

Pension News

TRUST
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Issue Highlights

News Briefs

CPS Makes Full Pension Payment, Driscoll named Interim Executive Director, Reeves named Chief Legal Officer, and more CTPF news.

2

Picture Your Future: New Member information

Important information for members new to CTPF.

4

Picture Your Future: Mid Career Considerations

Life changes can have an important impact on your retirement. Information for members mid-career.

6

Education and Advocacy Update

Upcoming Ambassador training registration and a recap of recent visits

7

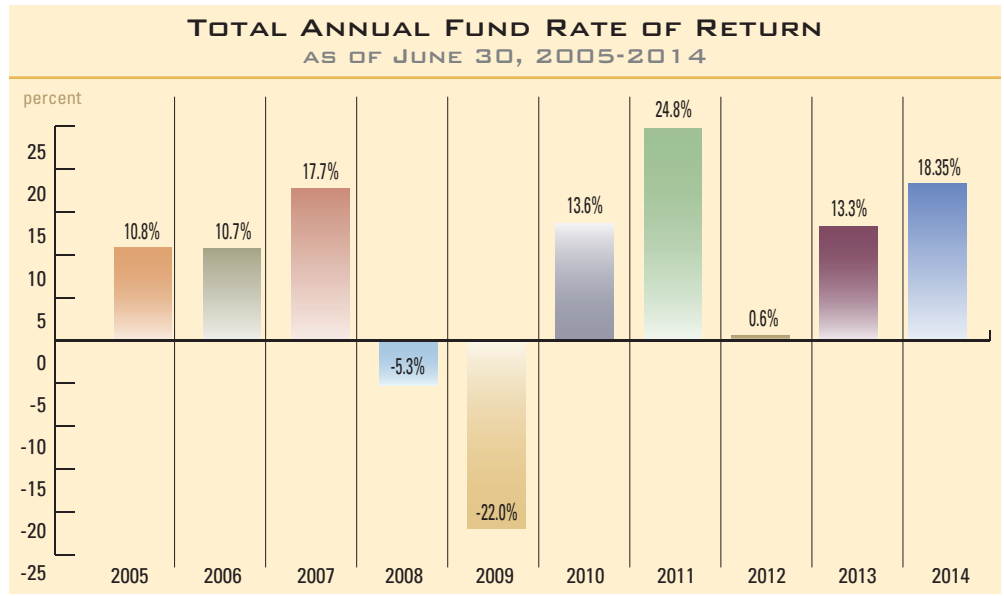
CTPF REPORTS STRONG RETURNS

CTPF reports a preliminary return on investments of 18.35 percent at the close of the fiscal year on June 30, 2014 – more than double the plan’s assumed rate of return of 7.75 percent.

As a long-term investor, the plan’s investment returns are more significant over longer periods. Over the past 35 years, the plan’s compound rate of return has been 9.13 percent, which is 17.8 percent more than the plan’s assumed rate of return.

CTPF currently holds approximately \$10.8 billion in assets on behalf of its 63,000 active and retired educators, an 11 percent increase from \$9.7 billion as of June 30, 2013.

“CTPF is a well-managed plan, and our Fiscal Year 2014 performance demonstrates the success of our long-term strategy to manage a diverse portfolio with sound investments,” said Jay C. Rehak, president of the CTPF Board of Trustees. “Our strong market performance is good news for our members and taxpayers who support our plan.”



GO GREEN WITH ONLINE VOTING

2014 TEACHER TRUSTEE ELECTION GOES GREEN

2014 Teacher Trustee Election

The 2014 Teacher Trustee Election will be conducted in schools and at other designated polling places on Friday, November 7, 2014. Active teachers will elect two Trustees who will serve from November 2014-November 2017.

Candidate Eligibility

An active teacher who wishes to run for a Teacher Trustee position must be a current contributor, employed in the CPS/charter school system for a



minimum of 10 years, and hold a current Illinois state teaching certificate. Nomination packets are now

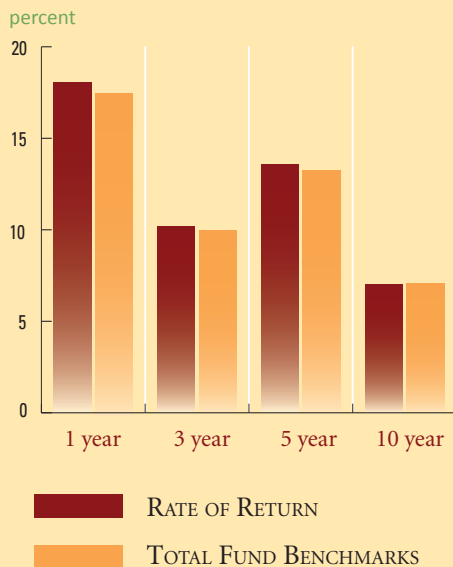
available. Contact 312.604.1400 ext. 132 or 169 to request a nomination packet. Candidate eligibility will be verified before packets are issued, and completed packets must be returned to CTPF by 5:00 p.m., October 1, 2014.

**CTPF FINANCIAL
SNAPSHOT**

CTPF RETURN ON INVESTMENTS

June 30, 2014

| | RATE OF RETURN | TOTAL FUND BENCHMARKS |
|---------|----------------|-----------------------|
| 1 year | 18.04% | 17.63% |
| 3 year | 10.18% | 9.98% |
| 5 year | 13.56% | 13.22% |
| 10 year | 7.03% | 7.07% |



As of June 30, 2014, the approximate current value of CTPF's investments was \$10.8 billion.



CPS MAKES FULL PAYMENT

The Chicago Teachers' Pension Fund (CTPF) received more than \$585 million from the Chicago Board of Education (BOE) on June 29, 2014, completing the \$612.5 million required contribution for the 2014 fiscal year.

"This is an important step. This payment marks the first time since 2010 that the BOE has made a full payment of its pension obligation," said Jay C. Rehak, president of the CTPF Board of Trustees. "Our members pay their pension obligations in full with every paycheck. We appreciate the employer doing the same."

"CTPF is a well-managed plan that has generated a 9.13 percent return over the

last 35 years," said Rehak. "Our financial situation has deteriorated because our employer and the state underfunded this plan for decades. As a result, our plan's funded ratio has fallen from 100 percent in 2002 to our current 49.5 percent."

"Our fund has had an actuarially based funding schedule in place for many years, but without a consistent, reliable source of revenue – it means nothing," said Rehak. "Our teachers who do not contribute to Social Security depend on their pensions for financial security in retirement. We hope that this payment is the first of many as our fund pursues full funding."

DRISCOLL NAMED INTERIM EXECUTIVE DIRECTOR

August 21, 2014, the CTPF Board of Trustees named Peter A. Driscoll, interim executive director. Driscoll will hold the position through December 31, 2014. Driscoll replaces Jay C. Rehak, president of the CTPF Board of Trustees, who returned to his teaching position in August. Rehak remains president of the Board of Trustees.

Driscoll has extensive experience as a consultant and pension fund administrator. He worked for more than 20 years at The Segal Company, a privately-held employee-owned actuarial and consulting firm providing benefits and human resources consulting for multiemployer funds and public sector organizations. He began his career at Segal as an analyst and rose to head the Chicago office. Driscoll then served for a year as the pension and welfare funds' administrator for Sheet Metal Local 73, and for a decade at Pipefitters Local 597.

"We appreciate Mr. Driscoll's willingness to step in to this role," said Jay C. Rehak, president of the CTPF Board of Trustees. "His excellent skills and experience will enable him to provide leadership and a seamless transition during this interim period."

Driscoll is a Chicago native and earned his bachelor of arts degree, with honors, from the University of Chicago.



Peter A. Driscoll

REEVES NAMED CHIEF LEGAL OFFICER

Tiffany Reeves has been named CTPF's Chief Legal Officer. Reeves has experience working as an attorney in both the public and private sectors, and most recently worked for the law firm of Jacobs, Burns, Orlove & Hernandez (JBOH), the Fund's outside counsel. At JBOH, Reeves represented and counseled the firm's labor union clients in all aspects of labor law, including collective bargaining issues and handling grievance arbitrations.

Originally from Eugene, Oregon, Reeves received her J.D. and B.A. degrees from the University of Oregon, and a M.A. from Northwestern University.



Tiffany Reeves

STATE OF ILLINOIS BUDGETS \$62.1 MILLION FOR CTPF

The Chicago Teachers' Pension Fund will receive approximately \$62.1 million in funding from the Illinois Legislature for fiscal year 2015 (July 1, 2014 - June 30, 2015). The State appropriated \$11.9 million for CTPF in fiscal year 2014.

Public Act (PA) 98-0675 included \$50 million (a historically budgeted amount which has not been appropriated since 2011). PA 98-0680 authorized the statutorily required \$12.1 million payment based on payroll.

GOVERNOR SIGNS SB 1922

June 9, 2014, Governor Quinn signed SB 1922, now PA 98-0641, which changes pension law for Chicago's Municipal Employees and Laborers.

The law includes benefit changes for both Tier 1 and Tier 2 members, including a cut in cost of living benefits, increases in employee and employer contributions, and establishes an actuarially determined funding schedule for both funds. The new law does NOT currently impact CTPF.



ELECTION GOES GREEN CONTINUED



Voting Options

CTPF successfully piloted online voting in 2012 and continues to expand the program. Schools which voted online in the past will continue to do so. All other schools will be given the option of voting online or with traditional paper ballots in this election. CTPF anticipates all schools voting online in 2015.

"In schools with a choice, we are really encouraging our Pension Representatives to choose online voting in 2014. Online voting saves tremendous resources both environmental and financial. If all schools opted for online balloting, the election expense would be reduced by 66 percent," said Frances Radencic, CTPF election coordinator.

In schools which have a choice, Pension Reps must register a voting preference by September 30, 2014. CTPF will provide confirmation of a school's voting option along with candidate information on October 8.

Absentee Ballots

Members who will not be in school on Election Day can request an absentee ballot. Requests must be made by October 11, and completed ballots must be returned by November 7. Download a ballot request form at www.ctpf.org, or request one at 312.604.1400 ext. 132 or 169.

Additional Information

The *Election Policies and Procedures Handbook* is available at www.ctpf.org.

2014 Pension Rep Webinars

CTPF will host three online Pension Rep Webinars this fall. "Webinars make it easier for our Pension Reps to participate in these educational opportunities," said Frances Radencic, CTPF's election coordinator. "Pension Reps who attend the webinar **and** conduct the election will receive a \$100 stipend in December."

Pension Reps may choose one of three webinars. To register, enter the link (case sensitive) for the webinar:

- Thursday, September 11, 4:30 p.m.
goo.gl/c7fsXP
- Saturday, September 13, 10:00 a.m.
goo.gl/DtfgkC
- Tuesday, September 16, 4:30 p.m.
goo.gl/9nsNMs

DON'T HESITATE: DESIGNATE

In addition to a survivor's pension, CTPF offers a death benefit, paid to a members' designated beneficiary or estate. Completing CTPF Form 105 ensures that any available death benefit is paid according to a members wishes. "Often times our members neglect to file a Designation with CTPF, because they do not realize that we offer a death benefit," said Sheron Banks-Fallis, CTPF Member Services Manager. "Filing a designation makes the payment of these benefits faster and more straightforward for survivors."

A copy of CTPF Form 105 is included in this newsletter. If you are new to the fund and have not completed a designation, or if you have experienced a life event: marriage, civil union, birth, divorce, death, etc., please review your designation and submit a new form, if necessary. **Your designation must be notarized before you return it to CTPF.** Please make a copy for your records and **send CTPF the original signed and notarized form.**

SIGNING A DESIGNATION

The only person who may sign and/or change a Designation of Beneficiary form is the CTPF member. A legal representative, including an appointed agent, guardian, conservator, trustee, or designated payee, cannot change or sign this form.

PICTURE YOUR FUTURE: NEW TO CTPF

Too young to think about retirement? Think again.

If you're at the beginning of your career or just joined CTPF, it can be hard to imagine what retirement will look like. Your pension is an important part of your future financial picture and as an employee new to CTPF, it's important to understand your benefits to help plan for the future.

FUND BASICS

If you have just joined CTPF, congratulations! You are joining the oldest pension fund in Illinois and the second oldest fund in the country. CTPF paid its first pension in 1896 and has been providing secure retirements for Chicago's teachers for more than 119 years.

WHO PARTICIPATES IN CTPF?

CTPF provides benefits for certified teachers and administrators employed by the Chicago Public/Charter school system. Membership currently includes more than 63,000 active and retired members.

Each time you receive a paycheck you make a contribution to the fund. Your total contribution is 9% of your salary. You pay 2% of this and your employer picks up the other 7%.

FUND GOVERNANCE

CTPF provides benefits for CPS employees, but it is a separate entity, governed by Illinois law, and managed by an independent 12-member Board of Trustees. Teachers, administrators, and pensioners elect representatives to the board and the Chicago Board of Education appoints two members. CTPF Trustees have fiduciary responsibility for fund operations, approve benefit programs, and make investment decisions. Trustee elections are staggered and held in November. The next election for two Teacher Trustees will be November 7, 2014.



PENSION V. 401(K) WHAT'S THE DIFFERENCE?

There are two major types of retirement investments: Defined Benefit plans [pension] and Defined Contribution plans [401 (k)].

In a defined contribution plan, you and your employer contribute to a retirement account on a regular basis. At retirement, your income is based on the contributions made and the investment returns you accumulate.

CTPF offers a defined benefit retirement plan. This plan bases your benefit on a pension formula – not investment returns. Your pension is paid for your lifetime and is protected from inflation with an Automatic Annual Increase. When you reach retirement age, your benefit will be calculated based on your service credit and final average salary. Your service credit may be combined with service from other participating systems in a reciprocal pension. CTPF also helps protect your family's financial security with a survivor pension and death benefit.

SOCIAL SECURITY AND MEDICARE

The Chicago Teachers Pension Fund was established in 1895 – long before the Social Security Act was signed in 1935. CTPF members do not make Social Security contributions, but they do make contributions toward Medicare. You'll need 40 quarters of Medicare contributions to receive premium free Medicare Part A when you reach age 65.

“Your pension is designed to provide a stable income in retirement, but a pension should not be your only retirement asset.”

WILL MY PENSION BE ENOUGH?

Your pension is designed to provide a stable income in retirement, but a pension should not be your only retirement asset. When you retire, some of your expenses may decrease, but the many of your expenses may remain stable or increase. Retirees who are under age 65 and do not qualify for Medicare often pay more for health insurance at retirement than they did while they were employed.

Your employer may offer retirement savings options known as a 403(b) or a 457 retirement plan. When you participate in these plans, contributions are deducted from your pay on a pre-tax basis. Investments and gains in the plan are not taxed until distributed. This provides a regular and systematic savings plan. Contact your employer to ask about your retirement savings plan options.

WHAT SHOULD I DO NOW?

1. Complete a CTPF Designation of Beneficiary form and update it as important life events occur (marriage, civil union, childbirth, divorce, etc.).
2. Keep your employer and CTPF up-to-date with any changes in your demographic information.
3. Share your voice. Register your e-mail address with CTPF. Find a link at www.ctpf.org.
4. Take an active role in protecting your pension by becoming a Pension Fund Ambassador. Find more information on page 7.
5. Vote in CTPF's Trustee Election. Trustees represent your interests. The next election is November 7.
6. Stay informed. Read *Pension News* and *E-News*.

WHERE CAN I FIND MORE INFORMATION?

CTPF has a website with information about benefits. Find information at www.ctpf.org.



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

SEPTEMBER

- 11 4:30 p.m., Pension Rep Webinar register at goo.gl/c7fsXP
- 13 10:00 a.m., Pension Rep Webinar register at goo.gl/DtfgkC
- 16 4:30 p.m., Pension Rep Webinar register at goo.gl/9nsNMs
- 18 9:30 a.m., Trustee meeting
- 30 Last day for Pension Reps to register for online voting at goo.gl/BGBLbc

OCTOBER

- 1 5:00 p.m., Teacher Trustee Election nominating petitions due
- 11 Last day to request an absentee ballot for November 7 election. See Election Central at www.ctpf.org.
- 13 Columbus Day, office closed
- 16 1:00 p.m., Ambassador training, register at goo.gl/5ooOGC
- 23 9:30 a.m., Trustee meeting

NOVEMBER

- 7 Teacher Trustee Election
- 11 Veterans Day, office closed
- 20 9:30 a.m., Trustee meeting
- 27-28 Thanksgiving holiday, office closed

DECEMBER

- 11 9:30 a.m., Trustee meeting (tentative)
- 25 Christmas holiday, office closed

OFFICE/MAILING ADDRESS

Chicago Teachers' Pension Fund
 203 North LaSalle Street, suite 2600
 Chicago, Illinois 60601-1231
 312.641.4464 fax: 312.641.7185
www.ctpf.org memberservices@ctpf.org
 Office hours:
 8:00 a.m. – 5:00 p.m. M-F

Life changes can have an impact on your retirement...

If you have been working for several years, you may not give much thought to your pension. It's important though, to consider your financial picture and how changes in your life may impact your future retirement.

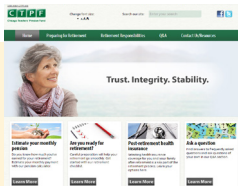
MARRIAGE AND CHILDREN

If you marry or join a civil union, your CTPF benefits are an important part of your family's future financial security. CTPF provides pension and death benefits to survivors of active and retired members. Survivor pensions are paid to your legal spouse and eligible minor children at the time of your death.

DESIGNATION OF BENEFICIARY

In addition to a survivor's pension, CTPF provides a death benefit. This benefit is paid to the individual named on your designation of beneficiary form. If you do not have a designation on file at the time of your death, the benefit is paid to your estate.

The designation may only be signed and/or filed by you. Make sure your designation is up-to-date as life events occur, including marriage, birth, death, or divorce. An up-to-date designation ensures that your wishes are carried out and helps ease the burden on surviving family members. Find a copy of the designation in this newsletter. Complete the designation, sign in the presence of a notary, and return to CTPF.



GET THE CREDIT YOU DESERVE

If you qualify, a service purchase allows you to increase your service credit and ultimately increase your retirement benefit. You must complete a purchase before you retire.

You can purchase service for:

- Approved, unpaid leaves of absence including sick leave, maternity/paternity leave, study/travel leave, and sabbatical leave
- Refunded service
- Public teaching service in an elementary or high school in Illinois, another state, or in a school operated by the U.S. government.
- Military service before you became a teacher or during a leave of absence.

The cost of a service purchase can only be determined on an individual basis, but generally includes the contributions you would have made during the period you wish to purchase, plus interest.

2.2 UPGRADE

Your pension is based on a formula that includes a pension multiplier. The current

multiplier is 2.2%. If you have service credit before July 1, 1998, the calculation may be based on a different multiplier. Members with at least one year of service after July 1, 1998, can upgrade to the 2.2 formula. Members who retire with 30 or more years of CTPF service credit may receive the upgrade at no cost. For every 3 years of service credit earned after July 1, 1998, the cost to upgrade is reduced by 1 year.

APPLICATIONS

Download an application for a service purchase or 2.2 Upgrade at www.ctpf.org or request one from Member Services. Complete the application and return it to CTPF along with the required documentation. Once your materials are processed, CTPF will send a contract with cost information and payment options.

LEAVING SERVICE...

There are many reasons why your teaching career may be interrupted. Regardless of the reason you may leave service, it's important to understand the options you have for managing your pension assets.



THINKING ABOUT RETIREMENT IN 2015?

While June 2015 might sound like a long way off, it's not too early to start planning for your retirement next year. Watch the mail in January for news of our retirement seminars. You can get a head start now by:

1. Visiting CTPF's Retirement Central at www.ctpf.org. You'll find information including a pension calculator and check lists to help you prepare to navigate the retirement process.
2. Requesting a pension estimate and scheduling a personal benefits consultation. Call Member Services for information, 312.641.4464.
3. Gathering required documentation including your vital records. You can find a list of required documents on our retirement central page at www.ctpf.org.

AMBASSADORS ATTEND IN-DISTRICT VISITS

CTPF Ambassadors, led by Board of Trustees President Jay C. Rehak, enjoyed two “meet and greet” sessions with Illinois’ legislative leaders this summer. Monday, July 7, 2014, constituents of House Majority Leader Barbara Flynn Currie met with the Representative in her Hyde Park office. Tuesday, July 8, 2014, constituents and members met with Senate President John J. Cullerton in his downtown law office.

“We are always interested in dialogue with legislators and we especially appreciate the time that Senate President Cullerton, Majority Leader Currie, and our members shared with us,” said Rehak. “This was a great opportunity to reflect on this past year and also to remind our legislators that pensions are people – not just numbers on a spreadsheet.”

Constituents of Representative Barbara Flynn Currie visited the Representative’s Hyde Park office with CTPF’s Board of Trustees President Jay C. Rehak on Monday, July 7.



Generally, members have three options when they leave employment:

- Retire. You may retire with a pension, if you meet age and vesting requirements.
- Defer your pension. You may leave your pension assets at CTPF until you reach retirement age.
- Accept a refund of contributions. Contributions may be rolled over into another qualified retirement plan or paid to you.

The decision you make can have a significant impact on your future financial security and your tax burden. You can find more information about leaving service in our publication “Leaving Service” available at www.ctpf.org.



The meeting with Senate President Cullerton on July 8, 2014, included from left to right: Bukola Bello (CTPF lobbyist), Hilde Brake, Demetra Makris, Margaret McKenna, Susan Goldberg, Senate President Cullerton, Jacquie Ehrlich, Thelma Fitzgerald, Eve Hedlund, and CTPF Board of Trustees President Jay C. Rehak.



AMBASSADOR ACTION: WHAT TO DO NOW....

Ready to make an impact? Many members have asked what they can do to help preserve

their benefits and advocate for CTPF pensions. Here are some ideas:

1. Join the Pension Fund Ambassador Program. Ambassadors reach out to elected officials to share their stories and help legislators understand that we must not repeat the mistakes of the past. Register at goo.gl/oc1sro (case sensitive).
2. Register for the fall training session. If you haven’t already attended ambassador training, mark your calendar for October 16, 1:00 p.m., in the CTPF office. Register at goo.gl/5ooOGC (case sensitive).
3. “Like us” on Facebook to stay informed and up-to-date.
4. Review our online webinar library on the Education and Advocacy page at www.ctpf.org.



Chicago Teachers' Pension Fund

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Scan code with your
smart phone to access the
online information page.



WWW.CTPF.ORG

CTPF BOARD OF TRUSTEES' MISSION STATEMENT

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*
- Mary Sharon Reilly, *financial secretary*
- Raymond Wohl, *recording secretary*
- Carlos M. Azcoitia
- Robert F. Bures
- Jeffery Blackwell
- Bernie Eshoo
- Tina Padilla
- Walter E. Pilditch
- Jerry Travlos
- Andrea L. Zopp
- Kevin B. Huber, *executive director*

Connect with CTPF



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



We need your help to protect your pension.
Like us on Facebook and Join our e-mail list in 3 easy ways:



Text CTPF to
22828

(Standard messaging
rates apply)



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mailing list" on
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