

PENSION POINTERS



Summer Update

By Carolyn Welch Clifford
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As health concerns posed by the COVID-19 pandemic persist, Illinois moves slowly to safely reopen. But in the meantime, the business of Illinois' firefighters and police pension funds continues to move forward through remote meetings online, improvised disability processes, and further consolidation activities. Below is a summary of what firefighter pension trustees need to be aware for the third quarter of 2020.

Illinois Department of Insurance issues rules regarding mistakes in benefits

Without any fanfare, the DOI promulgated new rules governing mistakes in benefits. These rules, which became effective on December 23, 2019, can be found at 50 Ill. Admin. Code §4459.10 *et seq.*, implementing Sections 3-144.2 and 4-138.10 of the Illinois Pension Code (40 ILCS 5/3-144.2 and 4-138.10). The new rules prescribe the applicable interest rate as 1% for those instances where an Article 3 or 4 pension fund is obligated to make a lump sum payment to a beneficiary where a benefit was mistakenly set too low. Furthermore, the rules require pension boards to institute and maintain policies and procedures to discover and adjust benefits where mistakes have been made. Pension boards that discover mistakes in benefits are also obligated to notify the DOI of the benefit correction within 45 days.

Disability matters are proceeding, where Pension Boards and applicants for benefits are comfortable with IME examination processes and remote hearings

IME physicians have begun taking in-person appointments for evaluation of disability applicants; however, like other medical evaluation and treatment, some IME physicians have been open to remote evaluations using telemedicine to evaluate applicants. Whether any particular disability process is suited for remote evaluation must be determined on a case by case basis in consultation with the IME physicians. And, as court proceedings have moved to online video conferencing, so have some disability processes which can be conducted in this manner, as long as all parties to the proceeding consent to a remote hearing approach.

Firefighters' Pension Investment Fund Issues Election Materials for Permanent Board

As most of you are aware, the Illinois General Assembly passed legislation last year to consolidate the assets of all Article 3 police and Article 4 firefighter pension funds into two new consolidated investment funds. While the local pension boards of trustees will continue to be responsible to oversee the determination and payment of pension benefits, the assets will be invested at the direction

of the new consolidated pension funds' boards of trustees.

The process of establishing these new consolidated funds began in January 2020, with appointed nine-member interim boards that have been building the operations of these two new funds over the last six months, including the hiring of executive directors, support staff and outside vendors.

The most important task for the new consolidated boards this year is to conduct the first election for the permanent boards of these new funds. The Firefighters' Pension Investment Fund's Board recently issued its election materials at its website at <https://ifpif.org/2020-fpif-election>. At the website you can review the 2020 Election Schedule and Rules and obtain a Candidate Application if you are interested in seeking a position on the board.

The key information and dates you should know are:

- **Four "Member" Trustee positions are to be elected** – Three participant (active members) trustees and one beneficiary (retired, disabled and deferred members) will be elected to the permanent board by the end of this year to begin staggered two and four-year terms in January 2021.
- **Three "Municipal or Fire District" Trustees are to be elected** – These executive trustees, representing the management of village, cities and fire protection districts that have Article 4

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pensions funds, will be elected to the permanent board, also staggered in two and four-year terms that begin in January 2021.

- **Candidates must submit an application and nominating petitions by September 15, 2020**

– The candidate applications and nominating petitions can be found on the Fund’s website (<https://ifpif.org/2020-fpif-election>). Note that candidates for Participant Trustee must obtain the signatures of 400 active members on their nominating petitions, while candidates for Beneficiary Trustee must obtain the signatures of 100 retired, disabled or deferred pensioners. Executive Trustee candidates must obtain the signatures of 20 individuals who

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serve as mayors of municipalities or presidents of fire protection districts who have Article 4 pension funds.

- **The Election Panel of the Consolidated Fund will mail out ballots and election materials to eligible voters on October 30, 2020, and ballots must be returned by voters by December 1, 2020**

– Please watch your mail for the ballots and make sure to return them by the December 1, 2020 deadline. Election results will be certified by December 7, 2020, and posted on the Consolidated Fund’s website.

If you have questions regarding the new consolidated fund or the election process, please contact the Consolidate Fund Board at information@ifpif.org or schedule a call with the consolidated fund’s staff. If you decide to become a candidate for the Consolidated Fund Board, please let the Illinois Association of Fire Protection Districts know so we can support your efforts to complete your nominating petitions and be elected. ■

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Fire & Rescue Pro is offered through Bliss McKnight, Inc. and the local independent insurance agent of your choice.



Contact us for more information or an insurance review.

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