

Pension News

TRUST.
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Issue Highlights

State of the Fund Webinar

Learn more about the state of the Fund and legislation that could impact your pension at the next CTPF webinar on November 19, 2013. **3**

Pension Resource Specialist Review

A recap of seminars, webinars and 2013-2014 plans for the Field Service Team. **4**



News Briefs:

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Ambassador Update

One year after the program launched, Ambassadors are making an impact. **6**



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TEACHER AND ADMINISTRATOR ELECTIONS UPDATE

CTPF scheduled an election for two Teacher Trustees and one Administrator Trustee on November 8, 2013. Candidate petitions for these elections were due on October 1. Two candidates submitted petitions for the Teacher Trustee positions and one candidate submitted petitions for the Administrator Trustee position. Since the number of candidates did not exceed the open positions, the certified candidates were declared elected. The Teacher and Administrator elections scheduled for November 8 have been cancelled.

TEACHER AND ADMINISTRATOR TRUSTEES ELECTED

Jeffery Blackwell and Bernie Eshoo were re-elected Teacher Trustees. Jerry Travlos was re-elected Administrator Trustee. Blackwell, Eshoo, and Travlos will be re-installed at the November 21, 2013, CTPF Board of Trustees meeting, and will serve three-year terms from November 2013 – November 2016.

PENSIONER TRUSTEE ELECTION

Seven candidates were certified to run for three positions in the November 8, 2013, Pensioner Trustee election. Candidates, listed in alphabetical order are: **Robert F. "Bob" Bures, Elizabeth "Betty" Cittadine, Patricia "Pat" Knazze, Lois Nelson, Walter E. Pilditch, Mary Sharon Reilly, and Jack Silver.**

The Pensioner Trustee Election will be conducted by mail ballot. Ballots will be mailed to eligible voters on October 15, and must be postmarked by Friday, November 8, 2013, to be included in the final tabulation.

Continued on page 3 ►

EXECUTIVE DIRECTOR'S LETTER



Kevin B. Huber,
executive director

It's one thing for CTPF to explain the impact of our employer skipping pension payments for more than a decade — but it's another to get confirmation from an independent, neutral, and objective organization — and that's why a recent report from the Center for Tax and Budget Accountability (CTBA) came as a refreshing and welcome addition to the pension dialogue.

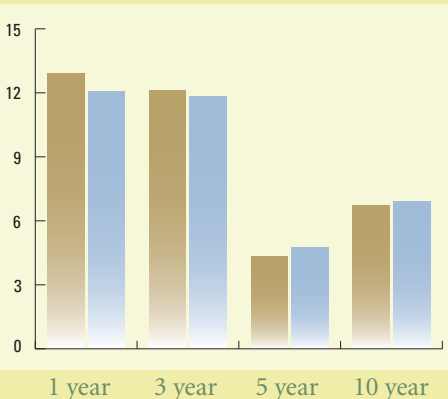
The CTBA, a nonprofit, independent research and advocacy think-tank committed to ensuring that tax, spending and economic policies are fair, conducted an objective and exhaustive review of the CPS 2014 budget. Their research determined that the financial challenges facing CTPF can be attributed to nearly 20 years of short-sighted decisions involving diverted tax levies and General

Continued on page 2 ►

CTPF FINANCIAL SNAPSHOT

CTPF RETURN ON INVESTMENTS June 30, 2013*

	RATE OF RETURN	TOTAL FUND BENCHMARKS
1 year	12.89%	12.05%
3 year	12.12%	11.84%
5 year	4.32%	4.73%
10 year	6.72%	6.92%



RATE OF RETURN
 TOTAL FUND BENCHMARKS

As of June 30, 2013, the approximate current value of CTPF's investments was \$9.7 billion.

* preliminary, unaudited returns



Assembly-approved, skipped or reduced contributions by Chicago Public Schools — not from benefits now paid to retired teachers or promised to future ones.

While CPS blames the lack of pension reform in Springfield as the cause of its budget woes, the report counters with the fact that the district has been well aware of the impending increases in pension payments. Further, CTBA said that, while it's the responsibility of the employer to pay the annual interest cost of the unfunded liability, CPS' only action has been an attempt to extend its pension holiday for two more years — a move that would have further eroded CTPF's funding status.

While underfunding is the primary cause of our financial woes, we also know that the State of Illinois has played a role in our situation. When we lost our tax levy in 1995, the state agreed to support CTPF at a rate proportional to the downstate teachers — but that funding has failed to materialize, and has fallen dramatically in recent years. This year CTPF received \$11.9 million in State funding. TRS, the downstate/suburban system, received \$3.4 billion. We receive less than a penny for every dollar our state spends on downstate/suburban pensions.

What can we do? Much of the focus in the media has been on so called benefit reform — yet excessive benefits did not bring us to this point — as the CTBA report clearly illustrated — a lack of revenue did. When we look back at the past, it's easy to understand the damage that a lack of revenue has done to our Fund. The CTPF trustees have taken the position that revenue reform must occur before benefit reform.

We need to remedy this basic problem before trying to implement "solutions."

The remedies can come in many forms, including increasing taxes, restoring our dedicated tax levy, refinancing pension debt, and eliminating funding schemes that caused artificially lower payments.

One of the criticisms offered in the CTBA report was that CPS did little to prepare for their escalating pension payments other than to ask legislators for another pension "holiday."

This strategy of simply pushing debt down the road seems to be losing its effectiveness, as our message of full funding is making an impact on Illinois legislators. Last spring, a bill introduced to the Illinois legislature on May 31, which would have added a third CPS "holiday," and shortchanged CTPF by an additional \$397 million over two years, was soundly rejected.

THIS YEAR CTPF RECEIVED \$11.9 MILLION IN STATE FUNDING. TRS, THE DOWNSTATE/SUBURBAN SYSTEM, RECEIVED \$3.4 BILLION.

While many factors contributed to the bill's rejection, increased activism by our members played a critical role. Our Ambassador program now includes nearly 2,000 CTPF members who are educating legislators and stakeholders, (see page 6).

CTPF has done and continues to do its part. We have acted cautiously and invested prudently. Our long-term rate of return is 8.7% (35 years), which exceeds our 8.0% benchmark. We can't, however, invest our way to financial security — we need revenue.

The employer, employees, retirees, and the state must learn the lessons of the past and work together to come up with a plan to stabilize CTPF. We know that excessive benefits didn't cause this problem, and cutting benefits alone won't solve it. We have looked at the past and learned difficult lessons — we hope CPS will do the same.

JEFFERY BLACKWELL
TEACHER
TRUSTEE



A 15-year CPS veteran teacher, Jeffery Blackwell has taught grades 3, 6, 7 and special needs and currently works as a special needs teacher, at Spencer Technology Academy. Blackwell was elected to the CTPF Board of Trustees in 2010. He chairs the Committee on Claims and Service Credit, serves on the Investment Committee, and has been a member of the Communications Committee.

Blackwell holds a bachelor of science in education, a master of science in education with a concentration in special education, and a master of arts in general administration from Chicago State University. He has been a Chicago Teachers Union (CTU) delegate and executive board member, and served on the CTU pension committee.

BERNIE ESHOO
TEACHER
TRUSTEE



Bernie Eshoo has been a teacher/librarian with the Chicago Public Schools for nearly 30 years, and currently works at Steinmetz College Prep where she is also the International Baccalaureate student volunteer coordinator, and the school's Service Learning Coach. She chairs the Professional Problems Committee, and serves on the School Leadership team. Appointed to the CTPF Board of Trustees in July 2013, Eshoo serves on the Investment and Communications Committees.

Eshoo graduated from Eastern Illinois University. She is a Chicago Teachers Union elected trustee and executive board member. She has chaired the CTU scholarship committee and served several committees including Pension and Social. She is a former member of the Norwood Park Advisory Board and currently serves as a precinct captain in Chicago's 41st ward.

JERRY TRAVLOS
ADMINISTRATOR
TRUSTEE



Jerry Travlos has been with the Chicago Public Schools since 1993 and has served as a principal at Smyser Elementary School since 2003. Travlos joined the CTPF Board of Trustees in August of 2012. He serves on the Investment Committee and chaired the Election Committee.

Travlos holds a bachelor of science degree from Loyola University and a master's 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 and past president of the Chicago Principals and Administrators Association (CPAA) and currently serves as treasurer. He is a member of the Association for Supervision and Curriculum Development.

CTPF STATE OF THE FUND WEBINAR

Teachers interested in learning more about the state of the Fund can join a CTPF Webinar, Tuesday, November 19, 4:30 p.m.

Register at goo.gl/odx6X4 or on the Education and Advocacy Page at www.ctpf.org.



ADDITIONAL INFORMATION

Members can find more election information and a copy of the *Election Policies and Procedures Handbook* on the Election Central page at www.ctpf.org.

WE NEED YOUR HELP TO PROTECT YOUR PENSION.

JOIN OUR E-MAIL LIST:



Text CTPF to 22828
(Standard messaging rates apply)

Please share your E-mail address with CTPF and follow us on social media. We'll let you know when issues and actions occur that may impact your pension or require action.



Scan the code



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PENSION RESOURCE SPECIALIST FIELD SERVICE TEAM UPDATE

The Pension Resource Specialist Field Service Team kicked off the official 2013-2014 school year by hosting a breakfast to honor and educate CTPF's Pension Representatives. This year, sixty-two schools were represented by a Pension Representative. Three online webinars served an additional 150 members.



“The seminar offered a great opportunity to meet with our representatives who work as the liaison between their school and the Chicago Teachers’ Pension Fund. Their dedication allows our team to accomplish our goal of providing members with pension related information, in-service training, and an improved understanding of their retirement benefits,” said Sheron Banks-Fallis, Member Services Manager. “Our webinars also helped

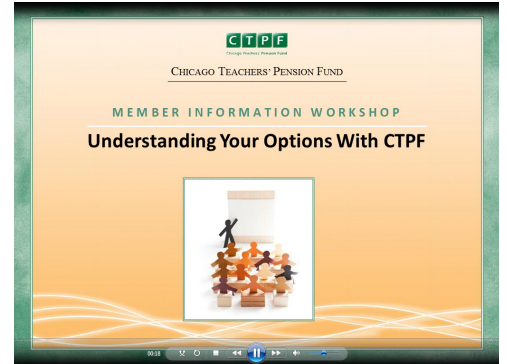


CTPF’s Bill McGowan meets with Pension Representatives during the September 7, 2013, Pension Rep Seminar. The event included a breakfast and presentation about the upcoming CTPF election and an overview of CTPF benefits and resources for members.

us reach a record number of members and we’re pleased with the excellent participation.”

Pension Resource Specialists are available for in-school meetings and training. Pension Reps who want to schedule an appointment at their school should contact a specialist, listed below by area.

ONLINE SEMINAR FOR CTPF MEMBERS FACING LAYOFFS

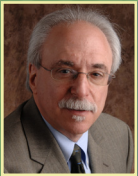


Members facing a school closing or layoff can view a webinar about retirement and refund options. The presentation was originally offered during a workshop held August 12, at the Thompson Center in Chicago.

“The August workshop was very well received by our members,” said Member Services Manager Sheron Banks-Fallis. “Layoffs and school closings are difficult situations, and we want to make sure our members have the information they need to protect their pensions. The webinar allows us to share this information with a wider audience.”

The webinar runs for about 20 minutes, and outlines options for members who permanently leave employment with CPS.

PENSION RESOURCE SPECIALISTS



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City of Chicago Map



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CTPF FEATURED ON PUBLIC RADIO

Listeners who tuned in to 91.5 FM WBEZ, Chicago Public Radio, on September 18, had the opportunity to hear a live interview with CTPF Executive Director Kevin B.



Huber, The Center for Tax and Budget Accountability’s Executive Director Ralph Martire, and Chicago Public Schools CFO Peter W. Rogers. The interview aired during “The Afternoon Shift,” hosted by Niala Boodhoo.

Find a link to the interview and other OpEd pieces and news releases on our Facebook page or at www.ctpf.org.

RECAP: CTPF PRESS RELEASES AND NEWS

Following are summaries of recent CTPF news releases. Find the complete text of the releases on our “Current News” at www.ctpf.org or on our Facebook page.

THINK TANK BLAMES UNDERFUNDING FOR CTPF FINANCIAL PROBLEMS

September 3 – The financial challenges facing the Chicago Teachers’ Pension Fund can be attributed to nearly 20 years of short-sighted decisions involving diverted tax levies and General Assembly-approved, skipped or reduced contributions by Chicago Public Schools – not from benefits now paid to retired teachers or promised to future ones.

That’s one conclusion of a report issued by the Center for Tax and Budget Accountability (CTBA), a nonprofit, independent research and advocacy group.

“We’re pleased to see a bipartisan group such as the CTBA study and report the real issues that led to our plan’s financial condition,” said CTPF Board of Trustees President Jay C. Rehak.

INDEPENDENT REVIEW SHOWS UNO SCHOOL SYSTEM NOT REPORTING ALL TEACHERS TO CTPF

September 16 – CTPF completed a comprehensive review of the United Neighborhood Organization (UNO) charter school system’s pension fund contributions. The review, conducted by an independent accounting firm, found that the UNO system had not made pension contributions on behalf of more than 90 certified teachers, and had made inadequate contributions on behalf of 30 additional plan-eligible employees. The UNO system, CTPF’s second largest employer, includes more than 700 teachers and administrators.

CTPF receives contributions from approximately 108 CPS charter school employers.



“CTPF is a well-managed but underfunded pension plan,” said Jay C. Rehak, president of the CTPF Board of Trustees. “These findings demonstrate the reason we’ve undertaken a comprehensive review of charter schools.”

NEW LAW PROTECTS CTPF MEMBERS EMPLOYED BY CHARTER SCHOOLS

September 19 – CTPF commended the passage of Public Act 098-0427, which protects charter school employees and ensures that employers make full pension contributions on their behalf.

The new law imposes a penalty for late contributions, allows an interest charge on late contributions and requires each charter school to designate a pension officer to certify payroll information and contributions due to the Fund.



“Our Fund has a legal obligation and fiduciary duty to collect all revenue due to us,” said Jay C. Rehak, president of the CTPF Board of Trustees. “This law will protect our charter school members and help ensure that the problems we’ve experienced with our primary employer will not spread to other employers.”

TEACHER TRUSTEE JEANNE MARIE FREED RETIRES



Jeanne Marie Freed, CTPF Teacher Trustee since 2010, retired in June 2013. CTPF recognized Ms. Freed’s service to the board, and presented her with a plaque during the September 19, 2013, Board of Trustees Meeting.

“We want to thank Ms. Freed for her dedicated service to CTPF and extend our best wishes for a wonderful retirement,” said Executive Director Kevin B. Huber.

Bernie Eshoo was appointed Teacher Trustee to fill Ms. Freed’s unexpired term.

SCOTT A. MILLER NAMED CHIEF LEGAL OFFICER

CTPF recently named Scott A. Miller, J.D., Chief Legal Officer. Miller has more than 15 years of experience providing legal counsel and consulting services to pension systems and other institutional investors.



Miller holds a J.D. from Willamette University College of Law and a B.B.A. in economics from the University of North Dakota. He most recently worked as an associate partner at Hewitt EnnisKnupp, Inc., where he provided fiduciary and governance consulting services to institutional investors. He has previously served as an assistant attorney general representing North Dakota’s Public Employees Retirement System, Teachers’ Fund for Retirement, and State Investment Board, and as in-house counsel for the Montana Public Employee Retirement Administration.

“Scott brings a wealth of experience to our Fund,” said CTPF Executive Director Kevin B. Huber. “The combination of his legal background and administrative consulting experience are a good fit for CTPF, and we welcome him to our team.”



TRAINING CALENDAR

Several training sessions will be open to CTPF Members and Ambassadors this fall.

OCTOBER 30, 9:30-11:30 A.M.

CTPF Ambassador Training Session

Hands-on training session designed to help ambassadors learn to use the tools CTPF has available for educating legislators. Open to registered ambassadors. Training will be in the CTPF office. Call Member Services 312.641.4464 to register.

NOVEMBER 1-4

In District Outreach Days

Trained Ambassadors will call on legislators in district offices in advance of the November veto session.

NOVEMBER 19, 4:30 P.M.

CTPF Webinar: State of the Fund

An update on the Fund following the fall legislative session. Open to all Members.

Register at goo.gl/odx6X4 or on the Education and Advocacy page at www.ctpf.org.

DECEMBER 19, 9:30-11:30 A.M.

CTPF Ambassador Training Session

Hands-on training session designed to help ambassadors learn to use the tools CTPF has available for educating legislators. Open to registered ambassadors. Training will be in the CTPF office. Call Member Services 312.641.4464 to register.

QUICK TIP:

REGISTER FOR WEBINARS ON THE EDUCATION AND ADVOCACY PAGE AT WWW.CTPF.ORG.

UMBLES APPOINTED COMMUNICATIONS SPECIALIST



Jackie Umbles, a seven-year veteran CTPF Pension Resource Specialist, has accepted the position of CTPF Communications

Specialist. Umbles, who holds a bachelor's degree in computer science and an MBA in marketing, will coordinate the Pension

Fund Ambassadors, manage internal communications and social media, and conduct training programs.

"We're thrilled to have Jackie join our communications staff," said Frances Radencic, CTPF director of communications. "We know that she will put her expertise in marketing and communications, and her extensive knowledge of the Fund to good use educating our members and stakeholders."

CTPF AMBASSADORS: ONE-YEAR LATER



One year ago, CTPF launched its Pension Fund Ambassador Program to educate and empower CTPF members to advocate for their pensions. The program has already made an impact:

1,973

CTPF Members have registered as Fund Ambassadors and serve as advocates for the fund.

6,471

The number of e-mail messages CTPF Ambassadors have sent to Illinois legislators.

96%

The number of Illinois State Representatives who have been contacted by an Ambassador.

100%

The number of Illinois State Senators who have been contacted by an Ambassador.



Find more at the [Education and Advocacy Page](http://www.ctpf.org) at www.ctpf.org.



PENSIONS MATTER: JOIN CTPF AMBASSADORS

Visit the Education and Advocacy page at www.ctpf.org and click on the **Legislative Action Center** to register as a CTPF Ambassador.

LEGISLATIVE UPDATE

The 98th General Assembly adjourned on May 31, 2013.

Following the end of the regular session, Governor Quinn called a special session on June 19 to deal with Illinois Statewide pension fund issues. The special session ended with the formation of a conference committee. The 10-member committee is charged with developing a comprehensive pension “reform” bill for the State pension funds. (CTPF is not a State of Illinois fund).

STATE PENSION FUNDS

CTPF is carefully monitoring events in Springfield, as an agreement could be used as a model for this Fund.



CTPF'S ROLE

The legislature determines the laws and rules that govern CTPF. The CTPF Board of Trustees administers the law and protects the Fund's finances to ensure retirement security for all members.

NEW LAWS SIGNED BY GOVERNOR



PA 98-0427 Accountability for Charter Schools

This legislation protects charter school employees by ensuring their employers are making necessary retirement contributions and clarifies language regarding participation for employers. *CTPF thanks the bill sponsors Senators Martin A. Sandoval and Antonio Muñoz, and Representative Daniel J. Burke for their work on this legislation.*

PA 98-0017 2014 State Appropriations Bill

The 2014 state appropriations bill awarded CTPF \$11.9 million for fiscal year 2014. The Teachers' Retirement System received \$4.5 billion in appropriations for 2014.

PA 98-0449 CTPF Board of Trustee Election Modernization

This bill modernizes the language concerning CTPF Board of Trustee elections to allow secure electronic balloting.

CTPF thanks the bill sponsors, Representatives Stephanie A. Kifowit, Deborah Conroy, Sam Yingling, Ron Sandack, Marcus C. Evans, Jr., and 13 co-sponsors for their work on this legislation.

PA 98-0433 Procurement Requirements

This law allows CTPF to make a follow-on association to a successor fund where it is prudent and necessary. *CTPF thanks the bill sponsors Representative Al Riley and Senator Daniel Biss for their work on this legislation.*

PENSION HOLIDAY FAILS

SB 1920 – CPS Pension “Holiday” Fails

The Illinois House of Representatives rejected a measure which would have granted CPS an additional \$350 million in pension funding “relief.” The bill would have reduced CPS contributions to CTPF to \$350M in 2014 (from \$612.7M) and \$500M in 2015 (from \$631.5M).

CTPF CALENDAR

Trustee meetings, held in the CTPF office, are open to the public. Please confirm meeting times/dates at www.ctpf.org.

OCTOBER

- 14 Columbus Day, office closed
- 24 9:30 a.m., trustee meeting, NOTE date change
- 30 9:30 a.m., Pension Fund Ambassador training, CTPF office, see page 6.

NOVEMBER

- 8 2013 Board of Trustees Elections for Retirees
- 11 Veterans Day, office closed
- 19 4:30 CTPF webinar: State of the Fund, register at goo.gl/asyHjX
- 21 9:30 a.m., trustee meeting
- 28-29 Thanksgiving holiday, office closed.

DECEMBER

- 12 9:30 a.m., trustee meeting (tentative)
- 19 9:30 a.m., Pension Fund Ambassador training, CTPF office, see page 6.
- 25 Christmas Holiday, office closed.

JANUARY

- 1 New Year's Day Holiday, office closed

OFFICE/MAILING ADDRESS

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memberservices@ctpf.org

Hours: 8:00 a.m. – 5:00 p.m. M-F

FOR A COMPLETE REVIEW OF CTPF'S LEGISLATIVE AGENDA SEE THE EDUCATION AND ADVOCACY PAGE AT WWW.CTPF.ORG.



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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.

BOARD OF TRUSTEES

- Jay C. Rehak, *president*
- Lois W. Ashford, *vice president*
- Tina Padilla, *financial secretary*
- Raymond Wohl, *recording secretary*
- Carlos M. Azcoitia
- Jeffery Blackwell
- Bernie Eshoo
- Walter E. Pilditch
- Mary Sharon Reilly
- Jerry Travlos
- James F. Ward
- Andrea L. Zopp
- Kevin B. Huber, *executive director*

Protecting pensions and safeguarding your retirement security are responsibilities we share with our members.

We need your help. Please share your E-mail address with CTPF and follow us on social media so we can keep you informed and up-to-date about issues and actions which may impact your pension.



Take Action Today



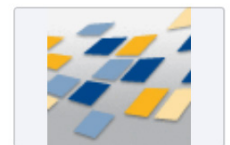
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