



CHICAGO POLICE DEPARTMENT

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Jody P. Weis, *Superintendent of Police*

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The City of Chicago and the Fraternal Order of Police, Chicago Lodge No.7 have worked together and reached an agreement that will allow implementation of a new retiree health care benefit that is mutually beneficial to the City, the Department, the Lodge and its members. This benefit will permit police officers who retire between the ages of 55 and 59 to continue to participate in the City's health care plan for active employees and allow the City substantial savings now and in the future.

This agreement is beneficial for all parties involved. Through a significant number of early retirements subject to an extended payment schedule, the City will generate significant savings in police personnel costs now, and in the future. A substantial number of early retirements will also increase the number of promotional and professional opportunities for the next generation of leadership. Finally, officers who avail themselves of this benefit will be in a position to retire without shouldering the heavy burden of health care premium costs immediately upon retirement.

In order for this agreement to come to a realization, two conditions must be attained. First, there is a minimum employee participation requirement. In 2009, there must be 160 retirees, 130 retirees in 2010, and 100 retirees in 2011 and thereafter. Secondly, the benefit will require final compensation of retirees to be spread over four years.

The average annual per employee cost of health care benefits is \$8,900. This is a direct benefit to the retiree. The City will generate significant savings in police personnel costs and by spreading out the payment of each retiree's final compensation.

Salary savings cover the cost of this health care benefit, regardless of whether a police recruit replaces the retiring officer. The final compensation paid to the retiring police officers is money that is already owed to them. The benefit does not include any "new money" incentives, such as severance packages or benefit enhancements, and generates savings through economies of scale and an extended payment plan.

By reaching this agreement, many more officers can now retire without having the burden of health care premium costs. Early retirements will result in a demographic shift within the Department and allow the next generation of leadership to emerge. To those members able to take advantage of this new benefit, I congratulate you and wish you well. To those remaining members, I encourage you to continue to strive to meet the CORE principles of the Chicago Police Department as you have done in the past, while serving and protecting the citizens of Chicago.

A handwritten signature in cursive script, appearing to read "J. Weis".

Jody P. Weis
Superintendent of Police