



Chicago Teachers' Pension Fund

PENSION NEWS

Fall 2018 | Retired Member Edition

TRUST. INTEGRITY. STABILITY.



BOARD OF TRUSTEES VOTE

DIVESTING FROM PUBLIC MARKET HOLDINGS IN PRIVATE PRISONS & DETENTION CENTERS

2018 NOTICE OF ELECTION

MAKE YOUR VOTE COUNT

2018 PAYMENT UPDATE

FULL PAYMENT RECEIVED FOR FISCAL YEAR 2018



2019 OPEN ENROLLMENT

INFORMATION ON 2019 HEALTH INSURANCE PLANS



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.

Issue Highlights

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EXECUTIVE DIRECTOR'S MESSAGE

It is **IMPORTANT** that our Board **REPRESENTS THE DIVERSITY** of its membership, and voting is your opportunity to **MAKE A POSITIVE DIFFERENCE FOR ALL CTPF MEMBERS.**



Charles A. Burbridge
Executive Director

With the annual CTPF Board of Trustees elections upon us, I urge everyone to vote in the election this November. Trustees are active leaders in our community and play a very important role in supporting strong professional leadership and ensuring informed governance to best represent your interests as members, so it's important to get to know the candidates. CTPF is a member service organization and we are here to serve you.

It is important that our Board represents the diversity of its membership, and voting is your opportunity to make a positive difference for all CTPF members. A responsibility that shouldn't be taken lightly, all members should use their vote in an informed way.

CTPF is governed by a 12-member Board of Trustees comprised of six active teachers, one principal or administrator, three retirees, and two trustees appointed by the Board of Education. The CTPF Board members hold many responsibilities, including authorizing benefit payments and selecting investment professionals, but their chief responsibility is representing all CTPF members' best interests when

aiding in making decisions surrounding CTPF business, financial, and personnel matters.

Trustee elections are held in the fall, and all pensioners receiving a service, reciprocal, or disability pension from CTPF as of October 1, 2018, are eligible to vote. One pensioner trustee will be elected to fill a vacancy for a term ending November 2019, so it's imperative that all eligible voters take advantage of this opportunity to choose your best representative for the upcoming year.

See the Notice of Election on page 7, or visit www.ctpf.org/election-central for additional information. I encourage all retired members to learn about the candidates and make informed voting decisions.

This is also an important time of year because Open Enrollment for Health Insurance opens in October. The 2019 Open Enrollment period for Health Insurance will run from October 1- 31, 2018. CTPF offers seminars and webinars to educate members about CTPF's health insurance plans, and I encourage you to attend to make sure your questions are answered and you're making the best decision for you and your family. Additional information is contained in this newsletter and you will receive more information in the coming weeks.

CTPF LAUNCHES NEW & IMPROVED WEBSITE

CTPF received an overwhelming response when we surveyed members to find out what they most wanted in our redesigned website. With that feedback in mind, we have developed a new and improved website that offers a clean, uncluttered design, a simple navigation, clearly designated sections for different audiences, and a newsfeed for sharing key news, updates, and information.

Additional features and services are currently in development as we expand upon our new digital initiative. The best way to learn about the new website is to explore www.ctpf.org.

Continued on page 6.



CTPF DIVESTS FROM PUBLIC MARKET HOLDINGS IN PRIVATE PRISONS & DETENTION CENTERS

At their August 16, 2018, meeting, the CTPF Board of Trustees voted for CTPF to divest and to prohibit future investment in private prison companies and businesses that operate immigration detention centers. The Trustees directed staff to instruct investment managers to prudently liquidate public market holdings in private prison companies engaging in either incarceration or in immigrant detention as soon as reasonably practical and in accordance with the managers' fiduciary duties.



Jay C. Rehak, President of the CTPF Board of Trustees, said "As part of our duty to maintain sound, long-term investments, CTPF has divested from investments in private prisons and privately-run immigrant detention centers that deliberately outsource public services and foster unsafe working and living conditions. We know these institutions disproportionately incarcerate people of color and those who live below the poverty line, house immigrant children and perpetuate the separation of immigrant families, and take advantage of and put at risk unprotected, low-wage employees, while lacking fiscal and operational transparency." Rehak continued, "CTPF continues to be a leader in scrutinizing our investments worldwide. I'm proud of our action, and members should be too."

The Bureau of Justice Statistics reports that in 2015 (the most recent numbers available), for-profit corporations held approximately 7 percent of state prisoners and 18 percent of federal prisoners. The U.S. Immigration and Customs Enforcement Agency reported that nearly three-quarters of federal immigration detainees were held in private custody. Private corporations also hold an unknown percentage of people in local jails in Texas, Louisiana, and a handful of other states.

FISCAL YEAR 2018 PAYMENT UPDATE

CTPF funds pensions through revenue returned on investments and from four external sources; the Chicago Board of Education, the State of Illinois, a property tax levy, and member contributions. As of August 31, 2018, the CPS fiscal year 2018 required contribution of \$772.71 million has been paid in full. A breakdown of the payment includes:

- \$221.3 million from the State of Illinois for the fiscal year 2018 normal cost requirement
- \$426.0 million in property tax receipts
- \$125.4 million from the Chicago Board of Education

The State of Illinois made its required contribution of \$11.69 million.

Revenue from the property tax levy is remitted directly to CTPF and credited against the CPS contribution. Additional revenue received from the levy will be credited to the CPS 2019 contribution. Each pay period, CTPF members contribute a portion of their salary to fund pensions. The required member contribution for Fiscal Year 2019 is 9% of pensionable teacher salaries.

As of August 31, 2018, members paid \$158.6 million (CPS) and \$21.3 million (charter schools) for the 2018 fiscal year.

Financial Statements

CTPF is committed to fiscal transparency. Audited financial statements and actuarial reports can be found in the *Comprehensive Annual Financial Report*.

www.ctpf.org/financial-investment-reports



CALENDAR

OCTOBER

- 1 Election Nomination Packets Due | 5:00 p.m.
- 1 Open Enrollment Begins
- 2 Open Enrollment Webinar | 10:00 a.m.
- 4 Open Enrollment Webinar | 10:00 a.m.
- 8 Finance & Audit Committee Meeting | 5:00 p.m.
- 9 Open Enrollment Seminar 9:00 a.m./1:00 p.m.
- 11 Open Enrollment Seminar 9:00 a.m./1:00 p.m.
- 18 Board of Trustees Meeting | 9:30 a.m.
- 25 Investment Committee Meeting | 9:30 a.m.
- 31 Open Enrollment Closes

NOVEMBER

- 7 Board of Trustees voting closes | 5:00 p.m.
- 8 Finance & Audit Committee Meeting | 5:00 p.m.
- 12 Veterans Day | Office closed
- 13 Board of Trustees Meeting | 9:30 a.m.
- 22 Thanksgiving Holiday | Office closed
- 23 Thanksgiving Holiday | Office closed

DECEMBER

- 6 Finance & Audit Committee Meeting | 5:00 p.m.
- 18 Board of Trustees Meeting | 9:30 a.m.
- 25 Christmas Holiday | Office closed

Open Enrollment details are on pages 4-5.

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

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

OPEN ENROLLMENT 2019

CTPF offers health insurance benefits to retired members whose final teaching service was with CTPF, as well as their eligible survivors/dependents. During the annual Open Enrollment Period, retirees can enroll for the first time, add a dependent, or change a health insurance plan or carrier.

The Open Enrollment period runs October 1-31, 2018. Changes made during open enrollment become effective January 1, 2019. Overall rates for CTPF plans saw an average increase of 0.4% for 2019.

PLANS & OPTIONS

All health plans for Medicare eligible members offered in 2018 will be offered in 2019. Members currently enrolled in these plans do not need to take any action to stay enrolled. CTPF will offer six health insurance plans: three for Medicare-eligible members and three for members who do not qualify for Medicare. CTPF retirees can find detailed information about health insurance plans, plan design changes, costs, and comparison information in the *2019 Health Insurance Handbook*. Handbooks were mailed to all retirees and is available online at www.ctpf.org/open-enrollment.



2019 SUBSIDY UPDATE

CTPF Trustees voted to continue to subsidize the 2019 CTPF health insurance premiums at 50% for eligible retirees, effective January 1, 2019. The subsidy percentage is unchanged from 2018. The premium subsidy does not apply to the cost of dependent health insurance. The subsidy is set annually and is subject to change.

Open Enrollment

October 1-31, 2018

2019 PLANS

For complete cost and coverage information, see the *2019 Health Insurance Handbook*. **Members currently enrolled in a CTPF plan do not need to take any action to stay enrolled.**

NON-MEDICARE PLANS

All health plans for Non-Medicare eligible members offered in 2018 will be offered in 2019.

- Blue Cross and Blue Shield PPO
- UnitedHealthcare Choice Plus PPO
- Blue Cross and Blue Shield HMO Illinois

MEDICARE PLANS

CTPF will offer three health plans for members enrolled in Medicare:

- UnitedHealthcare Group Medicare Advantage Plan PPO with Express Scripts Medicare® PDP
- AARP Medicare Supplement Plan F (UnitedHealthcare) with Express Scripts Medicare® PDP
- Humana Group Medicare HMO with Part D Pharmacy

PLAN CHANGES

AARP Medicare Supplement Plan F (UnitedHealthcare) Wellness Benefits

In 2019, enrollees in the AARP Medicare Supplement Plan F (UnitedHealthcare) plan will be transitioning to an expanded Health and Wellness program. Find more information about the new plan at www.ctpf.org/open-enrollment.

Medicare Part D Plan Update

Part D plan out of pocket costs are changing for 2019. Once your true out-of-pocket cost reaches \$5,100, your copay may be reduced (in 2018, your out-of-pocket threshold was \$5,000).

Once you meet this cost threshold, you pay:

- the greater of 5% coinsurance or \$3.40 for generics/multi-source drugs (in 2018, your coinsurance was the greater of 5% or \$3.35)
- \$8.50 for brand name drugs (in 2018, your coinsurance was \$8.35)

Possible Mid-Year Formulary Changes for Express Scripts Medicare® PDP

During the year, Express Scripts might make mid-year changes to the formulary that are allowed by Medicare rules. For example, they may remove a brand-name drug and replace it with a new generic drug on the same or lower cost-sharing tier, and with the same or fewer restrictions. You will receive a notice, or you will receive a one-month supply, rather than a 60-day refill of your brand-name drug at a network pharmacy. Please refer to your Express Scripts 2019 Annual Notice of Changes documents already mailed to you or call Express Scripts customer service at 1.800.864.1416.

Medicare Star Ratings

The Centers for Medicare and Medicaid Services (CMS) uses a Star Rating system to measure how well Medicare Advantage plans and stand alone Part D plans perform in categories such as customer service, member complaints, pricing, and the array of services each offers. The ratings range from one to five stars, with five being the best and one the worst. To find your plan's Star rating, go to www.medicare.gov/find-a-plan and enter the name of your group plan:

UHC Medicare Advantage Plan	Express Scripts Part D Plan
H2001	S5660
Humana Medicare Advantage Plan	
H1468	

HOW TO ENROLL

Non-Medicare members can use CTPF Form 350, included in the *Handbook* and available to download online, to enroll. Members who are Medicare-eligible will need to complete Form 350 and additional forms as required by individual plans. Detailed enrollment instructions for Medicare plans can be found in the *Handbook* and 2019 Health Insurance Open Enrollment Central at www.ctpf.org/open-enrollment.

Return all completed enrollment forms and required documentation to CTPF. Forms returned to an insurance company will not be processed. All enrollment forms must be postmarked by October 31, 2018. Changes made during Open Enrollment become effective January 1, 2019.

OPEN ENROLLMENT ASSISTANCE

During the first two weeks of October, CTPF offered seminars and webinars to educate members about CTPF's health insurance plans. Plan changes made during Open Enrollment become effective January 1, 2019. If you have not attended a seminar or live webinar, the presentations can be viewed and downloaded.



CTPF OPEN ENROLLMENT WEBINAR PRESENTATIONS

Our webinars offer an overview of CTPF's 2019 health plan choices, changes and costs, and include a pre-recorded question and answer session. You can view these webinars at www.ctpf.org/open-enrollment.



HIPAA AUTHORIZED REPRESENTATIVE

If you would like to have a family member assist you with health insurance issues, you can submit a HIPAA Authorized Representative Designation 345 form, available at www.ctpf.org, Forms and Publications, or contact Member Services, 312.641.4464, to request to have a form mailed to you. Your Authorized Representative may discuss your health insurance options, but cannot make care or treatment decisions.

Why it's Important to Designate an Authorized Representative with CTPF

By assigning an Authorized Representative now, you ensure that the people you trust can ask plan benefit questions, are enabled to discuss claims, and may research inquiries for you in the event that you experience any future cognitive or physical issues that may make it difficult for you to handle your health care matters on your own. An authorized representative does not have power of attorney and cannot make any of your care or treatment decisions.

Designating an Authorized Representative with your Health Insurance Provider

You may also choose to designate an Authorized Representative with your insurance provider. Each provider has its own process and designation form. To designate a representative with your health insurance provider, please call the insurance company's customer service number found on your insurance card. They will help guide you through their process and provide you with the necessary forms.

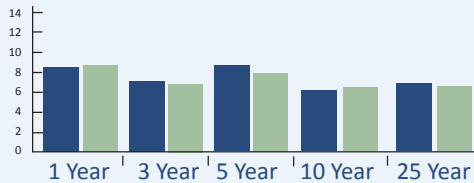
It is important to designate an Authorized Representative with both CTPF and your health insurance provider so that your representative will have access to all of your relevant health care information if the need arises.

Financial Snapshot

RETURN ON INVESTMENTS

As of June 30, 2018

	NET RATE OF RETURN	TOTAL FUND BENCHMARKS
1 Year	8.69%	8.36%
3 Year	7.28%	7.20%
5 Year	8.52%	8.22%
10 Year	6.41%	6.42%
25 Year	7.85%	7.54%



■ RATE OF RETURN
■ TOTAL FUND BENCHMARKS

As of June 30, 2018, the approximate current value of CTPF's investments was \$10.8 billion.



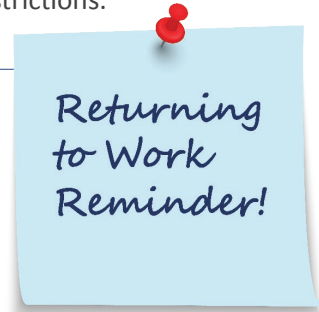
RETURNING TO WORK AFTER RETIREMENT

Return to work violations for CTPF retirees are on the rise. The Illinois Pension Code limits the number of days and the amount of compensation that retirees can earn as part of part-time or temporary employment for an Employer, and retirees who return to work for a CPS or Charter school (Employer) on a permanent or annual basis are subject to cancellation of their retirement benefits on the date re-employment begins.

REMEMBER: A retiree may go to work for any employer that is not the Chicago Board of Education or a Chicago Charter school without restrictions.

RETURN TO WORK REQUIREMENTS

ACKNOWLEDGE/NOTIFY: If you intend to work for the Chicago Public or Charter Schools, you are required to notify the Chicago Teachers' Pension Fund before beginning your re-employment. You must fill out Form 770 and return it to the CTPF via postal mail or fax. Form 770 can be found online at www.ctpf.org, or call Member Services at 312.641.4464 to have a copy mailed to you.



TRACK: You must independently track your own days worked; do not rely on your employer's scheduling system to track the number of days or hours you have worked. Track your days by using a calendar, spreadsheet, or other system that you alone maintain, and make sure to monitor your time worked closely.

RECONCILE: Update your personal tracking record with each paycheck. The number of hours and days you are paid is what is reported to CTPF, so be sure to report errors to your employer to have them corrected as soon as possible. Once the calendar/tax year closes (*i.e.*, December of each year), corrections may not be possible, so it is in your best interest to closely monitor your paychecks.

BE VIGILANT: You will not receive a warning if you are getting close to working the maximum 100 days, so be vigilant when tracking your time worked. Only you are responsible for tracking your days.

For more information about returning to work, please visit www.ctpf.org/returning-work.

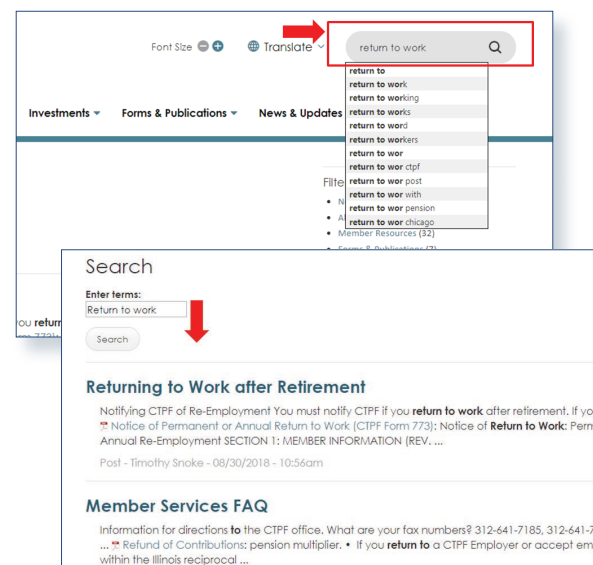
Website Highlight: Searching Simplified

Navigating the new website has been simplified with the search bar tool. The new CTPF website offers an easy-to-use search bar to help you find the information quickly and easily. Simply type a search term into the Search box, press enter, and you'll be directed to the page or pages containing the relevant information.

For Example:

Searching for Return to Work information?

- 1 Type "return to work" into the search bar and press enter.
- 2 A menu of options appears with links to pages which include relevant information.
- 3 Click a link to go directly to the page with the information you are searching for.



PENSIONER TRUSTEE ELECTION

CTPF is governed by a 12-member Board of Trustees: six elected by active members, three elected by pensioners, one elected by principals/administrators, and two appointed by the Board of Education.



PENSIONER TRUSTEE ELECTION*

November 7, 2018, CTPF will hold an election for one (1) Pensioner Trustee to fill a vacancy for a term ending November 2019. Candidates for Pensioner Trustee must be a service, reciprocal, or disability pensioner receiving monthly payments from CTPF, and be nominated by a petition signed by not less than 100 pensioners, as provided in 40 ILCS 5/17-139(2). Voters in the election shall be pensioners receiving a service, reciprocal, or disability pension from CTPF as of October 1, 2018.

SCHEDULE OF ELECTION EVENTS	
February 15, 2018	Nomination packets available
October 1, 2018	5:00 p.m. (CT), nomination packets due to CTPF
October 19, 2018	Election materials mailed and online voting available for Pensioner Trustee election
November 7, 2018*	Voting closes for elections at 5:00 p.m. (CT); all mail-in ballots must be received by this date
November 13, 2018	Trustees sworn in during CTPF Board of Trustees meeting

*An election for two (2) Teacher Trustees will also be held on November 7, 2018.

BALLOT MAILING AND ONLINE VOTING

CTPF will mail ballots by first-class mail to all eligible pensioners on October 19, 2018. Voting closes on November 7, 2018, at 5:00 p.m. (CT). Pensioners will have the option of voting with a traditional paper ballot or using a secure electronic ballot.

VOTING INSTRUCTIONS

Voting instructions for online and paper ballots will be included in your election mailing.

All paper ballots must be RECEIVED by November 7, 2018, in order to be counted. Paper ballots received after November 7, 2018, will not be included in the election total. Members are encouraged to submit their ballots early or vote online to ensure votes are counted.

CANDIDATE INFORMATION

A list of certified candidates and their candidate statements will be available online at Election Central and included in the election mailing. Visit www.ctpf.org/election-central for more information.

NEW STAFF AT CTPF

CTPF WELCOMES CHIEF BENEFITS OFFICER



Rosemary K. Ihejirika, MBA, joined CTPF in May 2018 as Chief Benefits Officer. Ihejirika previously served as Benefits Manager for a self-insured health system, where she oversaw plan design, systems implementation, benefits administration, communications development, member services, and vendor relationships for the employee and member life cycles.

Ihejirika has worked in the benefits field for more than 24 years in both private and public funds, and recently returned to Chicago from Springfield, IL. Her experience includes programming and business analysis, and she holds a BA from the University of Port-Harcourt and an MBA from the Keller Graduate School of Management.

BOARD UPDATES

TRUSTEE BERNICE ESHOO RETIRES

CTPF extends its congratulations and best wishes for a long, happy, and productive retirement to CTPF Trustee Bernice Eshoo, who retired in June from CPS after 34 years of service. A tireless advocate for students, Trustee Eshoo has been a dedicated volunteer for various student-focused organizations and has served on several other committees and boards in addition to her duties as a CTPF Trustee.



TEACHER TRUSTEE VACANCY FILLED



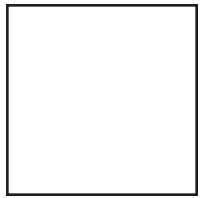
Thursday, July 19, 2018, CTPF Board of Trustees appointed James Cavallero to serve as a Teacher Trustee. Trustee Cavallero will serve out the remainder of Trustee Bernice Eshoo's term, until the Board's regular November meeting.

CTPF will hold an election in November for a Teacher Trustee to serve the remainder of the term from November 2018-2019.



Chicago Teachers' Pension Fund

203 North LaSalle Street | Suite 2600
Chicago, Illinois 60601-1231



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 EMAIL UPDATES:
www.ctpf.org

ARE YOU **REDEFINING RETIREMENT?**

We know that retirement represents a new beginning for many of our members.

What are you doing to stay active, creative, engaged, and involved?



Email your story to socialmedia@ctpf.org and we may contact you for a feature.

EMAILS FROM CTPF

In addition to the printed *Pension News*, CTPF emails a monthly digital newsletter to all members, along with periodic time-sensitive announcements that members need to know, so we ask that you do not unsubscribe from receiving CTPF emails. If you have unsubscribed from CTPF emails and need to re-subscribe, please visit www.ctpf.org/webform/sign-updates.



PENSION PAYMENT SCHEDULE

The schedule for mailing checks/direct deposit pay advices and the date for posting direct deposits is listed below. To view the full payment schedule please visit www.ctpf.org/pension-payments.

Month	Check Mailing Date	Direct Deposit Date
October	September 27, 2018	October 1, 2018
November	October 30, 2018	November 1, 2018
December	November 29, 2018	December 3, 2018

BOARD OF TRUSTEES

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Lois W. Ashford
Vice President

James Cavallero
Mark F. Furlong
Lois Nelson

Tina Padilla
Mary Sharon Reilly
Maria J. Rodriguez

Jerry Travlos
Gail D. Ward

Charles A. Burbridge
Executive Director

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Financial Secretary

Jeffery Blackwell
Recording Secretary