

COOK COUNTY, ILLINOIS
NOTES TO BASIC FINANCIAL STATEMENTS
November 30, 2018

Tier 1 participants, and the lesser of 3.0% or one half of the increase in the Consumer Price Index for Tier 2 participants.

If a covered employee leaves employment without qualifying for an annuity, accumulated employee contributions are refundable with interest (3% or 4% depending on when the employee became a participant).

Employees covered by benefit terms. At November 30, 2018, the following employees were covered by the benefit terms:

Inactive employees and beneficiaries currently receiving benefits	18,217
Inactive employees entitled to benefits, but not yet receiving them	14,624
Active employees	<u>20,349</u>
Total plan membership	<u><u>53,190</u></u>

Contributions. The Plan is a single employer defined benefit pension plan with a defined contribution minimum. Illinois Compiled statutes (40 ILCS 5/9-169) establishes the contribution requirements of the County and may only be amended by the Illinois legislature. The County is required to levy a tax at a rate not more than an amount equal to the total amount of contributions by the employees to the A & B Plan made in the fiscal year two years prior to the year for which the annual applicable tax is levied, multiplied by a factor of 1.54.

For the year ended November 30, 2018, employees were required to contribute 8.5% (9% for County Police) of their salary to the A & B Plan, subject to the salary limitations for Tier 2 participants in 5/1-160 of the ILCS. The County's actual contributions to the A & B Plan for pensions were \$516.5 million. Contributions legally due to the A & B Plan for the County's FY 2018 pension contributions are reported as a payable to the A & B Plan in governmental activities, business-type activities and the CCHHS enterprise fund. Amounts remitted to the A & B Plan during FY 2018 represent collections of the FY 2017 levy and personal property replacement taxes ("PPRT") collected during FY 2018.

In addition, on October 28, 2015, the Cook County Board authorized an Intergovernmental Agreement with the Cook County Officer and Employees Annuity and Benefit Fund ("Pension Fund") to establish a mechanism by which the County can disburse additional funds to the Pension Fund, from the County's Retailers' Occupation and Services Occupation Tax. The Pension Fund can receive these funds from the County, independent and in addition to the sums provided for in Sections 9-169 of Illinois Pension Code (40 ICS 5/9-169). The County Board authorized a sum of \$353.4 million in the County's FY 2018 Appropriation Bill for this additional payment and the entire amount was remitted to the A & B plan during FY 2018. This amount is included as a deferred outflow of resources in governmental activities, business-type activities and the CCHHS fund financial statements as the contribution was made subsequent to the measurement date of the net pension liability.