

PENSION NEWS

SPRING 2011 FOR RETIREES

Issue Highlights

CTPF Financial Snapshot

An update on investment performance through February 28, 2011

2

2011 Trustee Election Notice

Pensioner Trustee elections will be held on November 4, 2011

4

Health Insurance Deadline

Important information for members who are not enrolled in a CTPF health insurance plan

5

Pension Payment Schedule

Find out when checks will be deposited and mailed through June 2012

6

Federal Deposits Go Electronic

The Treasury will soon stop sending paper checks. Find out if you need to take action to preserve your payment.

6

CTPF LAUNCHES ELECTRONIC COMMUNICATION INITIATIVE

CTPF recently launched several initiatives designed to provide timely and economical communications for members.

Since January 2011, CTPF has issued an electronic monthly newsletter, Pension E-News. The fund has also initiated an immediate alert system, CTPF E-LERTS. "Recent actions in Springfield by Illinois legislators underscore the importance of being able to communicate quickly with our members. Often times, e-mail is the most efficient vehicle for this type of communication. We are working diligently to collect members' e-mail addresses so that we can efficiently convey important information when the need arises," explained Kevin B. Huber, executive director.

Monthly electronic newsletters and E-LERTS offer immediate access to information and action items for members, and have been well received. "Members appreciate hearing from us with updates and current information," explained Frances Radencic, director, member and office services. "We have expanded our e-mail list dramatically in the past few months and continue to see strong growth. We envision expanding our electronic communications program and want to encourage all members, especially our retirees, to provide us with their e-mail addresses so we can offer important fund information."

continued on page 2



EXECUTIVE DIRECTOR'S LETTER

...the power of 59,000 members is hard to ignore. Together we can inspire action.



Kevin B. Huber, executive director

The Chicago Teachers' Pension Fund is governed by the laws of the State of Illinois, so we rely on elected officials for support. This spring, our lawmakers face a difficult financial situation as they work to balance the state's budget.

As executive director, I have visited Springfield and have worked to make sure the needs of our members and our fund are represented in budget discussions. I have shared, repeatedly, two important messages: CTPF deserves

fair funding and our health insurance spending cap needs to be raised.

We know that when it comes to making an impression, an audience may need at least 3 encounters with a message before it's recognized and up to 11 different impressions to inspire action. We have 79 senators and 118 house members in our current Illinois General Assembly – it means we have to do a lot of talking.

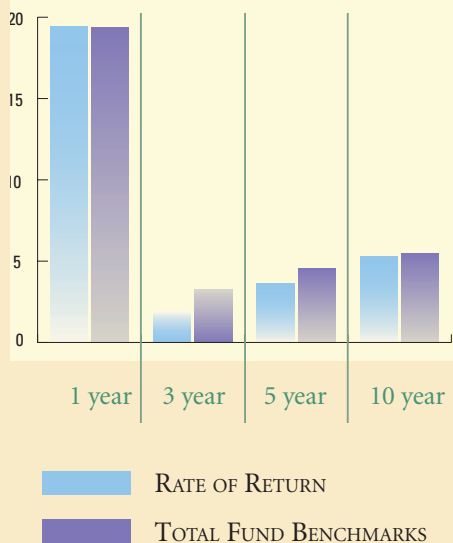
continued on page 2

## CTPF FINANCIAL SNAPSHOT

### CTPF RETURN ON INVESTMENTS

February 28, 2011

	RATE OF RETURN	TOTAL FUND BENCHMARKS
1 year	19.42	19.36
3 year	1.85	3.26
5 year	3.60	4.55
10 year	5.27	5.49



As of February 28, 2011, the approximate current value of CTPF's investments was \$10.2 billion.



Chicago Teachers' Pension Fund

## EXECUTIVE DIRECTOR'S LETTER continued from cover

I have only one voice – but when we share our voices – the power of 59,000 members is hard to ignore. Together we can inspire action.

The need to speak as one voice inspired several different initiatives this spring, including our electronic communication program. We recently introduced two new publications: monthly *Pension E-News* and timely *E-LERTS*. While electronic communication can save the fund substantial financial resources, the real benefit may come in the form of immediacy. Legislative actions that directly impact our membership can occur with blinding speed. Our traditional forms of communication can take days or even a week to deliver, during which the action may already be taken. CTPF members need to be well informed and well positioned to take action, quickly. We hope you will take advantage of this opportunity to register for updates and *E-LERTS* at [www.ctpf.org](http://www.ctpf.org).

We saw a great example of members and retirees taking concrete action this spring when CTPF worked with the Chicago Teachers Union, the Retired Teachers Association of Chicago, and the Chicago Principals & Administrators Association on a joint educational effort. The project, *Educators Reaching Legislators*, sent CTPF members out to

meet with lawmakers in their district offices during spring break. Armed with talking points and enthusiasm, retirees and active members took the opportunity to meet face-to-face with local lawmakers to educate them about priorities for CTPF members. Face-to-face meetings with legislators may be the most effective way to communicate our message and we look forward to continuing this type of work.

Measuring the success of our educational initiatives can be difficult. This spring, however, we had a bit of good news when *Chicago Tribune* columnist Eric Zorn wrote an excellent story about the inequities in pension funding. Find a link to his column on our website.

I hope you will take the time to read about our efforts to educate our legislators and lend your time, talent, and voice to support fair pension funding and affordable health insurance for our seniors. We need to reach our legislators and make sure they understand that even in difficult financial times, promises must be kept. We have much work to do, but with 59,000 members working together, we will be heard.

Kevin B. Huber, executive director

## ELECTRONIC COMMUNICATION INITIATIVE continued from cover

CTPF Trustees recently voted to eliminate the hard-copy distribution of the CTPF meeting minutes. This change allows the fund to realize substantial cost savings and offers a “greener,” more efficient delivery for interested individuals. A complete, searchable PDF version of the minutes will be posted online within seven days of their approval. The fund will continue to print and bind an annual volume, which will be available for public review in the CTPF office. Individuals who prefer a printed version may download and print the material as needed. Find the PDF archive at [www.ctpf.org](http://www.ctpf.org). Electronic versions of the minutes are available for the past five years.

STAY INFORMED. REGISTER FOR  
CTPF E-LERTS AND E-NEWS  
AT [WWW.CTPF.ORG](http://WWW.CTPF.ORG)

The Public School Teachers' Pension and Retirement Fund of Chicago, today known as the Chicago Teachers' Pension Fund (CTPF), was established in 1895 by the Illinois State legislature. From humble beginnings with 8,000 members and \$16,000 in investments, the fund has grown and evolved to become a 59,000+ member organization with more than \$10 billion in assets.

The fund operates as an independent, multi-employer, defined-benefit public employee retirement system. It offers retirement, survivor, and disability benefits for certified teachers and certain employees of the Chicago Public Schools, Charter Schools, and CTPF.

The State of Illinois sets the laws that govern the fund, and a 12-member Board of Trustees ensures compliance with the law and oversees operations. Board members hold fiduciary responsibility for protecting fund assets and benefits.

Fund members elect ten representatives to serve as Trustees and the Chicago Board of Education appoints two members. Trustees do not receive pay for their service.

## TEACHER TRUSTEES

Six Teacher Trustees represent active contributors other than principals or administrators. Teacher Trustees serve staggered, three-year terms. Teacher Trustees:

1. must hold an Illinois State Teaching Certificate,
2. be current contributors, and
3. have been assigned on a regular certificate in the Chicago Public or Charter Schools for a minimum of 10 years.

Elections are held in schools each fall to fill two of the six positions.

## PENSIONER TRUSTEES

Three Pensioner Trustees represent the annuitants and serve concurrent two-year terms.

Pensioner Trustees must be current service, reciprocal, or disability pension recipients.

Elections are conducted by mail, every two years.

## PRINCIPAL/ ADMINISTRATOR TRUSTEE

One Trustee serves a three-year term representing principals and school administrators. The Principal/Administrator Trustee:

1. must hold and be employed under a State of Illinois Type 75 Administrative Certificate,
2. must not be on the Chicago teachers' or the Chicago charter school teachers' salary schedule, or
3. must be paid on an administrative payroll.

Elections are conducted by mail, every three years.

## APPOINTED TRUSTEES

The Chicago Board of Education appoints two Trustees, who serve two-year terms.

## RESPONSIBILITIES OF TRUSTEES

The Trustees' primary responsibility is to protect fund assets and benefits. Trustees also approve CTPF's administrative budget, authorize benefit payments, select investment professionals, initiate necessary legislative changes, adopt actuarial assumptions, and appoint the CTPF actuary and legal counsel.

## Meetings

The Board of Trustees holds monthly, public meetings to conduct the business of the fund. Committee and special meetings are scheduled as needed.

## Education

All Trustees participate in educational programs on investing and other topics important to fund operations.

## Ethics

Each Trustee must file an annual Statement of Economic Interests form in accordance with the Illinois Governmental Ethics Act. Trustees must also complete ethics training and adhere to the CTPF Code of Conduct – Ethics Policy, available at [www.ctpf.org](http://www.ctpf.org).

## COMMITTEES

To facilitate the work of the fund, the board has established four standing committees to review and research various topics. These committees meet periodically and generally make recommendations for approval during regular meetings. Committees include:

### *Investment Committee*

The Investment Committee sets investment policy, selects and monitors investment managers, and recommends action.

### *Finance and Audit Committee*

The Finance and Audit Committee provides oversight of management's administration of the fund's budget, financial operations, and personnel policies.

### *Pension Laws and Rules Committee*

The Pension Laws and Rules Committee establishes the fund's legislative agenda. The committee also recommends the endorsement or opposition to proposed legislation and recommends statutory amendments to the Pension Code.

### *Claims and Service Credits Committee*

The Claims and Service Committee recommends action on applications for pensions, disability applications, death benefits, and refunds.

### *Other Committees*

Sub-committees may be established as needed. Current sub-committees include Personnel and Service Providers, Disability Claims, Health Insurance, and Communications.

# 2011 PENSIONER TRUSTEE ELECTION NOTICE

Snowbird?



The Chicago Teachers' Pension Fund has set Friday, November 4, 2011, as the date for the 2011 Pensioner Trustee Elections.

## Pensioner Trustee

The Pensioner Trustee Election will be conducted by mail ballot. The official date for the election is November 4, 2011. Pensioners will elect three Trustees to serve two-year terms from November 2011 to November 2013.

## Candidate Eligibility

Candidates for a Pensioner Trustee position must be current service, reciprocal, or disability pension recipients.

## Nomination Packets

Members interested in running for office should request a nomination packet by contacting the CTPF Election Team at 312.604.1400 ext. 132 or 169. Candidate eligibility will be verified before the packet can be issued. Nominating petitions must be returned by 5:00 p.m., Friday, September 30, 2011.

## Additional Information

Additional information is available in the *Election Policies and Procedures Handbook*, at [www.ctpf.org](http://www.ctpf.org). Questions regarding the Election may be directed to the CTPF Election Team at 312.604.1400 ext. 132 or 169.



IF YOU'RE RETURNING TO CHICAGO FOR THE SUMMER, DON'T FORGET TO FILE A CHANGE OF ADDRESS FORM WITH CTPF. PENSION CHECKS ARE NOT FORWARDED. YOU MUST COMPLETE A TEMPORARY CHANGE OF ADDRESS FORM TO ENSURE PROPER MAIL DELIVERY. FIND FORMS AT [WWW.CTPF.ORG](http://WWW.CTPF.ORG).



## PLANNING TO VISIT? PLAN AHEAD

Scheduled appointments with Member Services counselors are available Monday through Friday from 8:00 a.m. to 4:00 p.m.

Walk-ins are accepted on a first-come, first-served basis, between 9:00 a.m. and 3:00 p.m., but wait times will vary and may be lengthy during busy periods. Walk-ins will not be accepted after 3:00 p.m. An appointment is always recommended. Call 312.641.4464 to schedule an appointment.

### CTPF ADDRESS

203 North LaSalle Street, suite 2600  
Chicago, Illinois 60601-1231

### REDUCED PARKING VOUCHERS AVAILABLE

The 203 North LaSalle building has a self-park garage. Reduced parking vouchers, available from the office, can be bought for \$15, (check only, no cash).

### CTA ACCESS

The CTA's blue, green, brown, pink, purple, and orange lines all stop at Clark and Lake with easy entry to 203 North LaSalle.

## EDUCATORS REACHING LEGISLATORS



April 13, 2011, the Chicago Teachers' Pension Fund, the Chicago Teachers Union, The Retired Teachers Association of Chicago, and the Chicago Principals & Administrators Association united in an effort to educate Illinois legislators about pension funding and affordable post-retirement health insurance for Chicago's teachers.

The group set up appointments with legislators during spring break week and organized coordinated visits.

Armed with talking points, active and retired members met with many legislators. "We think this was a great initiative by all agencies," commented Kevin B. Huber, executive director. "Meeting directly with elected officials is the best way to help our lawmakers understand the issues facing the fund."

## SEPTEMBER 30, 2011, DEADLINE FOR 2010 HEALTH INSURANCE PREMIUM SUBSIDY APPLICATIONS

### Important information for members who do not participate in CTPF health insurance plans

Retirees currently enrolled in CTPF-sponsored health plans, automatically receive any available health insurance premium subsidy in their monthly pension check.

Retirees who do not participate in a CTPF-sponsored health insurance plan may apply for a subsidy for their health insurance premium. CTPF used to offer a health insurance premium subsidy based on its fiscal year, July 1 – June 30. This schedule often made documentation difficult for retirees.

In order to simplify the process, Trustees changed the subsidy period to the calendar year, January 1 to December 31. The fund will issue a special rebate for the six-month period July 1– December 31, 2010, to start the process.

Retirees who plan to apply for a reimbursement must turn in applications no later than September 30, 2011, for the period July 1 – December 31, 2010. Rebate applications were mailed to qualified retirees in April.

This premium subsidy is available to CTPF retirees whose final teaching service was with the Chicago Public or Charter School System. A surviving spouse and/or minor dependent, receiving a survivor pension, may also qualify. Rebates are paid for retiree health insurance premiums only, and do not include dependent coverage. The subsidy does not cover any other type of insurance coverage such as dental, vision, or long-term care.

The subsidy in effect for the period July 1 – December 31, 2010, was 70%. Effective January 1, 2011, the CTPF health insurance premium subsidy decreased from 70% to 60%. The subsidy is subject to change at the discretion of the Board of Trustees.

If you have questions about the subsidy, call Member Services at 312.641.4464.



## TURNING 65 THIS YEAR? CELEBRATE WITH CTPF!

### WATCH FOR YOUR BIRTHDAY PARTY INVITE...

CTPF has launched a series of "birthday parties" for members turning age 65.

"Turning 65 is an important milestone for members because they become eligible for Medicare," explained Mary Cavallaro, health benefits manager. "These 'birthday parties' offer important information about Medicare enrollment and offer opportunity to speak face-to-face with representatives from the Social Security Administration and our health insurance partners."



During the seminars attendees may:

- Enroll in Medicare on-site
- Learn about CTPF Medicare health plan options
- Speak with representatives from the Social Security Administration and CTPF health insurance providers
- Receive assistance completing health insurance forms

Seminars will be held periodically during the year. Invitations will be sent to eligible individuals and reservations are required. Watch your mail for more information.

## CTPF CALENDAR

CTPF Board of Trustees meetings, held in CTPF offices, are open to the public.

### MAY

- 2 Pensioner Trustee election nomination packets available
- 19 9:30 a.m., Trustee meeting
- 30 Memorial Day observed, office closed

### JUNE

- 9 9:30 a.m., Trustee meeting

### JULY

- 4 Independence Day, office closed
- 21 9:30 a.m., Trustee meeting

### AUGUST

- 18 9:30 a.m., Trustee meeting

### SEPTEMBER

- 5 Labor Day, office closed
- 15 9:30 a.m., Trustee meeting
- 30 5:00 p.m., completed nomination packets due to CTPF Election Coordinator

### OCTOBER

- 10 Columbus Day, office closed
- 20 9:30 a.m., Trustee meeting

### NOVEMBER

- 4 Pensioner Trustee Elections conducted by mail
- 11 Veterans Day, office closed
- 17 9:30 a.m., Trustee meeting
- 24-25 Thanksgiving holiday observed, office closed

### DECEMBER

- 8 9:30 a.m., Trustee meeting (tentative)
- 26 Christmas holiday 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](http://www.ctpf.org) [memberservices@ctpf.org](mailto:memberservices@ctpf.org)  
 Office hours: 8:00 a.m. – 5:00 p.m. M-F

## PENSION PAYMENT SCHEDULE

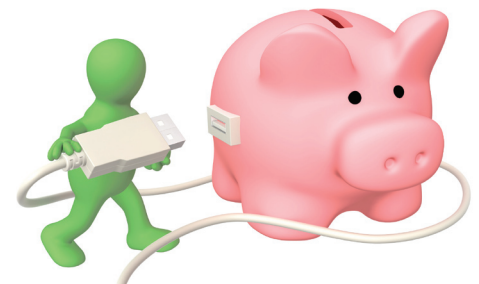
The schedule for mailing checks/direct deposit advices and the date for posting direct deposits is listed below. Please use this as a guide for budgeting.

Mail delivery usually takes two – three days. Members who receive checks by mail may not have the check in hand on the first of the month. If you have not received your check five business days after the posted mailing date, please contact CTPF. Direct deposit funds are normally available on their posting date. Find direct deposit enrollment forms at [www.ctpf.org](http://www.ctpf.org).

Month	Mailing Date	Direct Deposit Date
July 2011	June 29, 2011	July 1, 2011
August 2011	July 29, 2011	August 1, 2011
September 2011	August 30, 2011	September 1, 2011
October 2011	September 29, 2011	October 3, 2011
November 2011	October 28, 2011	November 1, 2011
December 2011	November 29, 2011	December 1, 2011
January 2012	December 30, 2011	January 3, 2012
February 2012	January 30, 2012	February 1, 2012
March 2012	February 28, 2012	March 1, 2012
April 2012	March 30, 2012	April 2, 2012
May 2012	April 27, 2012	May 1, 2012
June 2012	May 30, 2012	June 1, 2012

## FEDERAL DEPOSITS GO ELECTRONIC

The U.S. Department of the Treasury now requires all federal benefit and nontax payments to be paid electronically. Members who apply for Social Security, Veterans benefits, or other federal benefits on or after May 1, 2011, will receive their payments electronically starting with their first benefit payment. People currently receiving paper checks for their federal benefits will need to switch to an electronic payment option by March 1, 2013.



Those who do not choose an electronic payment option at the time they apply for federal benefits or those who do not switch by the deadline will receive their benefit payments via the Direct Express® Debit MasterCard® card. *If you already receive benefit payments electronically, you do not need to take action.* Your payment will continue as usual on the payment day.

Having federal benefits paid electronically by direct deposit or into a Direct Express® Debit MasterCard® account is safer, faster and more reliable than receiving paper benefit checks. More than 540,000 Treasury-issued checks were reported lost or stolen in 2010 and had to be reissued.

## LEGISLATIVE UPDATE

The Chicago Teachers' Pension Fund is governed by Illinois law. Changes to the governance of the fund begin in Springfield, Ill. CTPF encourages all members to take an active role contacting legislators and advocating for the fund. Members may find additional information and a complete list of the fund's legislative priorities for 2010-2011 at [www.ctpf.org](http://www.ctpf.org).

### *CTPF Director Testifies in Springfield*

CTPF Executive Director Kevin B. Huber spent March 17 in Springfield, meeting with Speaker Madigan and President Cullerton's key staff members to discuss options for tackling the current unfunded liability of all pensions in the state.

"We worked to educate legislators about the impact that changing benefits for current active employees has on the unfunded burden for pensions. They listened, but were noncommittal. We will keep providing legislators with information as they deliberate," explained Huber.

### *Support House Bill 3401*

CTPF encourages all members to contact legislators and ask for their support of Illinois House Bill 3401. This bill requests that CTPF be allowed to increase its spending on health insurance for retirees from \$65M to \$100M annually. The State set the health insurance spending cap at \$65M in 2003-2004, and has not increased the amount since that time. During the same period, the number of CTPF retirees has increased almost 36%.

Unless the spending cap is raised, the amount CTPF can offer to retirees for health insurance premium subsidies will continue to decline.

### *Senate Bill 1831 Passes*

CTPF, Chicago Public Schools (CPS), and Chicago Teachers Union (CTU) recently agreed to amend the payroll provisions of Article 17 of the Illinois Pension Code. April 14, 2011, the Illinois Senate passed Bill 1831, which amends the language so that teachers earn one day of pension service credit for each day of paid employment (day-for-a-day rule) and defines a year of service credit as 170 days. This new rule will apply to all teachers, full-time, part-time, half-time, or substitutes. The bill was waiting on the governor's signature at press time.

### *House Bill 1544 Defeated*

Illinois House Bill 1544 passed out of committee but was defeated on the House floor in a roll call vote on April 11. The bill provided language mandating that CTPF receive about 20% of the annual allocation made to the Teachers Retirement System (downstate teachers). This bill would provide an additional \$400M annually to CTPF from the state and would help to stabilize the fund with a more equitable funding structure. CTPF will continue to work towards passage of this type of legislation.

### *House Bill 3639 Passes*

House Bill 3639 passed unanimously by the Illinois House of Representatives on March 31, 2011. An amendment to this bill gives more than \$2.5B in funding for the downstate Teachers Retirement System and appropriates \$10M to CTPF.

## CONTACT INFORMATION FOR KEY ILLINOIS LEGISLATORS

### Governor Pat Quinn

207 State House  
Springfield, IL 62706  
217.782.0244 p.

Thompson Center  
100 W. Randolph, 16-100  
Chicago, IL 60601  
312.814.2121 p.

### Senate President John J. Cullerton

327 Capitol Building  
Springfield, IL 62706  
217.782-2728 p.  
217.782-3242 f.

4237 N. Lincoln Avenue  
Chicago, IL 60618  
773.883.0770 p.  
773.296.0993 f.

### Speaker of the House, Michael J. Madigan

300 Capitol Building  
Springfield, IL 62706  
217.782.5350 p.  
217.524.1794 f.  
[mmadigan@hds.ilga.gov](mailto:mmadigan@hds.ilga.gov)

6500 South Pulaski Rd.  
Chicago, IL 60629  
773.581.8000 p.  
773.581.9414 f.

### House Appropriations Committee Elementary and Secondary Education Rep. William Davis, Chair

254-W Stratton Building  
Springfield, IL 62706  
217.782.8197 p.  
217.782.8197 f.  
[williamd@ilga.gov](mailto:williamd@ilga.gov)

1912 W. 174th Street  
East Hazel Crest, IL 60429  
708.799.7300 p.  
708.799.7377 f.

### House Personnel and Pensions Committee Rep. Kevin McCarthy, Chair

261-S Stratton Building  
Springfield, IL 62706  
217.782.3316 p.  
217.789.6250 f.

8951 W. 151st Street  
Orland Park, IL 60462  
708.226.1999 p.  
708.226.9068 f.  
[kevmac37@sbcglobal.net](mailto:kevmac37@sbcglobal.net)

### Senate Pensions and Investments Committee Kwame Raoul, chair

122 Capitol Building  
Springfield, IL 62706  
217.782.5338 p.  
217.558.6006 f.

1509 E. 53rd Street,  
2nd Floor  
Chicago, IL 60615  
773.363.1996 p.  
773.681.7166 f.  
[raoulstaff@gmail.com](mailto:raoulstaff@gmail.com)





**Chicago Teachers' Pension Fund**

203 North LaSalle Street, suite 2600  
Chicago, Illinois 60601-1231

Presorted  
Standard  
U.S. Postage  
**PAID**  
Oak Brook, IL  
Permit No. 100

**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**

- John F. O'Brill, *president*
- Maria J. Rodriguez, *vice president*
- Walter E. Pilditch, *financial secretary*
- Mary Sharon Reilly, *recording secretary*
- Lois W. Ashford
- Jeffery Blackwell
- Alberto A. Carrero, Jr.
- Peggy A. Davis
- Jeanne Marie Freed
- Chris N. Kotis
- Jay C. Rehak
- James F. Ward
- Kevin B. Huber, *executive director*

**AN EXTRAORDINARY LIFE**



*Processing death benefits is a sad but important CTPF responsibility. When a recent death notice came in, the fund's staff initially thought that a mistake had been made. The information described an active member with more than 63 years of service.*

*The staff began checking, and soon the explanation became clear. The individual who had passed was Dr. Catherine M. Wells, a legendary CPS educator. The principal of Farnsworth Elementary School on Chicago's north side for the past 38 years, Dr. Wells died in active service in March 2011.*

*Dr. Wells will be missed greatly by her family and the Farnsworth community. Her extraordinary service is unparalleled in the memory of the fund's staff.*