

# PENSION NEWS

WINTER 2010/2011 FOR RETIREES

## Issue Highlights

### Financial Snapshot

*A look at CTPF's financial performance through September 30, 2010.*

2

### Healthy Resolutions for 2011

*The cost of quality health care is an investment in your future. Suggestions for staying well and saving money.*

4

### Returning to Work

*Find out how returning to work can impact your pension.*

6

### 2011 Medicare Premiums

*Medicare monthly premium rates for 2011.*

7



The 2010-2011 Chicago Teachers' Pension fund Board of Trustees. Pictured from left to right, front row: Lois W. Ashford, Vice President Maria J. Rodriguez, President John F. O'Brill, Financial Secretary, Walter E. Pilditch. Not pictured, Recording Secretary Mary Sharon Reilly. Back row, from left to right: Alberto A. Carrero, Jr., Chris N. Kotis, Peggy A. Davis, Jeffery Blackwell, Jay C. Rehak, Jeanne Marie Freed, and James F. Ward.

## 2010-2011 TRUSTEES INSTALLED

The Chicago Teachers' Pension Fund is governed by a 12-member board of trustees. The board includes 6 teachers, 3 pensioners, 1 principal/administrator, and 2 representatives from the CPS Board of Education. Terms of office for trustees are staggered. This fall, elections were held to fill open positions. Jeffery Blackwell and Jeanne Marie Freed were elected to represent teachers, Chris N. Kotis was re-elected to serve as principal/administrator trustee, and Alberto A. Carerro, Jr., was re-appointed to represent the Board of Education.

[Continued on page 3](#)

## EXECUTIVE DIRECTOR'S LETTER

*"At CTPF we do not take risks – we manage risk."*



Kevin B. Huber, executive director

If you have ever read the fine print on a solicitation from an investment company, you may also have seen disclaimer stating that "all investments involve risk. Past performance does not guarantee future returns." Without a crystal ball to predict the future, we assume some degree of risk when we make an investment.

There are some general principles that help to mitigate risk. Even the most risk-averse investors understand that investing 100% of assets into a single

investment rarely makes sense. Consider the hypothetical example of Jane, a CTPF teacher, nearing retirement. Jane is a self-described "conservative" investor, who doesn't want to take risks.

A review of her finances at retirement reveals that Jane has instinctively divided her assets into a variety of vehicles with different levels of risk. Jane has checking and savings accounts, a 403(b) retirement plan offered by her employer, and owns a home. Each summer she worked as a

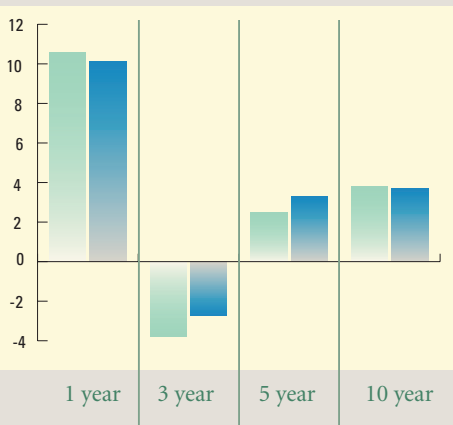
[Continued on page 2](#)

## CTPF FINANCIAL SNAPSHOT

### CTPF RETURN ON INVESTMENTS

Close of the Fiscal Year, September 30, 2010

	RATE OF RETURN	TOTAL FUND BENCHMARKS
1 year	10.6	10.1
3 year	-3.8	-2.7
5 year	2.5	3.3
10 year	3.8	3.7



■ RATE OF RETURN  
■ TOTAL FUND BENCHMARKS

As of September 30, 2010, the approximate current value of CTPF's investments was \$9.34 billion.



Chicago Teachers' Pension Fund

## EXECUTIVE DIRECTOR'S LETTER continued from cover

camp counselor, which helped her to qualify for Social Security and Medicare benefits. During her career, she also banked 320 sick days with her employer, which will be a substantial sum at retirement.

Jane's situation demonstrates that spreading risk is instinctive and necessary – to even the most conservative investors.

At CPTF we do not take risks – we manage risk. We manage risk by distributing investments in a carefully considered mix of assets, designed to ride out short-term market volatility and produce stable, long-term results. Our trustees make prudent investments based on independent advice.

Pensions have been in the news lately and the publicity has highlighted the long-term funding issues our fund faces. We want to emphasize the long-term nature of these issues and reassure our retirees that their pensions are safe. Monthly benefits will continue on time and without any reduction. CTPF has never missed a pension payment.

While pensions are guaranteed, health insurance benefits for our retirees are not. This past year, CTPF trustees were forced to make the difficult decision to reduce the health insurance reimbursement rate from 70% to 60%, effective January 1, 2011.

Many are upset about the increase and it's important to remember that there are steps you can take to stabilize CTPF's health insurance premium subsidy. Our insurance spending is limited by state statute. Funding changes at CTPF come through legislation, and we encourage

you to contact your legislators to advocate for an increase in the health insurance spending cap. Another step you can take is to be a wise consumer of your health insurance resources. This newsletter offers many ideas for staying healthy and saving money, and we hope you will fully consider the advice of our health benefits staff.

Health insurance funding isn't the only long-term issue we face. Legislators in Springfield have allowed the Board of Education to defer tax revenue earmarked for pensions for many years, while cutting the State's contributions. CTPF has worked vigorously to advocate for fair and equitable state of Illinois funding and adequate CPS contributions, but we have found that legislators respond most actively to their constituents.

We hope that in 2011 you will take the opportunity to actively educate your Illinois legislators about the long-term funding and health insurance issues facing Chicago's retired teachers. You'll find talking points and contact information at our website, [www.ctpf.org](http://www.ctpf.org).

While we cannot predict the future, as we look toward 2011, we can assure you that we will continue to make stable, long-term investments and we will pay pensions on time. We will educate our legislators about CTPF's needs and hope you will use your skills and talents to help us deliver this message.

Best wishes for the new year.

Kevin B. Huber, executive director

## 2011 OPEN ENROLLMENT WRAP UP

This fall nearly 2,000 individuals attended CTPF Open Enrollment Health Insurance Seminars. The seminars offered overview presentations by health benefits staff, individual counseling by CTPF staff members, and

the chance to meet with health plan administrators and representatives from the Social Security Administration.

"The feedback we received from our members was overwhelmingly positive," said Sheron Banks-Fallis,

“I want to thank outgoing Teacher Trustees Linda Goff and Lois Nelson for their diligence and contributions,” remarked Kevin B. Huber, executive director. “I welcome new Teacher Trustees Blackwell and Freed, and welcome back Trustees Kotis and Carrero,” continued Huber. “We all look forward to a busy and productive year.”

**Jeffery Blackwell and Jeanne Marie Freed Elected Teacher Trustees**

October 29, 2010, active teachers held elections in schools. Four candidates ran for two open positions. Jeffery Blackwell and Jeanne Marie Freed received the most votes. More than 13,000 individuals cast ballots.

Blackwell teaches 6th grade, 7th grade, and special needs students at William King School. He 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, Chicago.



Freed teaches Spanish in the International Baccalaureate Program at Lincoln Park High School. She earned a bachelor of arts in Latin American studies from the University of Southern



California, Los Angeles, and a master’s degree in Spanish language and literature from the University of Illinois, Chicago.

“The teacher trustee election ran smoothly and featured a good turnout,” said Frances Radencic, election coordinator. “About 50% of our members cast ballots, which is consistent with previous elections. The election was organized by Election Services Corporation and conducted by more than 500 volunteer Pension Representatives and Canvassing Board members.”

**Chris N. Kotis Re-elected Administrator Trustee**

Chris N. Kotis was re-elected Principal/Administrator Trustee. Kotis will serve a three-year term from November 2010 until November 2013. Kotis was first elected to the board in 2007.



**Alberto A. Carrero, Jr., Re-appointed Board of Education Representative**

The Chicago Board of Education re-appointed Alberto A. Carrero, Jr., to serve a two-year term from November 2010 until November 2012. Carrero has served on the board since 2002.



**2010-2011 CTPF BOARD OF TRUSTEES**

During their November 23, 2010, meeting, the CTPF Board of Trustees elected officers and organized the 2010-2011 board.

**2010-2011 Executive Board**

*President*

John F. O’Brill

*Vice President*

Maria J. Rodriguez

*Financial Secretary*

Walter E. Pilditch

*Recording Secretary*

Mary Sharon Reilly

**2010-2011 Board of Trustees**

*Representing the Contributors*

Lois W. Ashford

Jeffery Blackwell

Jeanne Marie Freed

John F. O’Brill

Jay C. Rehak

Maria J. Rodriguez

*Representing the Principals/ Administrators*

Chris N. Kotis

*Representing the Pensioners*

Walter E. Pilditch

Mary Sharon Reilly

James F. Ward

*Representing the Board of Education*

Alberto A. Carrero, Jr.

Peggy A. Davis

member services manager. “Many times our retirees have complicated health insurance questions and finding all the resources they need in one place makes the decision-making process easier. Retirees also like the face-to-face interaction as well.”

*Right, retirees gathered at the Marriott O’Hare for an open enrollment seminar. Seminars were also held at the Hilton Oak Lawn and in the CTPF office. A record number of retirees attended this year’s presentations.*





**RESOLVE TO:**  
*Stay healthy (and save money!) in 2011.*

Now that you have decided on a health insurance plan for 2011, make sure you take full advantage of the benefits offered by your plan. There are some simple steps you can take to help stay well this year – both physically and financially.

**RESOLVE TO:**  
*Understand your benefits.*

If you have not taken the time to completely read through your health plan benefits, make the time to do so. *The 2011 Health Insurance Handbook and Open Enrollment Guide*, available at [www.ctpf.org](http://www.ctpf.org), has a complete summary of health plans and other important health insurance information. Check your health plan administrator's website if you need additional information. Contact information can be found on page 42 of the enrollment guide.

**RESOLVE TO:**  
*Visit your primary care provider for preventive care benefits.*

CTPF and its health insurance plan administrators have enhanced preventive care benefits as outlined in the federal Patient Protection and Affordable Care Act of 2010. Preventive care benefits are now covered at 100% for all CTPF plans when you see a PPO primary care provider for these services. Preventive care benefits may include screenings for blood pressure, cholesterol, colorectal cancer, depression, Type 2 Diabetes, and HIV, along with adult immunizations.

**RESOLVE TO:**  
*Be your own advocate.*

When you schedule a doctor's visit, it is important to prepare and be ready to initiate an open dialogue about your health. Patients share the responsibility for good communication, so make sure you bring lists of your current medication and questions that you have. You may also want to bring along a trusted family member or friend to help keep track of your doctor's advice.

**RESOLVE TO:**  
*Take small steps towards good health.*

Many small steps can produce big savings on your out of pocket health insurance costs and help to keep you well. Mary Cavallaro, R.N., CTPF health benefits manager offers this advice:

**“Make sure to have a primary care physician (PCP) you trust.** Some plans require your care to be directed by a PCP, others do not. Research shows that strong primary care is associated with good health outcomes and lower costs. Having a primary care physician who knows you and your medical history can make a big difference in the care options you seek. Many physician offices

now have evening and weekend hours. Seeking care at your doctor's office instead of the ER for non-emergency care can save hundreds of dollars in emergency room copayments.

**“Make sure all your vaccinations are up-to-date.** Discuss your vaccination history with your primary care physician. Get your flu shot every year. If you travel, inform your physician of your travel plans and ask about additional vaccinations you may need.

**“Check to see if your current doctors and providers are considered ‘in network’ by your health plan.** Many plans offer enhanced benefits and lower deductibles when you use in-network providers. The new year often brings plan changes so check to make sure that your physician is still covered in network or to see if s/he has been added.

**“Stay current with your health insurance plan ID card.** Throw away your old health insurance card when you receive a new one. This avoids confusion at the doctor's office and pharmacy, especially at times when you are not feeling well.

**“Ask your doctor about your prescriptions.** When you go to an appointment, bring your health plan administrator's drug formulary with you. Check to see if the brand name drugs your doctor is prescribing are included on the formulary. If you take brand name drugs, ask your doctor if there are generic alternatives available to treat your condition. Many new generics come to market each year and in some cases, switching to a generic drug can save hundreds of dollars per year.”



## Working for Your Good Health: CTPF HEALTH BENEFITS DEPARTMENT



### WHEN MORE IS BETTER

Moderation is often the prescription for good health, but when it comes to your prescription maintenance drugs, there are times when asking for more is a better choice.

One of the easiest ways to save money is to ask your doctor for a 90-day prescription for your maintenance drugs. Maintenance drugs are those you take regularly for an ongoing condition, such as diabetes, high cholesterol, high blood pressure, or asthma.

“The process is simple – ask your doctor for a three-month prescription with refills,” explained Mary Cavallaro, health benefits manager. “We have worked with all of our health plans to offer a discount when you fill a 90-day supply of your maintenance drug prescriptions. You can fill your prescription through a mail-order pharmacy or in some cases, through your local retail pharmacy.”

Check the CTPF enrollment guide to see what type of 90-day supply options are available through your plan. If you are interested in mail order, contact your health plan administrator for the necessary forms.



*The Health Benefits Department pictured, from left to right: Jim Messina, health benefits specialist, Marianne Schury, health benefits supervisor, Lois Jackson, health benefits specialist, and Kathy Knight, health benefits specialist. Front row, from left to right: Cherlyn Kelly, health benefits specialist, Mary Cavallaro, R.N., health benefits manager, and Jacqueline Norman, health benefits specialist.*

The CTPF health benefits department works to process health insurance enrollments during the annual open enrollment period and throughout the year. Health insurance specialists also review and process applications of retirees who apply for subsidy of their non-CTPF health insurance premiums. Health benefits staff act as the liaison between the health plan administrators and the retirees to ensure plan benefits are administered appropriately and manage the disability application process.

During the past year, the staff has focused on improving and revising health insurance related communication materials. The health insurance handbook was significantly enhanced with expanded sections on eligibility, documentation requirements, Medicare, and plan comparison charts. A single enrollment form for most health plans,

included in the handbook, streamlined the enrollment process.

“Retirees see the health benefits staff at open enrollment, but we work year-round to ensure the program runs effectively and efficiently” explained Mary Cavallaro, R.N., health benefits manager. “Beyond operational oversight, my focus is strategic planning, analysis, plan performance review, and contract administration. I also ensure that we are in compliance with federal and state regulations.”

“Our members generally have high satisfaction with CTPF’s plan administrators,” explained Marianne Schury, health benefits supervisor. “One of the benefits of our group health program is that we work daily with the health plan administrators to make sure the program runs smoothly and to resolve customer service issues quickly.”



## RETURNING TO WORK

*You retired early and eagerly anticipated a new lifestyle. What you didn't anticipate was boredom, or the stock market crash which drained your savings, or the cost of health insurance.*

*What happens when your retirement plans don't add up? For many, the answer is returning to work.*

The poor performance in the stock market has left many retirees with fewer retirement resources than they anticipated. Extra money may help make ends meet, or allow you to enjoy activities without tapping into retirement savings. While money may be a motivator, many retirees find returning to work makes sense for other reasons.

Health insurance coverage is an important consideration. Many companies offer full- and part-time employees the opportunity to participate in group health insurance plans.

If you have not yet earned enough credits to qualify for Medicare, returning to work may allow you to earn additional credits towards these benefits.

Staying busy and enjoying a sense of community are other reasons seniors cite for returning to work. Regardless of the reason, if you decide to return to work, understand the impact on your pension.

### PENSION IMPACT

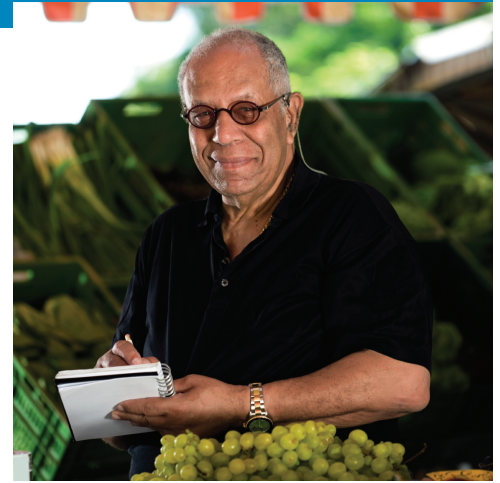
There are some basic guidelines to keep in mind when you return to work.

### NON-CTPF EMPLOYERS

Some retirees prefer to work in a field unrelated to teaching. They seek part-time or full time employment at retailers or other employers who offer flexible work hours, a discount on purchases, or other intangible benefits. As a CTPF retiree, you may work for any non-CTPF employer without restriction.

### CTPF COVERED EMPLOYMENT

Retirees who miss the daily routine of school often serve as substitute teachers. CTPF retirees may return to work with a CTPF employer as long as the employment is part time, temporary, or non-contractual, without benefits. Make sure your employer understands your situation and your employment status is clearly defined.



### SUSPENSION OF PENSIONS

If you do return to work in a full-time position for a CTPF-covered employer, your pension will be suspended. Your pension and retirement benefits will be recalculated when you again retire.

### RECIPROCAL ACT EMPLOYERS

If you return to work in another system covered by the Illinois Reciprocal System Retirement Act, each Illinois retirement system has its own rules governing the employment of annuitants. It is a retiree's responsibility to understand the reemployment rules before accepting employment.

### QUESTIONS

If you have questions about post-retirement employment, contact Member Services at 312.641.4464.

## SITES FOR SENIORS

*The following sites provide information about financial assistance programs or health information for seniors.*

**FEDERAL GOVERNMENT**  
[WWW.BENEFITS.GOV](http://WWW.BENEFITS.GOV)

This is the official benefits website of the U.S. government. The benefits finder function may help users identify possible financial assistance programs.

**STATE OF ILLINOIS**  
[WWW.ILLINOISBENEFITS.ORG](http://WWW.ILLINOISBENEFITS.ORG)

The Illinois Department on Aging offers information about State programs that may help you save money on Medicare premiums or prescriptions.

**SHIP**  
[WWW.INSURANCE.ILLINOIS.GOV/SHIP](http://WWW.INSURANCE.ILLINOIS.GOV/SHIP)

Illinois Senior Health Insurance Program offers a free health insurance counseling service for seniors with insurance questions.



**U.S. CENTERS FOR DISEASE CONTROL AND PREVENTION**  
[WWW.CDC.GOV](http://WWW.CDC.GOV)

A complete list of recommended vaccinations for adults.

**PRESCRIPTION DRUGS**  
[WWW.MEDICARE.GOV/PHARMACEUTICAL-ASSISTANCE-PROGRAM/INDEX.ASPX](http://WWW.MEDICARE.GOV/PHARMACEUTICAL-ASSISTANCE-PROGRAM/INDEX.ASPX)

See if any maintenance prescription drugs you take are included in a pharmaceutical assistance program.

## 2011 MEDICARE MONTHLY PREMIUMS

Medicare has released its monthly premium rates for 2011. Some Medicare eligible retirees will need to provide CTPF with additional documentation. See below.

### PART A: (HOSPITAL INSURANCE) PREMIUM

Many retirees do not pay a monthly Part A premium because they, a spouse, or former spouse, have 40 or more quarters of Medicare-covered employment. The Part A premium is \$450 per month for people who are not otherwise eligible for premium-free hospital insurance and have less than 30 quarters of Medicare-covered employment. If you have 30-39 quarters of Medicare-covered employment, the premium is \$248 per month.

### PART B: (MEDICAL INSURANCE) PREMIUM

Beneficiaries who currently have the Social Security Administration (SSA) withhold their Part B premium and have incomes of \$85,000 or less (or \$170,000 or less for joint filers) will continue to pay the same premium amount in 2011. For all others, the standard Medicare Part B monthly premium will be \$115.40 in 2011, which is a 4.4% increase over the 2010 premium. If your income is above \$85,000 (single) or \$170,000 (married couple), then your Medicare Part B premium may be higher than \$115.40 per month. See [www.medicare.gov](http://www.medicare.gov) for information.

### CTPF DOCUMENTATION REQUIRED

If you are a retiree enrolled in a CTPF-sponsored Medicare plan who is affected by the 2011 Medicare Part B premium increase and CTPF **does not** make your Medicare premium payment on your behalf (you are billed by Medicare), you must provide written proof to CTPF of the increased premium amount. This proof is necessary for CTPF to provide retirees with accurate Part B premium subsidy. Acceptable written proof includes the Center for Medicare and Medicaid Services (CMS) premium notification letter or a Medicare premium bill.

Call CTPF Member Services at 312.641.4464 if you have any questions.



**WE WANT  
TO HEAR  
FROM YOU**

### SNOWBIRDS

If you are lucky enough to head south for winter, remember that CTPF does not forward benefit checks. File a temporary address change with CTPF before you leave and consider direct deposit.

Change of address and direct deposit authorization forms are available at [www.ctpf.org](http://www.ctpf.org) or call 312.641.4464.

### PLANNING TO VISIT?

Appointments with Member Services counselors are available Monday through Friday, 8:00 a.m. - 3:30 p.m. 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 vary and may be long.

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.

Call Member Services at 312.641.4464 to schedule appointments.



## CTPF CALENDAR

*Trustee meetings, held in CTPF offices, are open to the public.*

### DECEMBER

- 24 Christmas holiday observed, office closed
- 31 New Year's Day holiday observed, office closed

### JANUARY

- 17 Martin Luther King Jr., birthday observed, office closed
- 20 9:30 a.m., trustee meeting

### FEBRUARY

- 17 9:30 a.m., trustee meeting
- 21 Presidents day observed, office closed

### MARCH

- 07 Casimir Pulaski Day observed, office closed
- 17 9:30 a.m., trustee meeting

### APRIL

- 28 9:30 a.m., trustee meeting

### MAY

- 19 9:30 a.m., trustee meeting
- 30 Memorial Day 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



**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*

## INSIDE THIS ISSUE

*Nothing matters more than your good health. The new year is just around the corner so resolve to stay healthy (and save money!) in 2011. See page 4.*