

Pension News

TRUST.
INTEGRITY.
STABILITY.

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CTPF TRUSTEES INSTALLED



The Chicago Teachers' Pension Fund Board of Trustees, pictured from left to right: Walter E. Pilditch, Recording Secretary Robert F. Bures, Jeffery Blackwell, President Jay C. Rehak, Vice President Lois W. Ashford, Tina Padilla, Mary Sharon Reilly, Financial Secretary Bernie Eshoo, Jerry Travlos, and Raymond Wohl. Not pictured, Mark F. Furlong and Gail D. Ward.

The Chicago Teachers' Pension Fund (CTPF) is governed by a 12-member Board of Trustees. November 6, 2015, teachers and other active contributors re-elected Lois W. Ashford and Jay C. Rehak, who will serve three-year terms, November 2015-2018. Pensioners re-elected Robert F. "Bob" Bures, Walter E. Pilditch, and Mary Sharon Reilly, who will serve two-year terms, November 2015-2017.

The Trustees installed re-elected members, elected officers, and appointed standing committee chairs during their November 20, 2015, meeting.

2015-2016 OFFICERS

President: Jay C. Rehak
Vice President: Lois W. Ashford
Financial Secretary: Bernie Eshoo
Recording Secretary: Robert F. Bures

STANDING COMMITTEE CHAIRS

Investments: Tina Padilla
Claims and Service Credit: Jeffery Blackwell
Finance and Audit: Bernie Eshoo
Pension Law and Rules: Lois W. Ashford

CTPF EXECUTIVE DIRECTOR'S MESSAGE



Executive Director Charles A. Burbridge

I hope you enjoyed a wonderful holiday season, filled with family, friends and even a few gifts. The irony is that to a pension fund director and all who are members of the Fund, "pension holidays" and "gifts" have a very different meaning and they're certainly not festive.

A "pension holiday" is just pleasant sounding code for employers skipping payments to fund retirements – borrowing money from their employees and pushing

the costs on to future generations. The interruption in regular payments from our employer during the past 20 years has taken money owed to our members, starved our investments, and contributed to our funded ratio dropping to about 50% from 100% as recently as 2001. That's certainly not a holiday our members want to celebrate.

The word "gift" can also take on a negative connotation, as it's often used incorrectly in public rhetoric as

Continued on page 2

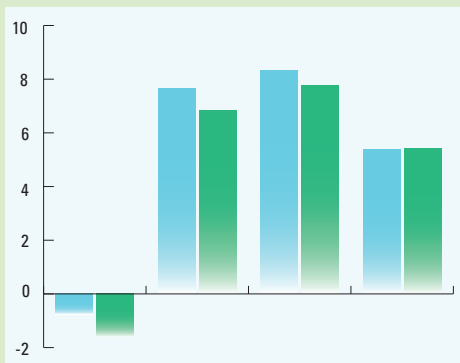


EXECUTIVE DIRECTOR'S LETTER continued from cover

CTPF FINANCIAL SNAPSHOT

CTPF RETURN ON INVESTMENTS *September 30, 2015*

	RATE OF RETURN	TOTAL FUND BENCHMARKS
1 year	-0.75%	-1.59
3 year	7.67	6.85
5 year	8.32	7.78
10 year	5.39	5.43



1 year 3 year 5 year 10 year

■ RATE OF RETURN
■ TOTAL FUND BENCHMARKS

As of September 30, 2015, the approximate current value of CTPF's investments was \$10.1 billion.



Chicago Teachers' Pension Fund

a description for pensions. Few would consider a paycheck from an employer a gift – and the same is true for pensions. While our members are grateful for retirement security, pension benefits are not gifts. The teachers who will retire in 2016 with a pension and 34 years of service began paying for their retirement in 1982, making regular contributions each and every pay period, uninterrupted.

Keeping the pension promise required action from our members in 2015, and the 6,500 e-mail messages our members sent, demanding action, accountability, and full funding for CTPF made a difference.

The 2015 fiscal year marked the second year in a row that CPS made a payment of more than \$600 million to CTPF. Legislative advocacy also successfully fought the passage of SB 318, which would have included an additional \$500 million in pension holidays for CTPF.

Together we fought and received full funding, and these are good forward steps. As we look ahead, we know that the pressures facing our City and State are tremendous. We will face an uphill battle for resources and funding in 2016.

As the new year begins, please make a special resolution to protect your pension. I hope you will use your talents as an educator to remind legislators about the importance of correcting, not repeating, the mistakes of the past.

WHILE OUR MEMBERS ARE GRATEFUL FOR RETIREMENT SECURITY, PENSION BENEFITS ARE NOT GIFTS.

Charles A. Burbridge,
executive director

RESOLVE TO TAKE ACTION IN 2016

Here are some concrete ways you can take action and protect your pension in 2016. Find links to all of these resources on the Education and Advocacy tab at www.ctpf.org.

1. Download a "Mistakes of the Past" flyer and educate yourself about our funding history.
2. Take time this winter to ask your legislators in person to reject requests for pension "holidays." Many have regular in-district office hours and welcome visits from constituents. Not sure who represents you in Springfield? Find a legislator look up on the Education and Advocacy tab at www.ctpf.org.
3. Share the "Mistakes of the Past" flyer with your family and/or neighbors to educate them on the importance of fully funding teacher pensions.
4. Make sure you are registered as a Pension Fund Ambassador so that you receive regular updates on advocacy issues and training opportunities. Register at www.ctpf.org.

We must NOT repeat mistakes of the past...

A History Lesson from Chicago's Educators
1996-2005
Pension "holidays" takes \$2 billion in funds earmarked for pensions and redirects them to Chicago Public Schools (CPS) operating budget. CPS promises to pay the Chicago Teachers' Pension Fund (CTPF) when the funded ratio falls below 90%.

2006
CTPF's funded ratio falls and CPS begins making payments to the pension fund for the first time in a decade.

2010
PA 96-0889 \$1.2 billion in pension "relief" to CPS and extends the funding schedule by 14 years. This costs taxpayers an additional \$12 billion.

2011-2013
CPS makes required payments to CTPF at the reduced amount (about \$200 million per year instead of the required \$600 million).

Relief for CPS = Disaster for CTPF
Relief is a nice way of saying that the Illinois legislature allowed CPS to short change their pension obligation by \$1.2 billion, jeopardizing retirement security for more than 63,000 Chicago educators and retirees. The additional interest accrued from extending the funding period will cost Illinois taxpayers an additional \$12 billion.

No More Holidays
The CPS payment schedule escalated in 2014. May 31, 2013, CPS asked legislators to pass SB1320 which would have reduced the 2014 payment. The measure was defeated. SB 318 introduced during the overtime session in 2015, includes an additional two-year pension "holiday," and defers the pension crisis to 2018.

[Learn from Mistakes](#)





CTPF FILES LAW SUIT AGAINST WORLD'S LARGEST BANKS

November 25, 2015, the Chicago Teachers' Pension Fund (CTPF) filed a lawsuit in federal court charging some of the world's largest investment banks with conspiring to engineer and maintain a collusive and anti-competitive stranglehold over the market for interest rate swaps (IRS) in violation of federal antitrust laws. Led by the CTPF, investors seek an injunction to put an end to this anti-competitive arrangement, and damages to compensate them for the losses they suffered.

"CTPF maintains a long history of being the initiator on issues to improve the lives of our members. We view this action as necessary to protect the long-term interests of our members and their financial security. This suit addresses this monopolistic practice on behalf of the market and institutional investors who manage assets on behalf of everyday citizens," said Jay C. Rehak, president, CTPF Board of Trustees.

The complaint alleges that the banks used their power to stop competitors from bringing exchange trading to the IRS market – keeping prices for trades artificially high. As a result, CTPF paid more for IRS trades than they would have in a competitive market. Read more about the lawsuit at www.ctpf.org.

CTPF HEALTH INSURANCE SEMINARS



One of your most important considerations as you near retirement is continuing health insurance coverage. **CTPF sponsors comprehensive health insurance plans for its retired members.** Qualified retirees may also receive a subsidy to help pay for the cost. Find information about health insurance options in the *2016 Health Insurance Handbook and Open Enrollment Guide*, available at www.ctpf.org or attend a 2016 Retirement Seminar. (See page 6 for seminar dates and registration information.) *Pictured left: CTPF members attend an Open Enrollment Seminar October 8, 2015, at the Harold Washington Library. More than 600 retirees attended fall health insurance seminars and webinars, designed to educate retirees about their 2016 health insurance options.*

CTPF CALENDAR

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

JANUARY

- 18 Martin Luther King Jr. Day, office closed
- 21 9:30 a.m. Board of Trustees Meeting
- 28 Investment Committee Meeting

FEBRUARY

- 12 Lincoln's Birthday, office closed
- 15 President's Day, office closed
CTPF Retirement Seminar, Hilton Oak Lawn, see page 6.
- 18 9:30 a.m., Trustee Meeting

MARCH

- 7 Casimir Pulaski Day, office closed
- 17 9:30 a.m., Trustee Meeting
- 24 9:30 a.m., Investment Committee meeting

APRIL

- 19 CTPF retirement seminar, Harold Washington Library, see page 6.
- 28 9:30 a.m., Trustee Meeting

MAY

- 1 Nomination packets for 2016 Trustee elections available
- 26 9:30 a.m., Trustee Meeting
- 30 Memorial Day, 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
Hours: 8:00 a.m. – 5:00 p.m. M-F



Above pictured, from left to right: Vice President Lois W. Ashford, President Jay C. Rehak, Executive Director Charles A. Burbridge, Deputy Director and Chief Legal Officer Tiffany Reeves, and Director of Investments Angela Miller-May present CTPF's 2015 Diversity Report to the Illinois Senate Committee on Pension and Investments.

CTPF PRESENTS DIVERSITY REPORTS

The Chicago Teachers' Pension Fund (CTPF) invested more than \$3.6 billion in assets or more than 35.6% of total assets with Minority, Women, and Disadvantaged Business Enterprise (MWDBE) firms during fiscal year 2015.

November testimony before the Illinois Senate Committee hearing on Pensions and Investments highlighted the Fund's exceptional performance.

"CTPF Trustees understand that the \$10 billion in assets we steward helps drive economic activity, and creates jobs and opportunities for individuals and businesses in the State of Illinois. We have been leaders in making MWDBE investments and are proud of our commitments that consistently exceed our goals. As a Fund, we can clearly demonstrate the benefits in making investments in people and assets that provide opportunities that may otherwise not be available," said Jay C. Rehak, president of the CTPF Board of Trustees.

Over the past twenty years, CTPF has seen dramatic growth in MWDBE investments. The Fund invested 7.9% of assets in MWDBE-owned funds in 1995. Investments in 2015 increased by 2.2% from 2014 with a total investment of 35.6% of the Fund's portfolio. CTPF's 2015 Diversity report is available at www.ctpf.org.

DON'T HESITATE: DESIGNATE

CTPF DESIGNATION OF BENEFICIARY FORM 105
Chicago Teachers' Pension Fund

Member's name: first, middle initial, last, Social security number
 Mailing address: street, include apt. or unit no., Member's date of birth
 City, state, zip, Telephone number (with area code)
 Marital Status: never married, married/civil union, widowed, divorced, Marriage/civil union date (month/year), Spouse's date of birth
 Spouse's name: first, middle initial, last, Spouse's social security no.

SECTION 2 - Primary Beneficiary/ies receive CTPF death benefits first. % must add to 100
 Name, Date of birth, Relationship, % of share
 Address: city, state, zip, Phone number
 Name, Date of birth, Relationship, % of share
 Address: city, state, zip, Phone number
 Name, Date of birth, Relationship, % of share
 Address: city, state, zip, Phone number

SECTION 3 - Alternate Beneficiary/ies receive death benefits if no primary beneficiary survives. % must add to 100
 Name, Date of birth, Relationship, % of share
 Address: city, state, zip, Phone number
 Name, Date of birth, Relationship, % of share
 Address: city, state, zip, Phone number

SECTION 4 - ACKNOWLEDGEMENT
 Member signature (must be signed in the presence of the Notary) Date
 I, a Notary for the State and County noted below do hereby certify that _____ personally known to be the same person whose name is subscribed above, appeared before me this day in person and signed this document in my presence as a free and voluntary act, for the uses and purposes set forth here. Subscribed and sworn to before me, a Notary Public, in and for the State of _____, County of _____, (small)
 this _____ day of _____, 20____.
 Notary signature _____ (to SEAL & SIGN, NOTARY CANNOT BE FOLDED)
 My commission expires _____
 Return this form to CTPF, 203 North LaSalle, suite 2000, Chicago, IL 60601-1231. Make a copy for your records.

CTPF offers a survivor pension paid to a member's spouse and minor children, and a death benefit, paid to a members' designated beneficiary or estate. Completing CTPF's Designation of Beneficiary Form 105 ensures that any available death benefit is paid according your wishes. Form 105 can be downloaded at www.ctpf.org.

If you are new to the Fund and have not completed a designation form, or if you have experienced a life event: marriage, civil union, birth, divorce, death, etc., review your designation and submit a new form, if necessary.

Your designation form must be notarized. Make a copy for your records and send CTPF an original signed, notarized form.

CTPF HOSTS LEADERSHIP ROUNDTABLE



CTPF hosted the third meeting of the Illinois Reciprocal Funds Leaders' Roundtable on December 9, 2015. The group of leaders from the 13 Illinois Reciprocal Funds reconvened to discuss the economic impact pension funds have on Illinois, consider ways to work cooperatively, and discuss current legislative issues. The Roundtable group will meet again in February.

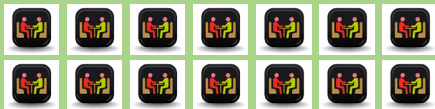
ADDING IT UP: CTPF YEAR IN REVIEW

CTPF is a member-focused organization, and we strive throughout the year to provide exceptional customer service. Here's a look at some highlights from Fiscal Year 2015*

64,410 calls answered



2,660



Appointments with members

1,055



Voice mails returned

3,890



E-mail messages from members to legislators

2,584



E-Mail inquiries answered

12



Medicare Birthday Parties and Health insurance seminars

600



Members served at 4 retirement seminars

1,322



Facebook "Likes"

275



Schools canvassed for election

68



Field Service workshops conducted

3,078



Pension Fund Ambassadors

88



E-lets and electronic communications to members

1,012



Pensions granted

18 **Webinars and training for members**



*2015 fiscal year, July 1, 2014-June 30, 2015

Is retirement on your horizon?

Get the big picture . . .

JOIN US FOR A 2016
RETIREMENT SEMINAR



CTPF 2016 RETIREMENT SEMINARS

If you're considering retirement in 2016, please join the Chicago Teachers' Pension Fund (CTPF) for a retirement seminar. The seminars provide a one-stop shop for retirement information including a general overview of the CTPF and CPS retirement processes. CTPF's Member Services Department will be available at both seminars to answer individual questions, assist with completing forms, and provide notary

services. Representatives from the Social Security Administration and the Chicago Public Schools will join the CTPF representatives for April 19th seminar only.

Registration is required and seating is limited. Call Member Services at 312.641.4464 to register.

February 15, 2016

9:00 a.m. or 1:00 p.m. (attend one)
Hilton Chicago/Oak Lawn
9333 South Cicero Avenue, Oak Lawn

April 19, 2016

9:00 a.m. or 1:00 p.m. (attend one)
Harold Washington Library,
Cindy Pritzker Auditorium, lower level
400 South State Street, Chicago

SCHEDULE YOUR PERSONAL BENEFITS CONSULTATION

If you are considering retiring in 2016, make an appointment to meet with a Pension Resource Specialist for a retirement consultation.

Appointments are available from Monday – Friday, 8:00 a.m. until 3:30 p.m. These personalized meetings allow you to discuss your retirement situation in depth. Bring your questions and relevant career information.



Walk-in Visitors

CTPF strongly recommends scheduling appointments. Members without appointments may be seen on a first-

come, first-served basis, between 9:00 a.m. – 3:00 p.m. Wait times will vary and may be long during peak periods.

CTPF is located at 203 North LaSalle Street, suite 2600, Chicago. The CTA's blue, green, brown, pink, purple, and orange lines all stop at Clark and Lake. Parking is available in the building and discounted vouchers are available for \$18 (check only, no cash).

RETIREMENT READINESS

The steps you take now can ensure a smooth retirement transition in June.

What to do now . . .

It's not too early to start preparing for the retirement process by doing research and organizing your information.

1. Do Some Homework

Every retirement situation is different. Evaluating your options involves time and energy. CTPF has helpful information and tools available online. Visit www.ctpf.org and click the "Thinking about Retirement" link to get started.

Be sure to check with your current employer to learn about the resignation process. Also, contact any prior employers to obtain the necessary paperwork if they are part of the reciprocal pension system.

2. Register for a 2016 Retirement Seminar

Call Member Services and register for one of the Retirement Seminars being offered February 15 and April 19 (see page 6 for details). These seminars provide an overview of the retirement process and can help you jump start (or complete) your retirement application. Everyone who **pre-registers** will also receive an Estimate of Pension in their information packet at the seminar.

3. Register your e-mail with CTPF

CTPF sends regular updates and information to retirees through e-mail. You will lose your employer-provided e-mail account when you retire, so make sure you register a permanent e-mail address with CTPF. Find a registration link at www.ctpf.org.

4. Follow us on Social Media


One way to stay up-to-date on pension news is by following CTPF on social media. Not only will you find retirement information and deadline dates, but news and facts about pension funding. It's part of our commitment to providing services that meet your needs – today and tomorrow. We are "Chicago Teachers' Pension Fund" on Facebook and @ctpf_tweets on Twitter.

FOLLOW CTPF  



PICTURE YOUR FUTURE WITH CTPF

If you're at the beginning of your career, it may be hard to picture yourself retired. Yet, planning for retirement should begin the first day of employment. Your pension, administered by the Chicago Teachers' Pension Fund (CTPF) is one of your most important assets. This sheet provides an overview of your retirement benefits.



CTPF Overview
Established by the State of Illinois on July 1, 1895, Chicago Teachers' Pension Fund (CTPF) is a public employee retirement system that manages members' assets and administers entitlements and benefits for teachers, educational administrators, professionals, and other certified individuals employed in the Chicago Public or approved charter school systems, and CTPF staff. Participation in the CTPF pension plan is mandatory for these individuals.
The fund currently serves more than 50,000 active contributors, and provides pension and health insurance benefits to nearly 28,000 members.
CTPF is governed by Illinois law, and managed by an independent, 12-member Board of Trustees. Current 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.


Defined Benefit Plan
CTPF members participate in a defined-benefit retirement plan, which offers a secure retirement income for life. Once earned, a pension does not lose value or change with investment or market conditions.
CTPF members do not contribute to Social Security during employment. Instead, each pay period, pension contributions are withheld by the employer and sent to CTPF. At retirement, CTPF calculates a pension based on the member's final average salary (FAS) and service credit.

MORE INFORMATION
You can find the M.A.P. and additional information on retirement, reciprocity, and disability pensions at www.ctpf.org.

PENSION BENEFITS
Your retirement pension is:
■ based on service credit and final average salary
■ paid throughout your lifetime
■ protected from inflation with an annual increase
Wondering what your pension might look like? CTPF's online Monthly Annuity Planner (M.A.P.) offers a rough estimate of your future monthly income.

RECIPROCAL PENSION
Have you worked for another Illinois public pension system? The Illinois reciprocal act may allow you to combine your service credit.

DISABILITY PENSIONS
CTPF offers two types of disability benefits for members who are permanently disabled and no longer able to work.
■ **Duty disability benefits:** for contributors under age 65 injured while performing one's duties.
■ **Disability retirement pensions:** for contributors with at least 10 year of service, unable to work.



New to CTPF? Find an information sheet with an overview of benefits at www.ctpf.org.

PICTURE YOUR FUTURE WITH CTPF.

It's never too early to think about retirement.

If you're new to the Fund, it can be hard to picture yourself at retirement, but planning for retirement should begin with your first day of employment. CTPF members do not contribute to Social Security, so understanding your CTPF benefits and how to protect them is an important element of your future financial security.

WHERE CAN I FIND MORE INFORMATION?

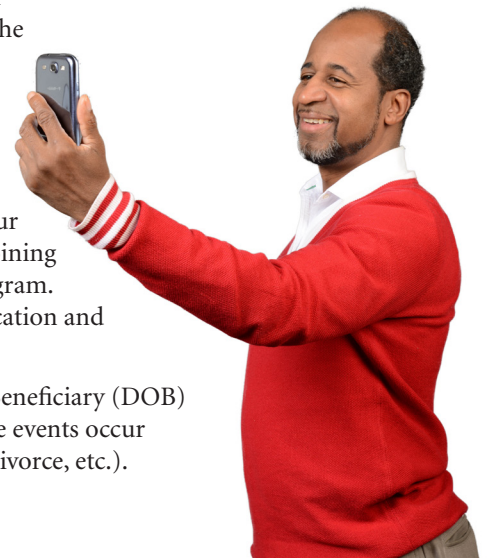
The CTPF website includes information about benefits and publications on a variety of topics available to download and review. Find publications at www.ctpf.org/general_info/publications.htm.

CLICK
www.ctpf.org

Find a pension estimator, forms, documents, and current news.

NEW TO THE FUND? STEPS YOU CAN TAKE...

1. Stay informed. Register your e-mail address with CTPF. Find a link on the home page at www.ctpf.org.
2. Keep your employer and CTPF up-to-date with any changes in your demographic information.
3. Take an active role in protecting your pension and financial security by joining the Pension Fund Ambassador program. Find a registration link on the Education and Advocacy page at www.ctpf.org.
4. Complete a CTPF Designation of Beneficiary (DOB) form and update it as important life events occur (marriage, civil union, childbirth, divorce, etc.). See page 4 for more information.





Chicago Teachers' Pension Fund

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REGISTER FOR E-MAIL UPDATES WWW.CTPF.ORG

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



WWW.CTPF.ORG

CTPF 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*
- Bernie Eshoo, *financial secretary*
- Robert F. Bures, *recording secretary*
- Jeffery Blackwell
- Mark F. Furlong
- Tina Padilla
- Walter E. Pilditch
- Mary Sharon Reilly
- Jerry Travlos
- Gail D. Ward
- Raymond Wohl
- Charles A. Burbridge, *executive director*



Pension News Goes Green in 2016

Pension News for active members is moving to an electronic format.

CTPF works hard to conserve resources, both financial and environmental. *Pension News* for **active members** will be distributed in electronic format only beginning in late 2016. This online-only format will help the Fund to conserve resources while still providing information to members quickly and efficiently. The newsletter will be e-mailed to active members with a valid e-mail address on file. A link to a printable PDF version will be included in the e-mail and posted at www.ctpf.org.

REGISTER

Scan the code or register
your e-mail at www.ctpf.org



**Stay informed and up-to-date.
Register your e-mail address at:
www.ctpf.org/general_info/contactus**

