

Saturday, May 17, 2013,

You will be receiving a letter from the City next week explaining to you what their intentions are regarding retiree healthcare benefits post June 30, 2013. They will tell you that the City will extend current coverage and benefit levels through December 31, 2013 and that their ultimate intent is to phase out all benefits by the beginning of 2017 for all retirees that retired after August 23, 1989. Any retiree/annuitant who is a member of the Korshak and "Window" Sub-Classes, who retired prior to August 23, 1989 will keep their healthcare throughout their lifetime. The City intends to announce the complete details of the healthcare plan this summer.

Now that the City will extend their coverage of your benefits (55%), what about the Pension Fund subsidy that is set to expire on June 30, 2013. By State Statute, this is the healthcare subsidy that the Pension Fund pays a monthly rate of \$65 for Medicare eligible and \$95 for Medicare ineligible annuitants. To quote Amer Ahmad, City Comptroller, "If this subsidy is not reauthorized, retirees will likely be responsible for bearing any additional cost for their healthcare plan that is currently borne by their pension fund". In reply to this statement, I was a member of the FOP Negotiating Team that negotiated the first four police contracts and am a twenty year member of the Pension Fund. Our attorneys have always told us that if a benefit is approved by the City and the Union or the Pension Fund, there would be no problem getting the legislation passed in Springfield. I know that FOP President Mike Shields and the FOP Board of Directors are for extending the Pension Fund subsidy. At the April 30, 2013 Pension Fund Meeting, the Trustees voted to have the City extend the healthcare subsidy paid by the Pension Fund past June 30, 2013. The vote was 4-3, all elected Trustees voting in the affirmative.

The City is telling our contact at BMO that they are going to try to extend the State Statute until December 31, 2013. Comptroller Amer Ahmad, lets' direct the Legislature to extend the Pension Fund subsidy, "Lets' Not Try, Lets' Do It".

Attorney Clinton Krislov feels that healthcare benefits are guaranteed through the Illinois Constitution because it is a benefit that you were promised and have received since retirement that is going to be "IMPAIRED OR DIMINISHED".

Sincerely,

Ken Hauser