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**MAYOR EMANUEL, LABORERS' 1001 AND 1092 IDENTIFY SHARED PATH FORWARD TO
STABILIZE AND FUND LABORERS' & RETIREMENT BOARD EMPLOYEES' ANNUITY &
BENEFIT FUND**

*Agreement Includes Increased Contributions from New Employees and Benefit Options for
Current Employees In Return For Commitment to Actuarial Funding with Dedicated Revenues*

Mayor Rahm Emanuel and Laborers' 1001 and 1092 announced today an agreement in principle to put the Laborers' & Retirement Board Employees' Annuity & Benefit Fund (LABF) on a path to solvency. This agreement represents a solution for securing the retirements of employees and retirees, while protecting Chicago taxpayers from solely bearing the full burden of growing pension costs in the future.

"This agreement marks a tremendous step forward in ensuring that the City's employees and retirees have a secure retirement, while protecting Chicago's taxpayers from bearing the entire responsibility on their own," said Mayor Emanuel. "I want to thank Local 1001 and 1092 for being part of the solution by working collaboratively with us on this agreement."

To stabilize and fund the LABF, the City will dedicate revenue from the 2014 increase in the 911 surcharge to this pension fund. Under this agreement, the additional \$40 million in yearly revenue will now all go towards the City's pension contributions for the LABF beginning with the 2017 contribution, payable in 2018.

The City will seek approval from Springfield for a five year phase-in of increased City contributions to reach actuarially-required (ARC) funding levels by 2022, and 90 percent funding by 2057.

"Local 1001 and 1092 have worked with the Mayor to ensure the LABF remains solvent for our members, who spend their lives working physically demanding jobs serving Chicago's residents. We are proud to announce this agreement, which protects current and future benefits, guarantees funding for decades to come, and allows the members in Tier Two the opportunity to retire a couple of years earlier with full benefits," said Joe Healy, Business Manager for Local 1092.

As the City increases contributions to the LABF, the agreement provides real and sustainable changes to pension benefits to protect taxpayers and put the LABF on a path to solvency. The plan increases contributions by three percent and lowers the age of eligibility for benefits from 67 to 65 for any new employee hired on or after January 1, 2017. Further, the plan provides current employees the opportunity to accept a lower benefit eligibility age of 65 in exchange for increasing their payroll contributions by three percent.

Mayor Emanuel plans to utilize this common sense agreement with Laborers' 1001 and 1092 as a model for the Administration's work with labor on a shared solution for Municipal Employees' Annuity & Benefit Fund.

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