

Pension News

TRUST.
INTEGRITY.
STABILITY.

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TEACHER TRUSTEE ELECTION



CTPF Teacher Trustee Election will be Friday, November 9, 2012

The CTPF Teacher Trustee Election will be conducted in schools and at other designated polling places on Friday, November 9, 2012. Teachers and other active contributors will elect two trustees to serve three-year terms from November 2012 – November 2015.

TRADITIONAL VOTING

Most schools will conduct voting with traditional paper ballots. Pension Representatives will establish polling places and conduct elections in each Chicago Public and Charter school on November 9. Polls will be open within the hours of 7:00 a.m. to 11:00 a.m. If a school does not hold an election, teachers may vote in a neighboring school or at the CTPF office at 203 North La Salle Street, suite 2600, from 10:00 a.m. – 4:00 p.m., or the Chicago Teachers Union Office, 222 Merchandise Mart Plaza, suite 400, from 8:00 a.m. – 11:00 a.m.

ONLINE VOTING PILOT PROGRAM

CTPF will pilot an online voting program in Track E and Charter Schools this fall. Eligible schools were offered a choice to cast ballots online or on paper in 2012. Schools which selected online voting will conduct elections in schools on Friday, November 9, using CPS registered computers. Votes cannot be cast from a personal laptop or hand-held device.

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EXECUTIVE DIRECTOR'S LETTER



Kevin B. Huber, executive director

This fall CTPF welcomed more than 1,800 new pensioners to our rolls – the largest number of retirees since 2007.

We now have about 30,000 active members supporting 27,500 retired members. When I started working at CTPF in 1999, active members outnumbered retirees by a ratio of 2:1. In a little more than a decade, the ratio has fallen to nearly 1:1, and the talk of school closings and consolidation could accelerate this trend.

The news about the increase in retirees got me thinking, and I started to flip through old financial reports to compare stats from 1999 – and they're no less surprising.

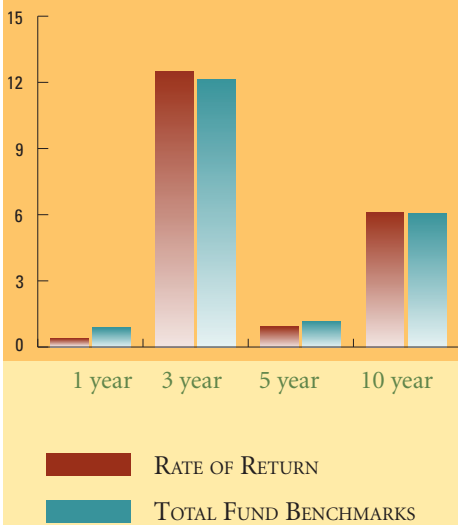
CTPF paid \$373 million in benefits to members in 1999; that number soared to more than \$1 billion in 2011. Our fund boasted 100% funding in 1999 compared to our current 59%. In the "we didn't think it could get worse category," the State of Illinois allocated CTPF about 11 cents for every

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CTPF FINANCIAL SNAPSHOT

CTPF RETURN ON INVESTMENTS
June 30, 2012

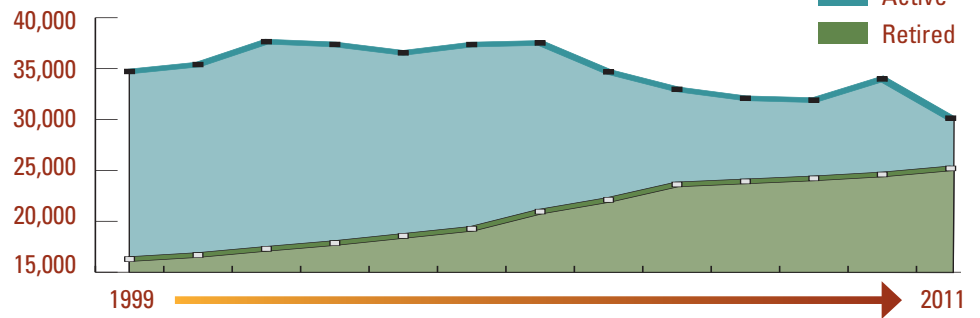
	RATE OF RETURN	TOTAL FUND BENCHMARKS
1 year	.40%	.87%
3 year	12.51%	12.11%
5 year	.92%	1.17%
10 year	6.10%	6.06%



As of June 30, 2012, the approximate current value of CTPF's investments was \$9.4 billion.



CTPF RETIRED MEMBERS V. ACTIVE MEMBERS



dollar it spent on the downstate and suburban teachers (TRS) in 1999 – today we receive less than a penny for every dollar spent on TRS.

The comparisons aren't meant to be nostalgic – but to be pragmatic. Today's fund is very different from the organization I joined in 1999. Where once upon a time our trustees concentrated on investing funds and paying benefits, we have seen an evolution in our roles. Today, we invest, pay benefits, and must look for ways to stabilize our fund's revenue. We now spend a substantial amount of time educating lawmakers about the need for fair funding for Chicago's teachers, and frankly, we struggle to raise our voice among a chorus of organizations competing for limited state resources.

Standing up and speaking out has been an important theme for our fund this past year. Since January, our Pension Law and Rules Committee has met monthly with stakeholder groups to develop a united approach for educating our Illinois lawmakers about CTPF pensions. The committee has worked to share information about the important role that pensions play in providing financial security for our members who do not contribute to Social Security, and highlighted the \$1.72 billion in economic activity that pensions generate for our state. We have reinforced our message that funding problems, not overly generous benefits, have caused the current financial difficulty we face.

Our education and advocacy efforts were supported by our members who took part in successful a CTU-sponsored lobby day in Springfield, and the testimony CTPF offered before both the Illinois House and Illinois Senate this past spring. We are making our case for equitable funding loud and clear.

The importance of advocacy became clear this fall as I watched a sea of red shirted teachers stream past our windows on the way to demonstrations during the strike. The teachers reminded us that while our Fund's resources may be limited, our members' energy is not. We hope the lessons learned from the strike can be applied to the next battle – the fight for fair funding and stable pensions for Chicago's teachers.

As we look forward to the fall veto session and turn our sights to Springfield, we know that we will need to call upon our membership to teach a tough lesson – educating our legislative leaders about the importance of fair funding for Chicago's teachers.

We've taken steps to support our members' advocacy efforts, and one important development this past year was our education and advocacy page at www.ctpf.org. This page offers options for educating yourself and others about issues which impact the fund and your retirement security. I encourage you to find us online and seek ways to stay involved. Meeting your legislators in person, and letting them know that pensions matter to teachers, may be the most important step you can take to ensure your future pension security.

Chicago's teachers have faithfully funded their pensions and contributed towards retirement from every paycheck for the past 117 years. It's time for the state and our employer to do the same. We hope you'll join us in sharing this important lesson this fall.

Kevin B. Huber, executive director

PRINCIPAL TRAVLOS JOINS CTPF BOARD OF TRUSTEES



Principal Jerry Travlos was sworn in as Principal/Administrator trustee at the CTPF Board of Trustees' meeting on Thursday, August 16, 2012. Trustee Travlos will represent active principals and administrators through November 2013.

The appointment fills a vacancy created by the retirement of Trustee Chris N. Kotis who had served as principal/administrator trustee since November 2007.

Trustee Travlos has been with the Chicago Public Schools for nearly 20 years, and has served as a principal at Smyser Elementary School since 2003. Travlos holds a B.S. degree from Loyola University

and a M.Ed. degree in bilingual and bicultural education from Chicago State University. He has also done post-graduate work in educational leadership at DePaul University where he is an adjunct faculty member. Travlos is a member of the Chicago Principals and Administrators Association and the Association for Supervision and Curriculum Development. A lifelong resident of Chicago, he is married and has two sons.

"I am happy to welcome Mr. Travlos to the Board of Trustees, and we all look forward to working with him," said Kevin B. Huber, CTPF executive director. "We also want to thank Mr. Kotis for his many years of service in the schools and as a CTPF Trustee. We wish him a wonderful retirement."

Polls will be open from 7:00 a.m. – 5:00 p.m. for online voting.

"We are excited to offer the online voting pilot this year," remarked Frances Radencic, election coordinator. "Voting online will simplify election day for Pension Representatives and teachers, and offer long-term savings for the pension fund. We hope to expand the program over the next two years, and plan to offer this option to all schools within three years." Members interested in finding out more about the online voting process can visit the election central page at www.ctpf.org.

ABSENTEE VOTING

Teachers who will not be available to vote on November 9 may request an absentee ballot. Absentee ballot requests must be submitted no later than October 9, 2012.

ADDITIONAL INFORMATION

Detailed procedures and policies for the trustee election are contained in the *Election Policies and Procedures Handbook* available at www.ctpf.org. Absentee ballot requests can be found on CTPF's election central page at www.ctpf.org or by calling the CTPF Election Team at 312.604.1400 and select option 2.

STAY INFORMED
REGISTER FOR CTPF E-LETS
AND E-NEWS AT WWW.CTPF.ORG
LIKE US ON FACEBOOK FOLLOW US ON TWITTER

SUMMER SCHOOL LESSONS

Chicago teachers and retirees went back to school this summer for an important lesson on pensions. The Chicago Teachers Union organized and hosted four member advocacy and education seminars on August



CTPF members went back to class in August to learn about pensions and the importance of advocacy efforts.

7th and 8th in the CTU office. More than 100 members and retirees attended.

The meetings began with a "pension primer" designed to help retirees and active members understand the key issues currently facing the pension fund, and went on to discuss options and strategies for sharing information with elected representatives.

Attendees received talking points and printed materials designed to facilitate meetings with their individual legislators the week of August 13.

Members who did not attend, but would like additional information or tips on contacting legislators can find information on the CTPF Member Education and Advocacy page at www.ctpf.org.



"I really thought the presentation was excellent. We learned a lot about pensions and how to communicate with our elected representatives. I believe we need to do everything we possibly can to plainly state that we earn our pension through many years of service – it is not a gift," commented retiree Betty Cittadine, pictured above.

Your pension is one of the most important factors in your future financial security. So how much do you know about your fund and your benefits?



Test your knowledge and learn more by reviewing the answer key on page 5. You could even win a prize just for trying...(see page 5 for details).

1. True or False: CTPF is the oldest pension fund in Illinois.

2. True or False: CTPF is governed by the Chicago Board of Education.

3. About how many active members contribute to CTPF?
a. 20,000
b. 50,000
c. 30,000

4. CTPF has about ___ in assets.
a. \$5 billion
b. \$9 billion
c. \$1 trillion

5. Approximately what percentage of CTPF active contributors are women?
a. 22%
b. 59%
c. 76%

6. True or False: changes in the stock market can impact your monthly pension income.

7. Most CTPF retirees are between the ages of ___ and ___.
a. 55 and 65
b. 60 and 79
c. 75 and 90
d. 45 and 60

8. The oldest CTPF retiree was ___ in 2011.
a. 108
b. 105
c. 125
d. 99

9. How much was the average annual pension benefit in 2011?
a. \$41,500
b. \$71,000
c. \$95,000
d. \$125,000

10. True or False: The fund paid out more than \$1 billion in benefits in 2011.

11. The average CTPF member retires with ___ years of service.
a. 40
b. 28
c. 20
d. 35

12. The number of CTPF retirees has increased more than ___ percent since 2001.
a. 20%
b. 50%
c. 150%
d. 200%

13. True or False: CTPF's funded ratio was 59.7% in 2011.

14. True or False: In its 117 years of operation, CTPF has never missed a pension payment.

15. True or False: CTPF members do not contribute to Social Security during employment or receive Social Security benefits when they retire.

16. CTPF receives most of its revenue from four sources: employer contributions, employee contributions, the State of Illinois, and investments. Which source of revenue is the largest:
a. State of Illinois
b. Employer
c. Employee
d. Investments

17. True or false: CTPF receives less than a penny for every dollar the State of Illinois appropriates to downstate/suburban teachers (TRS).

18. True or False: A \$1 investment in CTPF, made at the beginning of the 2002 fiscal year, would be worth \$1.65 at the end of the 2011 fiscal year.

19. True or False: Pensions have a negative financial impact on the State of Illinois Economy.

20. True or False: CTPF Retirees must pay for their post-retirement health insurance.

Answer Key

1. TRUE. The Illinois Legislature passed a law allowing for the establishment of a Public School Teachers' Pension and Retirement Fund on July 1, 1895. The Board of Trustees for the fund was organized the following November, and the first applications for pensions were accepted in March 1896.

2. FALSE. One common misconception is that CTPF is a unit of the Board of Education. The fund is an independent entity, established and governed by the statutes of the State of Illinois. A 12-member board of trustees has fiduciary responsibility for the fund. The board includes 6 representatives elected by active teachers, 3 representatives elected by pensioners, 1 representative elected by the principals/administrators and 2 appointees from the CPS Board of Education.

3. C. About 30,000 active members contribute to the fund, and more than 27,500 beneficiaries receive pensions.

4. B. As of June 30, 2012, the approximate current value of CTPF's investments was \$9.4 billion.

5. C. Approximately 76% of CTPF active members and 70% of beneficiaries are women.

6. FALSE. The Chicago Teachers' Pension Fund is a defined benefit (DB) retirement plan. Your pension provides a specific monthly benefit determined by a formula based on salary and service credit. CTPF pensions do not lose value or change with market conditions. Once you are vested in CTPF you qualify for a lifetime benefit.

7. B. 60 and 79. More than 70% of CTPF retirees are between the ages of 60 and 79.

8. A. 108. The oldest pensioner retired in 1968 and reached age 108 in 2011.

9. A. The average annual pension benefit in 2011 was \$41,584.

10. TRUE. Total benefits paid in 2011 climbed above \$1 billion for the first time in the history of the fund. Total benefit payments have increased nearly 110% in the past 10 years, from \$502 million in 2002 to \$1.05 billion in 2011.

11. B. The average CTPF member retires with 28 years of service.

12. B. The number of retirees increased more than 50% in the last 10 years. Including the most recent retirees from this past June, CTPF now supports more than 27,500 beneficiaries.

13. TRUE. Our funded ratio was nearly 100% in 2005 and has declined steadily since that time. It fell below 60% in 2011 and is expected to decline further.

14. TRUE. In spite of recessions, the great depression, two world wars and countless other historical and economic events, CTPF has never missed a pension payment.

15. TRUE. CTPF members do not contribute to Social Security during employment or receive Social Security benefits when they retire. A pension is the primary source of a members' retirement security. The normal Social Security

contribution is 6% of salary – but CTPF members contribute 9% of their earnings toward retirement.

16. D. INVESTMENTS. Investment income made up approximately 84% of CTPF revenue in 2011, followed by Employee contributions (7.4%), and Employer contributions (6.5%).

17. TRUE. State support for CTPF has fallen in recent years. CTPF received a 2012 appropriation of \$10.9 million from the State of Illinois while TRS received \$2.7 billion. CTPF represents about 18% of the teachers in Illinois but receives less than 1% of the revenue allocated by the state for teachers' pensions.

18. TRUE. The fund is a long-term investor and returns are more significant over time.

19. FALSE. A 2012 study by the National Institute on Retirement Security found that in the State of Illinois, each \$1 paid out in pension benefits supported \$1.72 in economic activity.

20. TRUE. CTPF offers comprehensive group health insurance for members who must pay for their coverage after retirement (many do not qualify for "free" Medicare Part A). The fund offers a health insurance premium subsidy to help offset insurance costs, but it is limited to \$65 million per year. Due to spending limits, CTPF was recently forced to cut benefits to retirees and the amount will continue to decline unless the cap is raised.

ADD YOUR SCORE AND LEARN MORE....

Give yourself one point for each correct answer. **18-20:** Pension Master: you know it all – so share your knowledge and educate others. **16-17:** Pension Expert: you've been reading and staying up-to-date – keep up the good work. **Less than 17?** Time to learn more about your pension fund. Start by visiting the Education and Advocacy page at www.ctpf.org. **How did you do?** Send an E-mail to editor@ctpf.org with your score (any score!) and contact information. We'll enter your name in a drawing for an Amazon gift card. Winner will be notified by E-mail. Entries must be received by October 15.



CTPF CALENDAR

CTPF Board of Trustees meetings, held in the CTPF office are open to the public. Confirm the meeting times and dates at www.ctpf.org.

OCTOBER

- 1 5:00 p.m. Nominating petitions due for candidates applying for Teacher Trustee Election
- 8 Columbus Day, office closed
- 9 Last Day to request an absentee ballot, see page 3 for info.
- 18 9:30 a.m.
CTPF Board of Trustees Meeting

NOVEMBER

- 9 CTPF Teacher Trustee Election held in schools
- 12 Veterans Day, office closed
- 20 9:30 a.m.
CTPF Board of Trustees Meeting
- 22-23 Thanksgiving holiday, office closed

DECEMBER

- 13 9:30 a.m. CTPF Board of Trustees Meeting (tentative)
- 25 Christmas Day, office closed

JANUARY

- 1 New Years Day holiday, office closed
- 21 Martin Luther King, Jr. birthday observed, office closed

OFFICE/MAILING ADDRESS

Chicago Teachers' Pension Fund
203 North LaSalle Street, suite 2600
Chicago, Illinois 60601-1231

312.641.4464 p. 312.641.7185 f.

www.ctpf.org

memberservices@ctpf.org

Office hours:

FIELD SERVICE UPDATE

After an extremely busy year guiding and supporting more than 1,800 members who navigated their way through the retirement process, the Field Service team has begun to gear up for a round of in-school visits this fall. The in-school seminars are designed to help ensure that all Chicago teachers are well educated about their CTPF benefits.

This year the Field Service team will add additional regional member informational workshops to the calendar. "We decided to add more regional workshops after reviewing the feedback from our May 2012 Pension Representative Survey," explained Sheron Banks Fallis, manager, Member Services. "The overall consensus from those who responded is that the service we provide has been valuable and well received. Most respondents felt it was important to continue the on-site visits, but many also suggested more regional/group workshops, and we want to accommodate that request."

The veteran Field Service team: Jackie Umbles, Sharlean Brooks, Bill McGowan, and Mark Kravets will be joined by two new members, Mary McFarland and Michael Lopushonsky. McFarland worked for over 20 years as a high school teacher, counselor, and administrator. Lopushonsky worked for CPS for 36 years as a special education teacher, librarian, and a computer lab instructor.

Please contact the Field Service department at 312.604.1400 to schedule a school visit, and watch your mail for your invitation to a regional workshop in your area.



Mary McFarland and Michael Lopushonsky recently joined the Field Service team.

2012 PENSION REP LUNCHEON



June 16, 2012, nearly 80 Pension Representatives attended CTPF's first annual Pension Representative Luncheon at the University Center in Chicago.

During the event, retiring Pension Reps were recognized for their service to the fund, and new pension representatives were introduced.

"We really appreciate the work our Pension Reps do throughout the year and this was our way of saying thank you," explained Sheron Banks-Fallis, manager, Member Services.

Pension Representatives serve as an important link between the fund and members. If your school doesn't have a pension representative and you would like to serve, please contact Sheron Banks-Fallis at 312.604.1400.

TIPS FROM THE FIELD...CHANGE OF ADDRESS NOTIFICATION



Field Service Representative Jackie Umbles offers this advice for members planning to move to a new address...

"If you're planning to move, first of all, remember to notify CTPF **and** your employer. You can download CTPF Form 107 from our website and fax, mail, or E-mail it back to our office. Even if your moving date is months away, you can send in the form as soon as you have your new information. Just make

sure you enter an "effective date," and we will switch to your new address on the date you indicate. Some members think that you have to wait until you move, but you don't. Let us know – the sooner the better."

LEGISLATIVE UPDATE

RETURN TO WORK LAW SIGNED

August 8, 2012, Governor Pat Quinn signed Public Act 97-0912 which changes the return to work portion of the Illinois statutes regulating CTPF. The law, effective immediately, outlines the circumstances under which a retiree may return to work for a Chicago Public or Chicago Charter School employer without having a pension cancelled. CTPF has revised forms and information in compliance with this law. Updates are available at www.ctpf.org.

SPRING EDUCATION AND ADVOCACY EFFORTS

Spring Lobby Day

May 16, 2012, CTPF members participated in a joint lobby day effort with the Chicago Teachers Union, The Retired Teachers Association of Chicago, and the Chicago Principals and Administrators Association. Two busses filled with active and retired members traveled to Springfield to call attention to the issue of fair funding for CTPF pensions.



Testimony

Executive Director Kevin B. Huber offered testimony in subject matter hearings before the Illinois Senate Pension and Investments Committee on April 18, 2012, and before the Illinois House of Representatives Personnel and Pensions Committee on May 8, 2012. The testimony explained in detail why CTPF's funding ratio has eroded, offered information about CTPF's legislative priorities, and called for fair funding. The testimony can be found on the Education and Advocacy page at www.ctpf.org.

SPECIAL SESSION ADJOURNS WITHOUT ACTION ON PENSIONS

The August 17, 2012, special legislative session adjourned without taking any action on pension "reform." Several proposals are circulating in Springfield, and additional action could be considered this fall. Register for E-mail updates to stay informed about current issues and legislation (see below).

EDUCATION AND ADVOCACY ONLINE

Last January, CTPF established a member education and advocacy page at www.ctpf.org to serve as a clearinghouse for information about CTPF and legislative action which may impact members.

The page includes PDF documents for member education and advocacy, a summary of current legislative priorities, and information to use when contacting legislators. You can also register for E-mail and social media updates. Staying informed and engaged is the best way to ensure your future pension security.

ABCs OF PENSION FUNDS: UNDERSTANDING THE ACRONYMS

There are more than 600 public pension systems in Illinois, and that makes for an alphabet soup of acronyms. Here's a quick review of some of the funds you may hear referenced:

The **Chicago Teachers' Pension Fund (CTPF)**. Our fund is the oldest pension fund in Illinois, and includes members employed in the Chicago Public and Charter School systems. CTPF is governed by an independent Board of Trustees.

Chicago Public School System (CPS) Board of Education. The primary employer for most CTPF members.

STATEWIDE PENSION FUNDS

There are five statewide pension funds. These systems are all separate from CTPF and each has its own governing agency.

- **Teachers Retirement System of the State of Illinois (TRS)**. TRS includes 362,121 members from multiple employers who serve downstate/ suburban teachers (non-Chicago teachers).
- **State University Retirement System (SURS)**. SURS serves 212,000 members through 65 Illinois employers including public universities, community colleges, and other affiliated state agencies.
- **State Employees Retirement System (SERS)**. SERS serves 125,000 State of Illinois active and retired employees.
- **General Assembly Retirement System (GARS)**. GARS serves 266 total active and inactive members of the Illinois General Assembly.
- **Judges' Retirement System (JRS)**. JRS serves approximately 984 active and retired judges.

CITYWIDE PENSION FUNDS

Employees of the City of Chicago may participate in one of four pension funds:

- **Municipal Employees' Annuity & Benefit Fund of Chicago (MEABF)**
- **Laborers' & Retirement Board Employees' Annuity & Benefit Fund (LABF)**
- **Policemen's Annuity & Benefit Fund (PABF)**
- **Firemen's Annuity & Benefit Fund (FABF)**

OTHER FUNDS

Illinois Municipal Retirement Fund (IMRF) provides pension benefits to local government employees and school districts (except Cook County) in Illinois. IMRF serves about 181,000 active members and 92,000 pensioners in nearly 3,000 governmental units.

CTPF	SURS	JRS	PABF
CPS	SERS	MEABF	FABF
TRS	GARS	LABF	IMRF



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**CTPF BOARD OF TRUSTEES'
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To provide, protect, and enhance the present and future economic well being of members, pensioners and beneficiaries through efficient and effective management of benefit programs, investment practices and customer service, and to commit to earning and keeping the respect and trust of the participants through quality service and by protecting retirement benefits, in compliance with applicable laws and standards.

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