employee/employer contributions and total benefits paid was approximately $66.0 million. Given the demographics within the active ranks of the Chicago Fire Department, the Board anticipates a large wave of retirements in the near term which will accelerate the growth of the shortfall. The Board has been and will continue to be committed to working with the City of Chicago, our state legislators and union leadership to ensure that today's promised level of benefits remains in effect for all current and future firefighters and paramedics.

The primary commitment of the Retirement Board and staff of the Firemen's Annuity and Benefit Fund of Chicago is to you, our members. We continue to dedicate our efforts to the prudent oversight of your Fund and are committed to providing the highest possible level of service to our participants . We encourage all members to communicate with the Board and staff as necessary. Your questions and suggestions are always welcomed.

Michael Shanahan
President

Anthony Martin
Fund Secretary

Professional Staff and Advisors

PROFESSIONAL STAFF

Executive Director - Kenneth E. Kaczmarz
Chief Investment Officer - Michael G. Moran, CFA, CPA
Fund Comptroller - Jaclyn McAllister
Deputy Director of Benefits - Janet A. Pelech
Administrative Coordinator - Lori A. Lund
Information Systems Manager - Janice E. DeGroot

ADVISORS and CONSULTANTS

Actuary - Gabriel, Roeder, Smith & Company
Independent Auditors - Legacy Professionals
Investment Consultant - Mercer LLC
Legal Counsel - Burke, Burns & Pinelli, Ltd.
Master Custodian - The Northern Trust Company

INVESTMENT MANAGERS

Adam Street Partners, LLC
AllianceBernstein Legacy Securities Management, L.P.
Bank of America Capital Advisors, LLC
Boston Company Asset Management, LLC
Brandes Investment Partners, L.P.
Chicago Equity Partners, LLC
Citigroup Alternative Investments, LLC
Credit Suisse Asset Management, Inc.
EARNEST Partners, LLC
Evergreen Investments Management Company, LLC
Globeflex Capital, L.P.
Keeley Asset Management
Loomis, Sayles & Company, L.P.
LSV Asset Management
Marvin & Palmer Associates, Inc.
Mesirow Financial Capital Partners IX, L.P.
Muller & Monroe Asset Management, LLC
Neuberger Berman, LLC
Pacific Investment Management Company, LLC
Pomona Capital VII, L.P.
RhumbLine Advisors, Corp.
Wellington Management Company
Western Asset Management Company
William Blair & Company

The Firemen's Annuity and Benefit Fund of Chicago (the Fund) was established in 1931 and is governed by Chapter 40, including specifically, Act 5, Article 6 of the Illinois Compiled Statutes[1] (Statutes). The Illinois Legislature is the only entity that can amend the Fund's structure. The Fund was created for the purpose of providing retirement, disability and death benefits for employees of the City of Chicago (City) employed under the provisions of the Municipal Personnel Ordinance as fire service and for the dependents of such employees.

The Fund is a single-employer[2] defined benefit pension fund[3] with statutorily defined contribution minimums. These defined contributions come from two sources. Covered employees make a contribution in the amount of 9.125% of their salary to the Fund and the City of Chicago makes a contribution of an amount not less than 2.26 times the total annual amount of contributions made by the employees to the Fund. The City of Chicago contribution is made primarily in the form of a property tax receipts.

The Statutes authorize a Board of Trustees of eight members to administer the Fund. According to the Statutes, four members of the Board are ex officio and four are to be elected by the employee members of the Fund. The four ex officio members are the Deputy Fire Commissioner, the City Clerk, the City Comptroller and the City Treasurer. All Board Trustees are fiduciaries to the Fund and are statutorily mandated to perform their duties solely in the interest of the Fund's participants and beneficiaries.

The Board has the powers and duties specified in the Statutes to collect all contributions due to the Fund, to invest the Fund's assets, to have an annual audit, to appoint employees, to authorize or suspend payment of any benefit and to have exclusive original authority in all matters relating to or affecting the Fund. The Board approves its own budget which is prepared by the staff of the Fund. The Board is required to submit specific financial information to the City Council of the City of Chicago and the State of Illinois Department of Insurance annually.

The Fund provides retirement, death and disability benefits for eligible members. In terms of retirement benefits, employees who reach compulsory age of 63 with at least 10 years of service and less than 20 years of service are entitled to receive an annuity of 30% of average salary for the first ten years of service plus an additional 2% for each year in excess of 10 with partial City contributions. This type of annuity can not exceed 50% of the member's average salary.

At age 50 or more, with 10 or more but less than 20 years of service, the employee is entitled to an annuity of the entire sum accumulated for age and service annuity from deductions from salary, plus 1/10 of the sum accumulated from contributions by the City for each completed year of service after the first 10 years.

Employees with at least 20 years of service are entitled to receive a minimum formula annuity upon attainment of age 50, of 50% of final average salary plus an additional amount equal to 2.5% of final average salary for each year of service or fraction thereof in excess of 20 years of service. Final average salary is based on the highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of retirement. This annuity shall not exceed 75% of the final average salary. The monthly annuity is increased by 3% of the original annuity at the first of the month following the later of age 55 or the first anniversary of retirement and by 3% each first day of January thereafter, if born before January 1, 1955. There is no limit on the increases. If born after January 1, 1955, the monthly annuity is increased by 1.5% of the original annuity at the first of the month following the later of age 60 or the first anniversary of retirement and 1.5% on each first day of January thereafter, but not to exceed a total increase of 30%. If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with statutory interest.

1 Illinois Compiled Statutes, Chapter 40, Act 5, Article 6 - detailed information regarding this Fund's provision of death and disability benefits
2 Single Employer – City of Chicago
3 Defined Benefit Pension Fund – a Fund in which a retired member receives a specific monthly payment based on a formula of the member's salary and years of service.

Financial Highlights

STATEMENT OF PLAN NET ASSETS

The Statement of Plan Net Assets presents the Fund's assets and liabilities and the resulting net assets, which are held in trust for pension benefits. It reflects a year-end snapshot of the Fund's investments, at market value, along with cash and short-term investments, receivables, and other assets and liabilities. Net assets equal the difference between the assets available for payments of future benefits and current liabilities that are owed at the end of the year.

The net assets increased 15.0% from 2008 to 2009 with certain categories experiencing meaningful fluctuations. Investment performance greatly improved in the global markets in late 2009 which rewarded the Fund with a return to positive growth in the value of our investments.

STATEMENT OF CHANGES IN PLAN NET ASSETS

The Statement of Changes in Plan Net Assets presents the results of Fund operations during the year.

During 2009, the Fund had total additions that totaled $342 million. The total additions are derived mainly of contributions from the City of Chicago and members of $133.5 million and net investment income of $208.6 million.

Highlights of Significant Changes –

- **Contributions -** **$**133.5 million in contributions consists of $91.9 million from the City of Chicago and $41.6 million from our members. There was an increase in contributions of approximately $9.3 million (7.4%) primarily due to the City of Chicago contributions. In 2009, the increase in employer contributions was attributable to the spike in 2007 members' salary payments resulting from the contract settled in 2006.
- **Investments and Other Income -** The gain that our Fund received on the fair value of investments accounted for the majority of the $690.9 million (144.8%) increase. This gain was due to the market posting positive returns across all asset classes globally at December 31, 2009.

Fund deductions, which include payments of benefits of $199.5 million, investment expense of $5.1 million, refund of contributions of $2.1 million and administrative expenses of $3.0 million decreases the Fund's Plan Net Assets.

Highlights of Significant Changes –

- **Benefit payments - The** majority of the Fund's expenditures at nearly $199.5 million. 95.1% of total expenditures paid out were in the form of benefits to and on the behalf of eligible members and beneficiaries. Contributions from Firemen and the City of Chicago covered 66.9% of the 2009 benefits paid. Investment income funded the remaining 33.1% of benefit payments. The benefit payments increased $9.5 million (5.0%) from 2008 to 2009 due to cost of living increases for member annuitants and the payments to the new annuitants added in 2009 were more costly than the annuitant payments that were removed.



Statement of Plan Net Assets	FY 2009	FY 2008
Assets		
Contribution Receivable	97,451,693	87,962,598
Investment Receivable	4,386,953	6,877,179
Prepaid Expenses and Other	200,853	1,083,751
Cash and Investments	952,946,394	828,317,897
Collateral Held For Securities on Loan	147,437,779	127,822,514
TOTAL ASSETS	1,202,423,672	1,052,063,939
Liabilities		
Investment Payables	1,515,264	8,527,723
Securities Lending Collateral	147,437,779	127,822,514
Amounts Owed to Vendors	1,271,140	1,075,755
Participant Accounts	555,362	444,525
TOTAL LIABILITIES	150,779,545	137,870,517
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	1,051,644,127	914,193,422

Statements of Changes in Plan Net Assets	FY 2009	FY 2008
BEGINNING NET ASSETS	914,193,422	1,469,454,287
Additions		
Contributions	133,461,593	124,224,588
Investments and Other Income	213,720,457	(477,238,855)
Less: Investment Fees	(5,146,569)	(6,746,962)
TOTAL ADDITIONS	342,035,481	(359,761,229)
Deductions		
Retirement Benefits	140,551,640	133,611,646
Survivor and Dependent Benefits	30,850,075	29,516,035
Disability Benefits	23,927,541	22,806,064
Death Benefits	662,400	837,600
Health Care Benefits	2,645,135	2,486,950
Litigation Settlement	417,059	16,750
Contribution Refunds	2,109,170	2,659,788
Gift Fund Payments	400,000	725,246
Administrative Expenses	3,021,756	2,839,557
TOTAL DEDUCTIONS	204,584,776	195,499,636
NET INCREASE (DECREASE)	137,450,705	(555,260,865)
ENDING NET ASSETS	1,118,778,198	1,664,953,923

Letter from the Investment Chairman

THE RETIREMENT BOARD
of the
FIREMEN'S ANNUITY AND BENEFIT FUND
OF CHICAGO
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On behalf of the Retirement Board of the Firemen's Annuity & Benefit Fund of Chicago, we hereby submit the investment report for 2009.

As each of us knows, recovery from an injury can be a long, slow difficult process, often filled with progress and setbacks. So it has been for your Fund's recovery from the wounds inflicted during the 2008 global economic crisis.

Your Fund rebounded during 2009 with a 27.8% gain, besting the S&P 500 rise of 26.5%. Strong gains were seen across most asset classes, ranging from up 25% from the bond portion of the portfolio to a 42% gain from our international stock holdings.

This performance marks the eleventh consecutive year your Fund has met or bettered the S&P 500 results. Over the course of these past eleven years, even with all the ups and downs of dot.com boom and bust and the recent financial market meltdown and meltup, $1 invested by the Fund in January 1, 1999 has become $1.75, compared to the same dollar invested in the S&P 500 only being worth $1.10.

As we all know, this Fund depends largely on its investment earnings to pay for all current and future pension obligations. Given our current funded status, imagine where this Fund would be today, had we failed to generate such strong long term results.

The year 2010 has been characterized by many conflicting economic and market opinions, leading to periods of up, down and sideways performance. As of this writing, your Fund is up 2.9% through July 31, 2010 compared with a negative return of 0.1% for the S&P 500. In this difficult and volatile market, be assured that each Trustee is working to prudently deploy and monitor the assets of the Fund.

As always, all questions, comments or concerns are welcome.

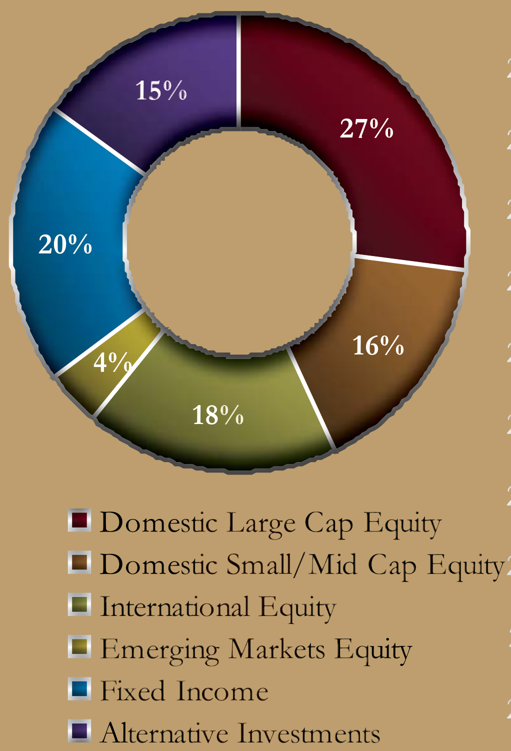
Sincerely.

Dan P. Fabrizio
Elected Trustee, Investment Chairman

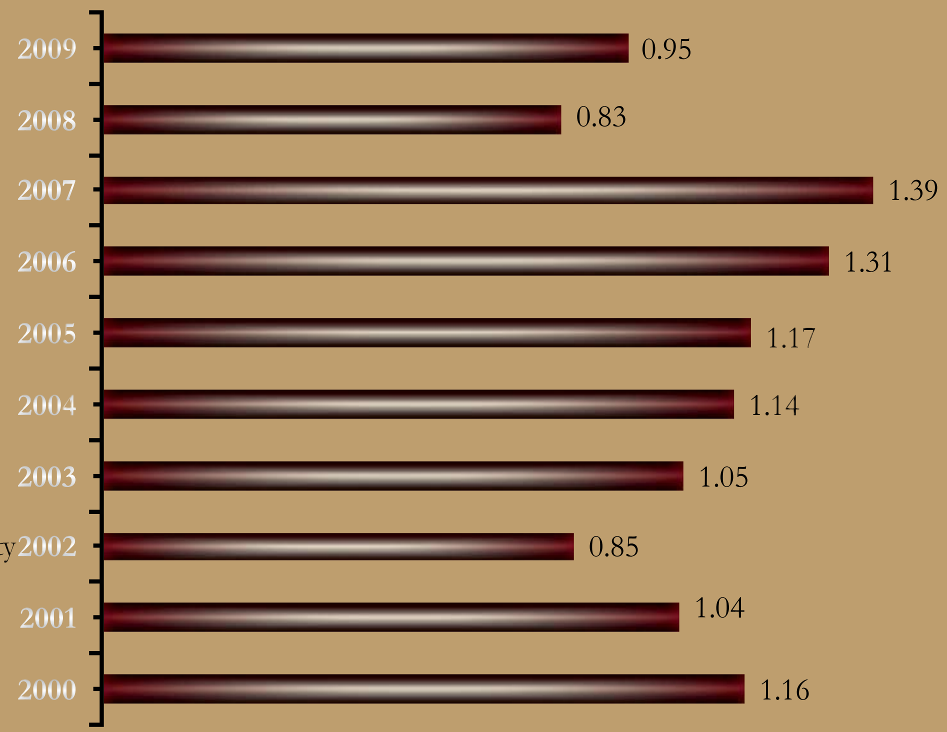
Michael Shanahan
President, Investment Co-Chairman

Investment Highlights

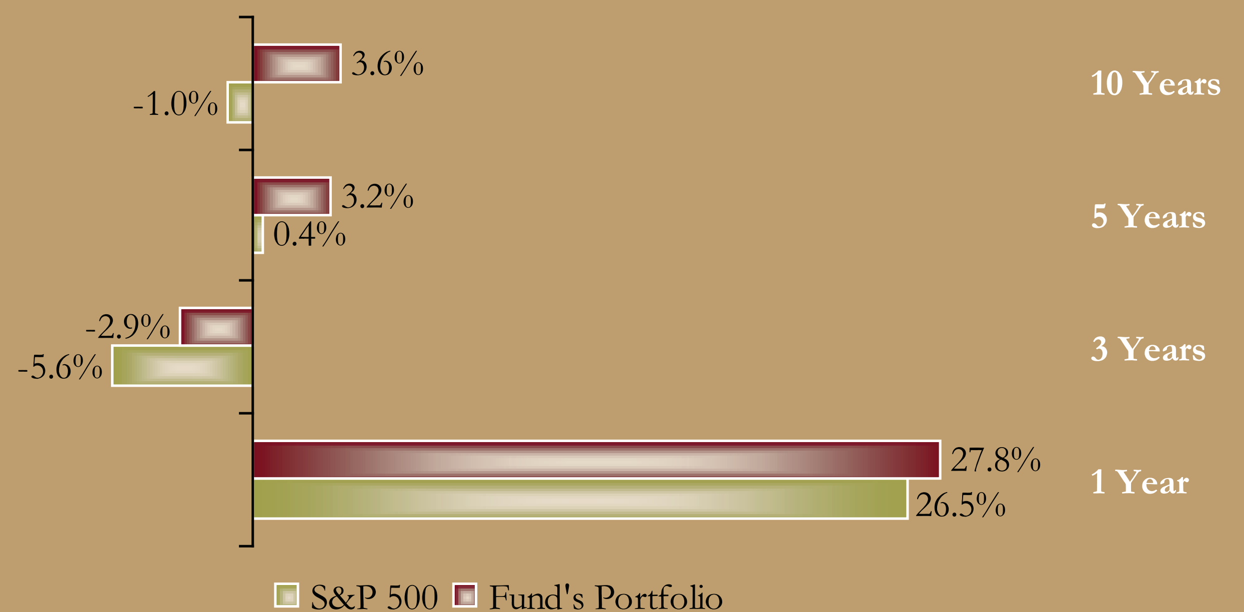
TARGET ASSET ALLOCATION



MARKET VALUE OF INVESTMENTS (in billions)



TOTAL FUND RETURN VS BENCHMARK



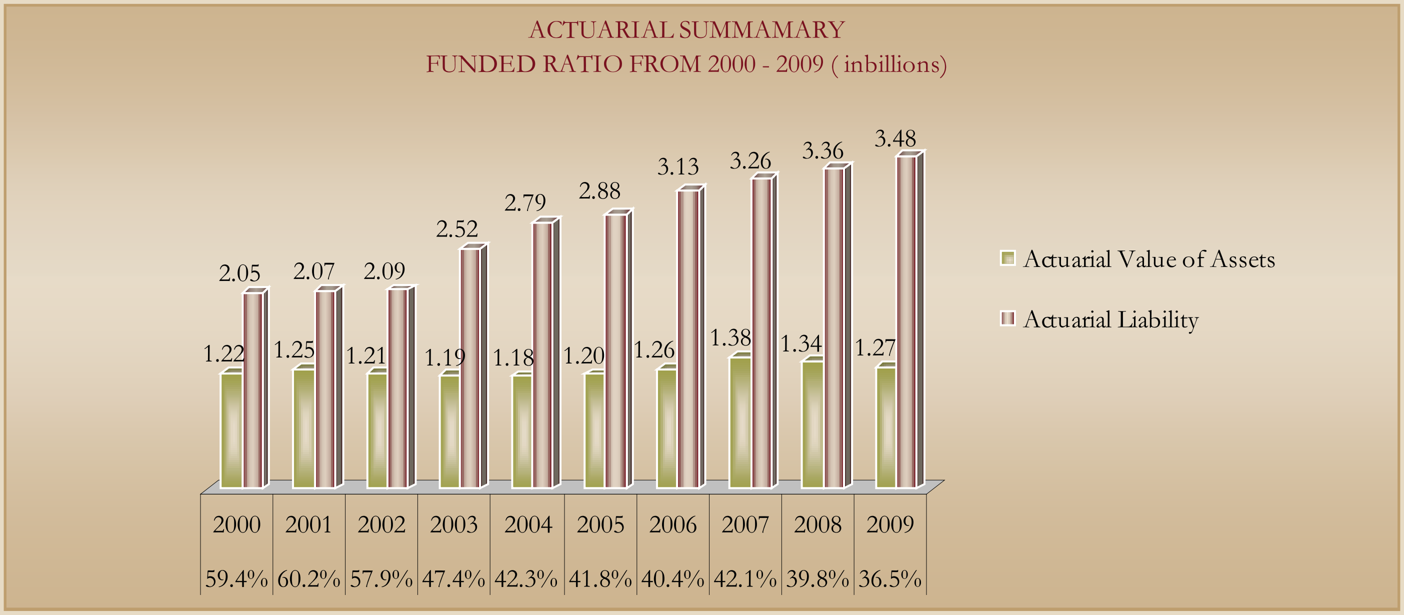
Funding

The primary measure of the health of a pension fund is its level of funding, expressed as a ratio of Assets to Liabilities. Funding status is also considered when evaluating the amount of benefits that are immediately payable in relation to the level of current cash flow available to pay benefits. Each year, the Fund's independent consulting actuarial firm, Gabriel Roeder & Smith, provides an actuarial valuation report which compiles the present value of the benefits to be paid to all members into the future. The results of this annual valuation also provide critical information that is used in the development and implementation of the Fund's long term investment strategies.

As of December 31, 2009, the actuarial value of the Fund's plan assets was $1.27 billion and the actuarial accrued liability was $3.48 billion, resulting in an unfunded accrued liability of $2.21 billion and a funded ratio of 36.5%. A 36.5% funding ratio is considered to be below the level of adequate funding. The State of Illinois, for instance, has declared that the funding ratio of 90% is an appropriate goal for State funded retirement systems in Illinois. The Fund's funding ratio indicates that the Fund has assets for approximately 36.5% of the present value of the future liabilities of the Fund at December 31, 2009. The graph below represents the Fund's actuarial accrued liabilities and funded ratios for the last ten years. As displayed in the graph, the actuarial funding of the Fund for 2009 was 36.5%, contrasted against 2008's funding level of 39.8%. The annual cost of current accrued benefits for members exceeds the combined amount of employee and employer contributions each year and the reduction to the value of fund investments caused by our Fund's partial recognition of 2008's losses in 2009 due to the asset smoothing are primary factors responsible for the decrease in the Fund's funded ratio.

Because pension funds invest assets and pay benefits to members over the long term, asset smoothing is incorporated into the calculation of the actuarial funding ratio to reduce the impact of short-term fluctuations in asset values. Asset smoothing is the gain or loss that is recognized on the investments is an amount equal to the combination of gains and losses from the last five years. As a result of this asset smoothing method, the Fund has deferred losses from 2008 of approximately $359 million that will be reflected in the calculation for actuarial funding levels in the next three years. Therefore, the total actuarial value of assets will differ from the net assets shown on the Statement of Plan Net Assets for any given year.

The actuarial valuation as of December 31, 2009 projected that $222.8 million in employer annual required contributions are necessary to maintain the current funding level of 36.5% from a further decline. The minimum required amount of employer contributions for 2009 is $85.5 million (receivable in 2011), resulting in a contribution deficit of $137.3 million.



As of December 31, 2009 there were 9,565 members in the Fund. Membership consisted of 5,133 active members, 2,556 retired members, 1,399, 89 children, 1 parent and 387 members on disability. The Fund's Membership has remained relatively constant.

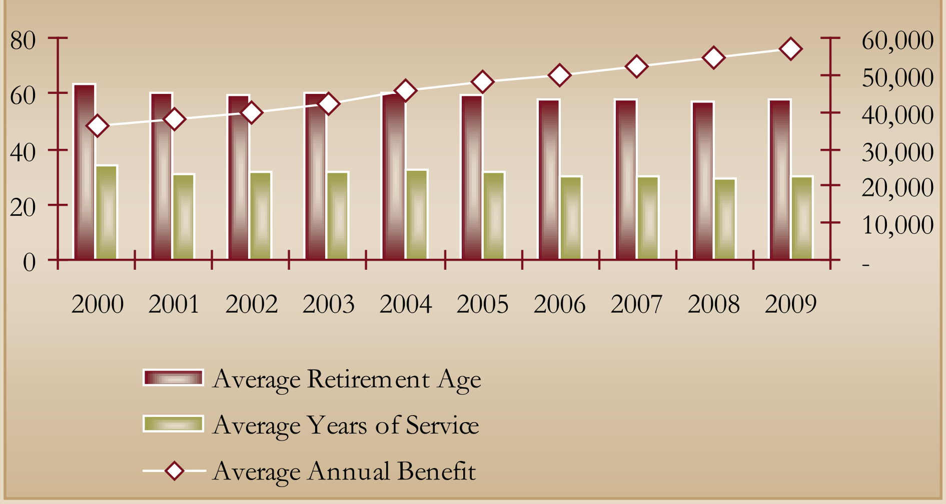
The population of active firefighters reflects a large proportion is over the age of 40, nearly 70%. This trend also shows of 5,133 active members, 1,378 (26.8%) have the 20 or more years of service required for a minimum formula annuity. 1,262 (91%) of this group are age 50 or older and can retire at any time. 688 members have the years of service required for the maximum retirement benefit of 75% of Final Average Salary.

ACTIVE PARTICIPANTS BY AGE AND YEARS OF SERVICE

(AS OF DECEMBER 31, 2009)

AGE	Years of Service < 5	5 - 9	10 - 14	15 - 19	20 - 24	25 - 29	Over 30	TOTAL
20 - 24	73							73
25 - 29	251	1						252
30 - 34	270	115	44					429
35 - 39	235	266	322	4				827
40 - 44	149	205	263	89	96			802
45 - 49	172	184	309	458	21			1,144
50 - 54	19	34	65	150	269	407	72	1,016
55 - 59	5	4	25	39	92	232	126	523
Over 60			4	3	17	28	19	71
TOTAL	1,174	809	1,032	743	495	667	217	5,137

AVERAGE RETIREMENT BENEFITS



Over the past 10 years, members' age and years of service at the time of retirement has dropped approximately 10%. The average annual retirement benefit consistently grew each year resulting in an increase of 56.4% over the last decade. The average annual benefit paid in 2000 was $36,458 compared to $57,023 in 2009.

For 2009, the average age at retirement was 57.8 years with an average of 30.3 years of service.

The population of benefit recipients indicates that the majority of the recipients are retired firefighters (57.7%). Almost 50% of recipients receive more than $4,000 monthly.

Another larger portion (28.2%) of the population is recipients who collect less than $2,000 per month. Nearly 85% of these recipients with monthly benefit checks less than $2,000 are widows of deceased firefighters.

NUMBER OF BENEFIT RECIPIENTS BY TYPE & MONTHLY BENEFIT AMOUNT

(AS OF DECEMBER 31, 2009)

MONTHLY BENEFIT AMOUNT	SERVICE	DISABILITY	WIDOWS	CHILDREN/ PARENT	TOTAL
UNDER $1,000	22			67	89
$1,000 - $2,000	85		1,055	23	1,163
$2,001 - $3,000	241	56	216		513
$3,001 - $4,000	397	114	29		540
$4,001 - $5,000	620	115	46		781
$5,001 - $6,000	762	64	36		862
$6,001 - $7,000	255	31	17		303
$7,001 - $8,000	114	6			120
OVER $8,000	60	1			61
TOTAL	2,556	387	1,399	90	4,432

Selective Legislative Changes

1990
Any firefighter who had service as a paramedic in the Municipal Fund and received a refund of contributions could receive credit for service in the Fire fund by making written application to the Board by Jan. 1, 1992, and paying for service.

Beginning Dec. 31, 1990, a member with at least 20 years of service may withdraw from service at any age and receive an annuity beginning at age 50.

Minimum widow annuity is $400 per month.

If a widow remarries after Dec. 31, 1989, after age 60, the annuity will continue without interruption. If annuity is suspended because of remarriage before age 60, annuity payments will be resumed if the subsequent marriage ends.

If any widow receives an annuity and after Dec. 31, 1989, marries a firefighter in the Fund, her first widow annuity will be cancelled if she accepts any payment of a second widow's annuity after he dies.

Beginning Jan. 14, 1991, any city officer can transfer his Fire service to the municipal fund.

1992
The minimum retirement annuity was increased to $650 per month and minimum widow annuity was increased to $500 on Jan. 1, 1992.

Minimum retirement annuity was increased to $750 per month on Jan. 1, 1993, and $850 per month on Jan. 1, 1994.

Minimum widow annuity was increased to $600 per month on Jan. 1, 1993, and $700 per month on Jan. 1, 1994.

1993
Beginning Jan. 1, 1994, minimum duty and occupational disease disability benefits for members on disability for 10 years or more shall not be > 50% of the current salary attached to the rank at time of separation from active service.

1995
Minimum widow annuity was increased to $700 per month.

Widow's annuity that was terminated prior because of remarriage before Dec. 31, 1989, will be resumed and proper application made if preceding marriage has ended.

Employees have until 2 years after the date of reentry or Jan. 1, 2000, to repay a refund of contributions or forfeit the right to any benefits.

1995 (cont.)
Age that the 3% annual increase is applied to eligible members is changed to 55 and now includes born before Jan. 1, 1955.

1996
Excess benefit plans are permitted to provide participants with benefits in excess of the Code Section 415 limits.

Early retirement reduction does not apply to certain survivor and disability benefits.

The definition of compensation includes elective deferrals.

$5,000 death benefit exclusion was repealed for deaths after Aug. 20, 1996.

Five-year averaging for lump sum distributions was repealed effective Jan. 1, 2000.

Annuity payments will be taxed according to a simplified general rule which start on or after Nov. 19, 1996.

1998
Minimum widow annuity was increased to $800 per month.

2000
City of Chicago enacted mandatory retirement for all firefighters at age 63.

2002
The pension fund subsidy for retiree health insurance was extended through Jun. 20, 2003 (except child annuitants). The subsidy is $75 per month for non Medicare eligible annuitants and $45 per month for a Medicare eligible annuitant.

2003
The Fund paid healthcare subsidy was increased to $85 per month for non- Medicare eligible participants and $55 per month for Medicare eligible participants for Jul. 1, 2003 through and including Jun. 30, 2008. Thereafter, the benefits are increased from $85 to $95 and $55 to $65 respectively beginning Jul. 1, 2008 through and including Jun. 30, 2013.

2004
Changes to the definition of salary used for benefit calculation-

✜ For members born before 1955, who hold an exempt position above career service rank and hold the rank of Battalion Chief for at least 5 years, salary means the actual salary attached to the exempt rank position.

2004 (cont.)

✜ Salary as an ambulance commander shall be included. Employee required retroactive contributions must be made before Jan. 1, 2006. Beneficiaries may also make the contributions.

✜ Additional compensation for being licensed as an EMT shall be included.

✜ Duty availability pay will be included. Employee contributions must be made retroactively before Jan. 1, 2006. Beneficiaries may also make the contributions.

An employee mandatorily retired at age 63 with > 10 years of service but < 20 is entitled to an annuity of 30%of average salary for the first 10 years of service plus an additional 2% for each year in excess of 10, not to exceed 50%.

The minimum annuity formula accrual rate for service after 20 years was increased from 2% to 2.5% with total benefits limited to 75% of final average pay.

The minimum benefit for retirements was increased to $950 per month during 2004 and $1,050 per month thereafter.

The minimum widow annuity was increased to $900 per month during 2004 and $1,000 per month thereafter.

The widow of an active fireman with 10 or > years of service will receive no less than 50% of the benefit the active firemen would have received had he been age 50 and 20 years of service.

A widow who was married to a deceased fireman for at least 1 year preceding the fireman's death is entitled to a widow's benefit. Refunded contributions must be repaid with interest.
A widow's benefit will continue following remarriage. Those annuities previously terminated will resume upon payment of any refund plus interest.

Members born prior to Jan. 1, 1955, are entitled to 3% automatic annual increase at age of 55 or the first anniversary of retirement or if born on or after Jan. 1, 1955, are entitled to a 1.5% AAI at age 60 or the first anniversary of retirement limited to 30%.

Changes the widow eligibility conditions by expanding widow benefits that were previously limited by marriage conditions after withdrawal or disability. Benefits cannot be reinstated or granted earlier than Jan. 16, 2004.

2004 (cont.)

A fireman who accumulated service under the Municipal Employee's Annuity and Benefit Fund of Chicago, who terminated and received a refund, may purchase such service credit until Jan. 1, 2005. Fireman that retired after Jan. 16, 2004, but before the effective date of this act may still purchase service before Jan. 1, 2005, and have their benefit recalculated.

The Municipal Employees Annuity and Benefit Fund of Chicago is required to pay the Fund all employer contributions received on behalf of paramedics who purchased eligible service credit in the Fund plus interest.

2007

Beginning Jan. 1, 2008, removes restriction that a child be born or legally adopted before withdrawal from service for a child's annuity. Removes restriction requiring that adoption proceedings must have been initiated one year prior to the fireman's death.

Retired firemen can claim up to $3,000 deducted from their retirement benefit as payment for health care premiums as a deduction from adjusted gross income on the Federal tax return. This provision pertains only to payments to third party health insurance companies.

2009

Active members on layup, diagnosed as terminally ill, may apply for Occupational Disease Disability prior to exhausting all available layup.

The Board was granted discretion to schedule re-exams of disability recipients as necessary.

Active members may purchase up to 2 years of service credit for pension purposes corresponding to active military service prior to their Chicago Fire Department entry date.

Active members may elect to re-instate and transfer prior fire department service from eligible downstate "Article 4" funds. Application must be made by December 31, 2009.

Active members who had previously paid into the Municipal Employees Annuity and Benefit Fund for service as a paramedic prior to becoming Chicago Fire Department employees may apply for purchase of eligible service credits. Application must be made by December 31, 2009.

Actions against third parties, subrogation of disability payments embodies the Fund's right to recovery of disability payments from third parties within the Pension Code.

In Memoriam: 2009 Deceased Members

STANLEY A. ADAMCZYK
JAMES W. BANKS SR
JOHN BARANOWSKY
DANIEL T. BEDNAREK
MARTIN J. BENZ
MATT S. BIRSA
DANIEL H. BOWMAN
FRED L. BREHMER
CLARENCE J. BROWN
WARREN R. BRUCE
WALLACE E. BUSCH
ARCHIE G. CHANEY
GEORGE F. CHICVARA
ROBERT E. CLAWSON
CLAUDE COMBS
JOSEPH H. CONNOLLY
RAYMOND G. CORA
BENNIE L. CRANE
ROBERT C. CROSBY
DONALD J. CUNNINGHAM
EDWARD A. DAUPHINAIS
ADDEL DE JESUS
FRANCISCO DE LA CERNA
JOHN J. DIETERLE
KEVIN DOHERTY
TIMOTHY J. DONOVAN
DAVID P. DZIOBAS
JAMES N. EFFENDY
JOSEPH A. EICHBERGER
RICHARD P. FLANAGAN
FRANK FLYNN
GEORGE GAROZZO
JAMES E. GARRITY
MICHAEL J. GAVIN
MICHAEL GORDON
KEVIN J. GRAY

WILLIAM HAAS
CLARENCE HAMEETMAN
ARTHUR C. HANSEN
TOMMY F. HARRELL
THOMAS E. HATHAWAY
EDWARD HEIDENREICH
CONRAD HEIMBERG
WILLIAM D. HENDRICKS
JOHN HENNELLY
JOHN P. HERRITY
JOHN M. HOFFMAN
ALBERT L. HULL
GEORGE A. HUNTINGTON
THOMAS J. HYLAND
ANGELO J. IMPARATO
EDWARD A. JASNOCH
JAMES O. JONES
JOSEPH T. JOYCE
JOSEPH KALWASINSKI
DAVID L. KARSTRAND
JOSEPH J. KECSEG
ROBERT J. KENNEDY
JOHN F. KERECHEK
JOHN P. KLASEY
ISABELLA KOOL
DAVID R. LABBE
PETER H. LESKO SR
SCOTT R. LIETZ
FRANK E. LINDEMAN
DANIEL J. LYNCH
JOHN F. LYNCH
JAMES D. MAHER
ANGELO A. MARTELLO
JOHN E. MCCULLOUGH
JAMES A. MCDONNELL
JACK MCGOVERN

JAMES P. MCGUIRE
DENNIS J. MCLAUGHLIN
JOHN W. MEYER
JACK J. MISCHO
ARTHUR L. MONTGOMERY
RICHARD A. MORGAN
JOHN T. MULKERRIN
ROBERT E. MURPHY
ROBERT A. ORZYP
HILERY OSHAUGHNESSY
RAYMOND H. PAC
ROBERT H. PANGBURN
JOHN L. PEMBERTON
JOHN J. PRINZ JR
THOMAS C. QUIGLEY
RICHARD ROARK
ELMER C. RONSTADT
JAMES J. RYAN
HENRY B. SAJDAK
JOSEPH G. SCAVONE SR
RICHARD SCHEIDT
JOHN W SCHMIT
WALTER W. SCHROEDER
FRANCIS SCHWANTNER
ALBERT P. SEPER
LOUIS J. SHUKSTOR
HARRY L. SMITH
WARREN SMITH JR
LEO R. STEFANOWSKI
JOHN P. STRAKA
RICHARD M. STULL
BEVERLY H. SUTHERLIN
ALFONSO VIRZI
VERNON J. WARREN
RONALD J. WILSON
MAYNARD ZYLSTRA

FIREMEN'S ANNUITY & BENEFIT FUND

OF CHICAGO

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