



The Retirement Board of the
Policemen's Annuity and Benefit Fund of Chicago

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KEVIN REICHART

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July 26, 2024

Chairman Pat Dowell
Committee on Finance
City of Chicago
City Hall, 121 N. LaSalle Street, Room 302
Chicago, Illinois 60602

RE: 2024 Funding Resolution

Dear Chairman Dowell,

Enclosed please find the 2024 estimated required funding for the City's budget year 2025 from the Policemen's Annuity and Benefit Fund of Chicago. The funding resolution was prepared pursuant to 40ILCS, Act 5, Section 5-177 and all other applicable provisions of the Illinois Pension Code. The Board of Trustees approved this funding resolution at their Board Meeting held on July 25, 2024.

Sincerely,

A handwritten signature in black ink that reads "Kevin Reichart". The signature is written in a cursive style with a long horizontal flourish at the end.

Kevin Reichart
Executive Director
Enc.

2024 REQUIRED FUNDING RESOLUTION FOR THE YEAR 2025 (PAYMENT YEAR 2026)

WHEREAS, pursuant to 40 ILCS, Act 5, Section 5-177, and all other applicable provisions of the Illinois Pension Code, the Retirement Board of the Policemen's Annuity and Benefit Fund of Chicago (the "Board") is required to estimate the amounts required each year to be contributed by the City of Chicago (the "City") for all annuities, benefits and administrative expenses authorized to be paid under Article 5; and

WHEREAS, pursuant to that statutory direction, the Board estimates the total amount of funding required to be paid to the Fund for all annuities, benefits and administrative expenses pursuant to Section 5-177 for the City's budget year 2025 (payment year 2026), is \$1,242,009,627, representing the actuarially determined contribution amount based on an actuarial valuation of the Fund as of December 31, 2023; and

WHEREAS, notwithstanding that required annual funding amount, the Board recognizes the statutory requirement imposed by 40 ILCS, Act 5, Section 5-168, and all other applicable provisions, as amended by Public Act 099-0506 eff. May 30, 2016, which states: "Beginning in tax levy year 2020, the city council shall levy a tax annually at a rate on the dollar of the assessed valuation of all taxable property that will produce when extended an annual amount that is equal to no less than (1) the normal cost to the Fund, plus (2) an annual amount sufficient to bring the total assets of the Fund up to 90% of the total actuarial liabilities of the Fund by the end of fiscal year 2055, as annually updated and determined by an enrolled actuary employed by the Illinois Department of Insurance or by an enrolled actuary retained by the Fund."; and


WHEREAS, the Board has retained Gabriel, Roeder, Smith & Company (GRS), a national actuarial and benefits consulting firm, to make the determination required under 40 ILCS, Act 5, Section 5-168 for tax levy year 2025; who determined as of December 31, 2023, that the required amount of the City contribution for payment year 2026 in accordance with 40 ILCS, Act 5, Section 5-168, and all other applicable provisions, as amended by Public Act 099-0506 eff. May 30, 2016, is \$1,042,582,135; and

WHEREAS, under the provisions of the Illinois Pension Code, the City is further required to provide funding for the year 2026 an amount equal to \$224,000 as required by ILCS 40, Act 5, Section 5-171 pertaining to death benefit funding.

NOW THEREFORE BE IT RESOLVED: that pursuant to the provisions of an Act of the General Assembly of Illinois effective January 1, 1922, entitled "An Act to Provide for the Creation, Setting Apart, Maintenance and Administration of a Policemen's Annuity and Benefit Fund in Cities Having a Population Exceeding Five Hundred Thousand Inhabitants," as amended and codified, the Retirement Board of the Policemen's Annuity and Benefit Fund of the City of Chicago hereby certifies to the City Council of the City of Chicago that the sum which will be required to be contributed by the City for purposes of the Policemen's Annuity and Benefit Fund of Chicago for the year 2025, payment due in 2026, in accordance with the provisions of Section 5-168 of the aforesaid Article 5 of the Illinois Pension Code for the purpose of providing revenue for this Annuity & Benefit Fund equal to and no less than \$1,042,806,135; and

BE IT FURTHER RESOLVED: that the Recording Secretary of the Policemen's Annuity and Benefit Fund of Chicago be instructed to submit a copy of this resolution to the said City Council.

POLICEMEN'S ANNUITY & BENEFIT FUND OF CHICAGO



MICHAEL J. STISAK, RECORDING SECRETARY

July 25, 2024