

RETIREMENT PLAN
FOR
CHICAGO TRANSIT AUTHORITY EMPLOYEES

The 406th Meeting of the Retirement Allowance Committee was held on Monday, October 18, 1982, in the Conference Room, Room 750, Merchandise Mart. The following were in attendance:

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| Mr. W. Ashley | Mr. A. Kasmer |
| Mr. R. Fleming | Mr. J. Weatherspoon |
| Mr. E. Flowers | |
| Mr. C. Hall | |

Mrs. A. Curtis, alternate for Mr. P. Kole, was present.
Mr. S. Bianchi, alternate for Mr. J. Gallagher, was present.
Mr. R. O'Connor, alternate for Mr. D. Perk, was present.
Mr. L. Morris, alternate for Mr. I. Thomas, was present. Messrs. L. Brown, H. Hegarty, R. Goldman and A. Kemp were present.
Messrs. D. Lemm, G. Nagle and Ms. C. Cox were present.
Ms. K. Ford and Mr. E. Boss of Continental Bank were present.
Mr. J. Baratka of The Wyatt Company was present. Mr. R. Burke, the Plan Attorney, was present. Mr. J. Stephen of Union Labor Life was present. Mr. B. Scholz, Pensioner, was also present.

The Secretary called the meeting to order at 10:38 A.M., informed the Committee that the Chairman would not be in attendance and recommended that the Vice Chairman be appointed Chairman Pro Tempore. On a motion by Mr. Bianchi, seconded by Mr. Kasmer, the Committee unanimously appointed Mr. J. Weatherspoon as Chairman Pro Tempore.

Ms. K. Ford of Continental Bank informed the Committee that neither Messrs. Leszinske or Hamilton would be in attendance

and introduced Mr. E. Boss, who would present the Trustee Report. Mr. Boss turned the Committee's attention to a letter, dated October 13, 1982, entitled "September Market Summary" and a composite of charts and graphs, both of which had been passed out to all Committee Members.

Mr. Boss reported that during the past couple of months there had been a decline in both short and long term interest rates. Mr. Boss explained the charts and graphs to the Committee and noted that in the near-term, federal policy along with moderate inflation and moderate economic activity should continue to help bring interest rates down.

The Secretary asked that Mr. Stephen be allowed to make his presentation at this point in order that he might leave for another commitment.

Mr. J. Stephen of Union Labor Life passed out a copy of his report to all Committee Members and made a presentation on the Guaranteed Investment Contract offered by his company. Mr. Stephen explained the program offered by Union Labor Life and entertained questions asked by Committee Members. (A copy of this report is on file in the Secretary's Office).

Mr. Hegarty asked why, in the actuarial portion of the annual report, there was no listing of employees with less than one year of service. The Secretary stated that there was no listing on these particular employees because they do not participate in the Plan until they have a year of service and the report is only on employees who are participants. A discussion ensued during which the Secretary stated that a list of these employees would be included in

the pass-out material at the next meeting.

The Chairman asked for the approval of the Minutes of the 405th Meeting, held September 20, 1982. On a motion by Mr. Bianchi, seconded by Mr. Kasmer, the Committee unanimously approved the Minutes of the 405th Meeting, held September 20, 1982.

The Secretary made the announcement of deaths reported since the last meeting, as per the attached list.

The Secretary presented a total of seven (7) Survivorship Options for approval. On a motion by Mr. Kasmer, seconded by Mr. Bianchi, the Committee unanimously approved the Survivorship Options.

The Secretary presented a total of two (2) Pre-Retirement Surviving Spouse Options for approval. On a motion by Mr. Fleming, seconded by Mr. Kasmer, the Committee unanimously approved the Surviving Spouse Options.

The Secretary submitted six (6) Applications for Retirement for approval. On a motion by Mr. Morris, seconded by Mr. Fleming, the Committee unanimously approved the Applications for Retirement.

The Secretary reported that eleven (11) employees who are receiving Disability Retirement Benefits were examined or had their files reviewed.

The Secretary presented twenty (20) refunds, totaling \$144,301.43. for approval. The comparison figures for the same period of time one year ago were twenty-nine (29) refunds, totaling \$241,333.21. On a motion by Mr. Fleming, seconded by Mr. Morris, the Committee unanimously approved the refunds of contributions to be paid October 31, 1982.

The Secretary presented the report of Deposits, Disbursements and Investments noting that as of the end of September there was a total of \$462,019,541.02 in cash and equivalents.

The Secretary presented one (1) Chicago Transit Authority bill, totaling \$45,156.71; six (6) Operating Bills, totaling \$39,860.33; and, eight (8) remittances, totaling \$293,753.61. On a motion by Mr. Bianchi, seconded by Mr. Kasmer, the Committee unanimously approved payment of the bills and remittances in the amount of \$378,770.65.

The Secretary submitted for approval twenty-seven (27) Death Benefits, totaling \$57,000. The comparison figures for the same period of time one year ago were thirty-five (35) Death Benefits, totaling \$83,000. On a motion by Mr. Fleming, seconded by Mr. Kasmer, the Committee unanimously approved payment of the Death Benefits, as per the attached list.

The Secretary asked Mr. O'Connor to bring the Committee uptodate regarding the status of the case surrounding Ms. Constance Brabec, the Security Department employee who resigned, withdrew her pension contributions, was reinstated and failed to reimburse the Plan within the 90-day period as provided in Rule 21. Mr. O'Connor presented to each Committee Member a copy of a resolution for all Security Department personnel who might return to the services of the Authority. A discussion ensued between the Committee Members and the Plan Attorney who suggested that Rule 26 be modified to handle this situation.

Messrs. Brown and Kasmer brought up the case of Clarence Murtaugh who had been trying for a number of years to reimburse the

Plan for monies refunded to him due to several lay-offs and rehires. The Secretary stated that this was an entirely different situation and noted that the Plan has never permitted bridging of service or buying back time.

The discussion continued during which Mr. O'Connor noted that two Security Department employees had been returned to duty. The Secretary stated that if this was true the Labor Relations Department was supposed to notify the Secretary's Office at the time of reinstatement in order that his office could keep their records up to date and asked that this be done henceforth.

The Secretary made a motion that the Committee ask Plan Counsel to draft a Modification of Rule 26 that will provide for a discontinued Security Department employee, who has been reinstated by the Authority, to return the Retirement Contributions. The motion further recommended that there be a program of repayment included which required either a \$100 minimum monthly payment, or 5% of the total refund, and a maximum repayment time of five (5) years. Mr. Hall seconded the motion and the Committee unanimously agreed.

The Secretary brought to the Committee's attention the Proposed Rule 27 which had been given to them at the previous meeting for their perusal. The Plan Attorney stated that Rule 27, which was the Definition of a Temporary Employee, had been prepared based on discussion with individuals at the Authority and Labor in terms of how to define a temporary employee. He noted that there is no such definition in the Plan at the present time. Further, he explained that the rule is designed to recognize those temporary

employees who are employed not on a permanent or continuous basis and are, therefore, classified by the Authority as temporary employees. On a motion by Mr. Bianchi, seconded by Mr. Ashley, the Committee unanimously approved the adoption of Rule 27. (A copy of which is attached to these minutes).

The Secretary asked Mr. Lemm to give an updated report on the availability of space for the Pension Section. Mr. Lemm read a letter, dated October 13, 1982, written by Mr. R. Wood, which contained his recommendation that the Pension Section be relocated to the space which is currently housing the Travel Information Department if and when it became available.

The Secretary reported that Loyce Wright, who retired August 1, 1981, had returned to duty on October 5, 1982.

The Secretary turned the Committee's attention to the case of Mr. T. J. Murtaugh noting that Mr. Murtaugh and his union has asked from time to time about bridging of service, for which there are no provisions in the Plan. The Secretary went over the history of employment on this individual, a copy of which was given to each Committee Member as part of the pass-out material. At the request of the Secretary, the Plan Attorney explained the circumstances surrounding Mr. Murtaugh's resignations and withdrawals of retirement funds. He noted, however, that the Committee has no power to change the Plan which is the only way an individual could be allowed to buy back service. The Plan Attorney further stated that the Committee only has the power to interpret and adopt rules for situations which are not outlined in the Plan, such as the adoption of Rule 26 for Security Department personnel who were determined to be

"discontinued". In Mr. Murtaugh's case, he resigned and withdrew his funds. The only way a situation of this type can be resolved is during negotiations between Labor and Management. A discussion ensued during which the Secretary stated that he would write directly to Mr. Murtaugh and provide Mr. Kasmer with a copy of the letter.

The Secretary turned the Committee's attention to the case of John W. Johnson and explained the circumstances involved. He informed the Committee that after discussion with the Plan Attorney it was determined that Mr. Johnson continue to receive Disability Retirement Benefits until the Industrial Commission makes a determination as to whether or not the individual's injury was or was not work related. The Plan Attorney elaborated on the subject and stated he concurred with the decision to wait for the determination from the Industrial Commission.

The Secretary informed the Committee that Mr. Sam Miller, who retired on April 1, 1980, had been rehired as a full-time, permanent employee by the Authority on October 5, 1982. The Secretary noted that Mr. Miller had been taken off the Retirement rolls. He further stated that in the event Mr. Miller retired again he will not gain any additional benefit, as he is over 65, he would receive the same monthly benefit he was receiving prior to rehire.

The Secretary reminded the Committee of the Special Meeting on Monday, November 1, 1982, at 8:30 A.M.

Mr. Scholz asked about the letter to be sent to all pensioners informing them of the new Withholding Tax for Pensioners. The Secretary informed Mr. Scholz that the matter was currently under perusal

by the Plan Attorney's office and the mailing would be in the near future.

Mr. Brown asked if the Benefacts Statement would be sent out to employees. The Secretary asked Mr. Lemm to respond to the question. Mr. Lemm informed the Committee that it was the Executive Director's decision that, in view of the budget restraints and the fact that the report could not be developed prior to year end 1982, the 1981 report would not be processed.

There being no further business, on a motion by Mr. Fleming, seconded by Mr. Kasmer, the Committee unanimously agreed to adjourn at 12:33 P.M.

SECRETARY
RETIREMENT ALLOWANCE COMMITTEE

CHAIRMAN
RETIREMENT ALLOWANCE COMMITTEE

DATED _____