

CHICAGO PUBLIC SCHOOL

RESOLUTION AUTHORIZE PAYMENT OF PREMIUM FOR CHICAGO MUNICIPAL AND LABORERS RETIREES

... pensioners participating in the ...
... Pensioners Retirement Board Employee and ...
... en allowed under the governing

WHEREAS, since 1993, the Chicago Board of Education has authorized an increase in the medical insurance premiums for Chicago Public Schools, Municipal Employees' Annuity and Benefit Fund of Chicago and the Laborers Annuity and Benefit Fund of Chicago (the "Funds"), which would have been in accordance with the existing contract terms;

... pensioners participating in the Funds;

WHEREAS, for the past several years, premiums paid by the pensioners for the medical insurance plan have been substantially lower than the cost of coverage for the medical insurance plan of the Funds; and

... medical insurance plan have been substantially lower than the cost of coverage for the medical insurance plan of the Funds; and

... During this period, the special costs of the coverage have exceeded the premiums paid by the pensioners in an amount exceeding \$3,200 per person for the Medicare eligible members covered by the medical insurance plan of the Funds; and

... the cost of the medical insurance plan of the Funds exceeds the

WHEREAS, in the

December 2001 in the amount of \$2.2 million and

WHEREAS, Chicago Public Schools has been considered the financial guarantor of the medical insurance plan of the Funds and therefore has undertaken the necessary fiscal actions to ensure that it has the ability to fund the plan to the extent that premium payments have failed to keep pace with costs during the past several years; and

... has been appropriately budgeting and accounting to such that Chicago Public Schools has the financial capacity to pay the current deficit; and

WHEREAS, Chicago Public Schools has been unable to meet its obligations during the past several years and has

... Schools has been evaluating the legal requirements of the plan and

WHEREAS, Chicago Public

... appropriate alternative plan design options in discussions with representatives of the Funds; and

WHEREAS, Chicago Public Schools must approve premium increases and plan design changes prior to giving notice to the pensioners participating in the medical insurance plan of the Funds; as well as providing

notice that Chicago Public Schools has no legal obligation to provide financial support for the medical insurance plan of the Funds.

NOW THEREFORE, BE IT HEREBY RESOLVED BY THE CHICAGO BOARD OF EDUCATION THAT:

1. The Board of Education of the City of Chicago will pay the past accumulated deficit for the medical insurance plan for the Funds of \$8.8 million and the projected additional deficit of \$2.2 million estimated to accumulate through December 2001.
2. The Board of Education of the City of Chicago will promptly notify the pensioners in the Funds of any medical coverage modifications or premium increases for the medical insurance plan of the Funds.

... ce plan on a cost-effective, financially sound

... developing a plan design that will place the medical insurance basis in the future.

... d to execute any agreements

4. The Chief Fiscal Officer and General Counsel are authorized to execute any agreements necessary to effectuate this resolution.

... tion is effective immediately upon execution

... this resolution