



PENSION NEWS

TRUST. INTEGRITY. STABILITY.

Fall 2017 | Retiree Edition

OPEN ENROLLMENT 2018

*ENROLLMENT INFORMATION AND SEMINAR
AND WEBINAR REGISTRATION*

RETURN TO WORK RULES

*EXCEEDING THE LIMITS RESULTS IN
CANCELLATION OF YOUR PENSION*

2017 ELECTION NOTICE

MAKE YOUR VOTE COUNT

MEDICARE ADVANTAGE PPO PLAN CHANGES

IMPORTANT TRANSITION INFORMATION

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.

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EXECUTIVE DIRECTOR'S MESSAGE

We know that HEALTH INSURANCE is incredibly IMPORTANT to our MEMBERS, yet many of us probably don't spend the time we should making this DECISION.

One of the great perks of my job is the opportunity to meet and connect with our members. One of those opportunities is right around the corner, at our fall Open Enrollment Sessions.

During our fall Open Enrollment period, taking place October 1-31, members can join a CTPF health insurance plan for the first time or change plans.

We know that health insurance is incredibly important to our members, yet many of us probably don't spend the time we should making this decision. According to the 2015 Aflac Open Enrollment Survey, more than half of US workers (56 percent) spend 30 minutes or less understanding and signing up for health care benefits. Fortunately, our Trustees and staff spend many hours evaluating plans and options before making these determinations.

We understand that change is hard and we're here to help. We're pleased

to offer six high-quality plans with comprehensive benefits focused on your health and wellness. Even though Illinois law has limited the funds we can spend on health insurance to \$65 million since 2004, our careful stewardship has allowed our Trustees to continue to offer a 50% premium subsidy in 2018. You can expect to receive your *Health Insurance Handbook* in the mail by October 1, and plan changes can be found on page 5.

Change may be scary, but it's also inevitable, and we hope you take comfort in the fact that CTPF always has our members' best interests in mind, and we're working very hard to help you either transition to a new plan or understand and take full advantage of your current plan.



Charles A. Burbridge
Executive Director

CPS 2017 PENSION PAYMENT

The Chicago Board of Education (CPS) was required to make a payment to the Chicago Teachers' Pension Fund (CTPF) of \$733 million for the 2017 fiscal year, ending June 30, 2017. As of August 31, 2017, CTPF received \$483 million from CPS and \$250 million from the property tax levy, bringing CPS's FY 2017 total pension contribution payment to \$733 million for fiscal year 2017. The State restored CPS's power to levy a pension tax in 2016. Proceeds from the tax levy remitted directly to the Fund.

SCHOOL FUNDING LEGISLATION PROVIDES STATE PENSION CONTRIBUTION

On Thursday, August 31, 2017, Governor Rauner signed Senate Bill 1947 into law. This legislation makes changes to Illinois' school funding formula, and requires the State to pay the long-sought normal cost of Chicago teachers' pensions.



CTPF IMPACT

The legislation has three main components which impact CTPF:

- Beginning with the 2017 tax year, the City of Chicago's Board of Education may impose a dedicated property tax levy of up to 0.567% (the current property tax levy rate is capped at 0.383%). This increase, if implemented, will generate additional revenue which will go directly to the Fund.
- Starting this fiscal year (July 1, 2017-June 30, 2018), the State will pay CTPF the normal cost of Chicago teachers' pensions and retiree health insurance costs. Beginning in Fiscal Year 2019, CTPF will provide a certified normal cost to the State on an annual basis which will include the \$65 million authorized for the retiree health insurance subsidy.
- The legislation also provides a continuing appropriation for all amounts contributed by the State to CTPF.

"This legislation offers stable and equitable State funding for CTPF and provides Chicago's Board of Education with additional resources. We appreciate the hard work and cooperation that made this possible," said Charles A. Burbridge, CTPF Executive Director. "The State has paid the normal cost of downstate/suburban teacher pensions, and this legislation ensures that teachers are treated equitably throughout the State. We want to thank our members who have spent more than a decade educating legislators about the importance of fully funding pensions and, as a result, education in Illinois."

RETURN TO WORK RULES REMINDER

There has been some confusion about the FY 2018 Return to Work Rules, which became effective July 1, 2017. **Exceeding the limits results in cancellation of your pension. In order to avoid exceeding the limit for days worked in a year, please be aware of the following important information:**

- 1 You must independently track your own days worked. No matter what employer system you use to register for your hours, you are solely responsible for independently keeping track of your days worked (such as in a document, spreadsheet, or calendar you maintain yourself). You will not receive a warning if you're getting close to the maximum 100 days allowed.
- 2 Any paid time worked is considered a "day" worked. For example, if you are a substitute teacher and you arrive, swipe in, and are sent home because you're not needed, if you are paid for any portion of that day, that is considered a day worked under the FY 2018 Return to Work Rules.
- 3 Check your paycheck for accuracy after each pay period and reconcile with number of days worked. If there are errors in your paycheck, you must correct them with your employer as soon as possible after the pay date.



PLEASE READ the complete Return to Work Policy, at: www.tinyurl.com/RTWRules2017.

CALENDAR

SEPTEMBER

- 4 Labor Day Holiday | Office closed
- 21 Board of Trustees meeting | 9:30 a.m.
- 22 Open Enrollment Seminar Registration
- 29 Election nomination packets due | 5 p.m.

OCTOBER

- 1 Open Enrollment Begins
- 2 Health Insurance Webinar | 10:00 a.m.
- 3 Health Insurance Seminar | 9 a.m. & 1 p.m.
- 4 Health Insurance Webinar | 10:00 a.m.
- 5 Health Insurance Seminar | 9 a.m. & 1 p.m.
- 10 UnitedHealthcare Seminars Begin:
10/10 - 10/19: at various locations
(*more information on page 5*)
- 19 Board of Trustees meeting | 9:30 a.m.
- 20 United Healthcare Webinar | 10:00 a.m.
- 24 United Healthcare Webinar | 10:00 a.m.
- 26 Investment Committee meeting | 9:30 a.m.
- 31 Open Enrollment Ends

NOVEMBER

- 7 CTPF Board of Trustees Election
(*more information on page 6*)
- 16 Board of Trustees meeting | 9:30 a.m.
- 23 Thanksgiving Holiday | Office closed
- 24 Thanksgiving Holiday | Office closed

DECEMBER

- 14 Board of Trustees meeting | 9:30 a.m.
- 25 Christmas Day | Office closed

Board of Trustees and Investment 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 2018

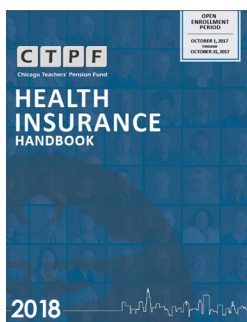
CTPF offers health insurance benefits to retired members whose final teaching service was with CTPF, as well as their eligible survivors/dependents. The Fund offers an annual Open Enrollment Period when retirees can enroll for the first time, add a dependent, or change a health insurance plan or carrier.

The 2018 Open Enrollment period runs October 1-31, 2017.

Changes made during open enrollment become effective January 1, 2018. Overall rates for CTPF plans saw an average increase of 2.9% for 2018. "We saw a small increase in rates overall, primarily due to an increase in our prescription drug costs," said Mary Cavallaro, CTPF Deputy Executive Director. "Our Trustees negotiated rigorously with our insurance carriers and we are pleased to again offer six high quality, affordable health insurance plans which promote wellness and provide peace of mind for our members. Each member has different needs when it comes to their health. This is a very personal decision and it's important to reflect on needs and evaluate options during open enrollment."

PLANS & OPTIONS

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 2018 *Health Insurance Handbook*. Handbooks will be sent to all retirees by October 1, 2017, and will also be available at the 2018 Health Insurance Open Enrollment Central page at www.ctpf.org.



2018 SUBSIDY UPDATE

CTPF Trustees voted to continue to subsidize the 2018 CTPF health insurance premiums at 50% for eligible retirees, effective January 1, 2018. The subsidy amount is unchanged from 2017. The premium subsidy does not apply to the cost of dependent health insurance.



2018 PLANS

For complete cost and coverage information, see the *Health Insurance Handbook*.

NON-MEDICARE PLANS

All health plans for Non-Medicare eligible members offered in 2017 will be offered in 2018. **Members currently enrolled in the following plans do not need to take any action to stay enrolled:**

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

* See the handbook for details on changes to this plan including new deductibles and out-of-pocket maximums for both medical and prescription claims. Copays for physician visit and Tier 1 drugs have been eliminated and urgent care copays have been reduced.

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

The Blue Cross and Blue Shield Medicare Advantage (PPO) will not be offered in 2018.

Members and dependents enrolled in this plan who do not select a new plan during Open Enrollment will be automatically transferred to the UnitedHealthcare Group Medicare Advantage Plan (PPO), effective January 1, 2018. Members moving to the UnitedHealthcare Group Medicare Advantage plan can continue to see their current doctors and utilize their current hospitals, and may use any doctor or hospital that accepts Medicare.

Members enrolled in the AARP Medicare Supplement Plan F (UnitedHealthcare) or the Humana Group Medicare HMO Plans do not need to take any action to stay enrolled for 2018.



PRESCRIPTION DRUGS

Each health insurance plan utilizes a formulary (a list of preferred prescription drugs). Formularies may change annually, so it's important to review the 2018 formulary to determine if your prescription expenses will change. Find links to formularies on the 2018 Health Insurance Open Enrollment Central page at www.ctpf.org.

EXPRESS SCRIPTS® PRESCRIPTION DRUG PLAN CHANGES

Medicare-eligible members enrolled in UnitedHealthcare plans have prescription drug coverage provided by Express Scripts®. There are changes to coverage under this plan for 2018:

- A "Preferred Value Network" will be implemented effective January 1, 2018. Copays remain at 2017 levels if using the Preferred Value Network, and will increase by \$5 if utilizing the non-preferred network. The Preferred Value Network contains 26,000 pharmacies, including Walgreens, Costco, Kroger, and Wal-Mart.
- Most compound drugs will no longer be covered under this plan. If you currently take a compound medication, consult with your prescribing doctor and contact Express Scripts (800.864.1416) to understand this change.

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 2018 Health Insurance Open Enrollment Central at www.ctpf.org.

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, 2017. Changes made during Open Enrollment become effective January 1, 2018.

ADDITIONAL INFORMATION, INCLUDING SEMINAR LOCATIONS, WILL BE MAILED BY SEPT. 22

OPEN ENROLLMENT ASSISTANCE

CTPF's Open Enrollment seminars and webinars offer an overview of 2018 health plan choices and changes. UnitedHealthcare will also offer seven additional seminars with information about the Group Medicare Advantage plan.



CTPF SEMINARS

Registration opens Friday, September 22, 2017, at 9 a.m.

Register at www.tinyurl.com/ctpf2017 or call CTPF Member Services, 312.641.4464, to register for CTPF Seminars.

Tuesday, October 3, 2017

Harold Washington Library Auditorium
9:00 a.m. – Medicare Plans
10:30 a.m. – UnitedHealthcare Educational Meeting
1:00 p.m. – Non-Medicare Plans

Thursday, October 5, 2017

Hilton Oak Lawn Ballroom
9:00 a.m. – Medicare Plans
10:30 a.m. – UnitedHealthcare Educational Meeting
1:00 p.m. – Non-Medicare Plans



CTPF WEBINARS

Registration Now Open!

Monday, October 2, 2017

10:00 a.m. – Non-Medicare Plans
Register: www.tinyurl.com/ctpfwebinar1

Wednesday, October 4, 2017

10:00 a.m. – Medicare Plans
Register: www.tinyurl.com/ctpfwebinar2

UnitedHealthcare Group Medicare Advantage Plan Seminars



Call UnitedHealthcare at 877.841.6134 to register for these seminars. Registration opens September 11, 2017.

Tuesday, October 10, 2017 | 9:00 a.m.

DoubleTree by Hilton Chicago North Shore

Wednesday, October 11, 2017 | 9:00 a.m.

Prairie State College

Thursday, October 12, 2017 | 9:00 a.m.

Holiday Inn Chicago Matteson
Conference Center

Tuesday, October 17, 2017 | 9:00 a.m.

The Westin Lombard Yorktown Center

Tuesday, October 17, 2017 | 2:00 p.m.

DoubleTree by Hilton Hotel Chicago - Alsip

Wednesday, October 18, 2017 | 9:00 a.m.

Homewood Suites by Hilton Orland Park

Thursday, October 19, 2017 | 9:00 a.m.

Serbian Social Center

UnitedHealthcare Webinars

Pre-registration not required.

Friday, October 20, 2017 | 10:00 a.m.

Tuesday, October 24, 2017 | 10:00 a.m.

Logon: www.UHCRetiree.com/CTPF

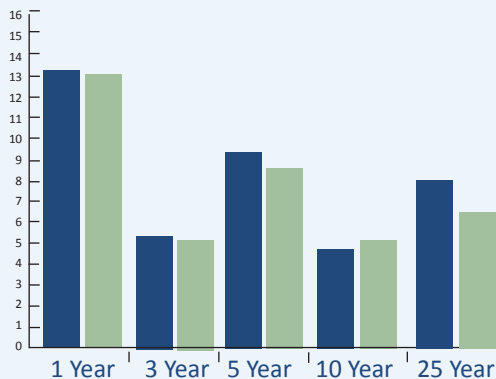


Financial Snapshot

RETURN ON INVESTMENTS

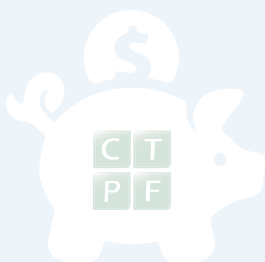
As of June 30, 2017

	NET RATE OF RETURN	TOTAL FUND BENCHMARKS
1 Year	13.29%	13.05%
3 Year	5.47%	5.24%
5 Year	9.36%	8.93%
10 Year	4.92%	4.94%
25 Year	8.06%	7.72%



RATE OF RETURN
 TOTAL FUND BENCHMARKS

As of June 30, 2017, the approximate current value of CTPF's investments was \$10.5 billion.



2017 NOTICE OF ELECTION

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



PENSIONER TRUSTEE ELECTION*

This fall, CTPF will hold an election for three (3) Pensioner Trustees to serve from November 2017-2019.

ELIGIBILITY

Candidates for Pensioner Trustee must be a service, reciprocal, or disability pensioner receiving monthly payments from the Fund. A candidate must be nominated by a petition signed by not less than 100 pensioners. Voters in the election shall be pensioners receiving a service, reciprocal, or disability pension from CTPF as of October 1, 2017.

NOMINATION PACKETS AVAILABLE

Call Gail Davis, 312.604.1400, ext. 402, or email elections@ctpf.org to request a nomination packet. Completed nomination packets must be submitted to the Chicago Teachers' Pension Fund office, 203 North LaSalle Street, Suite 2600, Chicago, Illinois, 60601-1231, on or before 5:00 p.m. (CDT), Friday, September 29, 2017.

VOTING

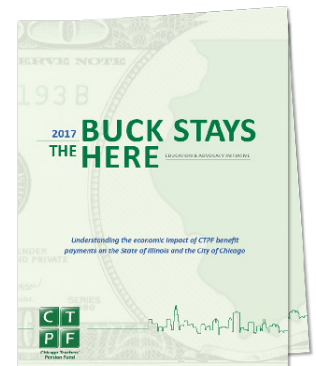
Pensioners will have the option of voting online or with a paper ballot. Paper ballots must be received (not postmarked) by 5:00 p.m. on November 7, 2017. Online voting in the retiree election ends at 5:00 p.m. on November 7, 2017.



* Elections for two Teacher Trustees and one Principal/Administrator Trustee will also be held this fall and will conclude on November 7, 2017. Find the CTPF Election Policy and additional information on the Election Central page at www.ctpf.org.

PENSION DOLLARS SUPPORT THE ILLINOIS ECONOMY

The Chicago Teachers' Pension Fund (CTPF) released its 2017 Economic Impact Statement, *The Buck Stays Here*, which details the important impact pensions have on the economy of the State of Illinois and the City of Chicago. CTPF made \$1.2 billion in direct payments to annuitants living in Illinois in 2017. Those payments had a \$1.8 billion impact on the Illinois economy, supporting 13,723 jobs in the state.



This year's document also includes information about the collective impact of Illinois' eight largest public pension funds, detailing the \$11.6 billion in direct payments which contribute to \$16.9 billion in economic activity, supporting 126,212 jobs in the state. To view the full report, visit www.ctpf.org.

CTPF ANTITRUST LAWSUIT CLEARS MAJOR HURDLE

The Chicago Teachers' Pension Fund's ongoing antitrust litigation involving the world's largest banks cleared a major hurdle on July 28, 2017, when Judge Paul Engelmayer of the US District Court for the Southern District of New York ruled that the suit could proceed. The Fund's lawsuit, filed in November 2015, alleges that the world's largest investment banks conspired to engineer and maintain a collusive and anti-competitive stranglehold over the market for interest rate swaps (IRS), in violation of federal antitrust laws. Such alleged actions harm investors in one of the world's largest financial markets. CTPF is represented by Cohen Milstein Sellers & Toll and Quinn Emanuel Urquhart & Sullivan, LLP.

"We are pleased to see that the court has recognized the legitimacy and importance of this action," said Jay C. Rehak, President of the CTPF Board of Trustees. "We have taken this stand against the world's largest investment banks because a conspiracy of this scale cannot go unchecked. As consumers of financial products, we must trust that the institutions at the heart of our financial system act responsibly and transparently. We look forward to holding the banks accountable for their egregious behavior." The suit seeks an injunction to put an end to this anti-competitive arrangement, and damages for the injuries suffered. Find more information at www.ctpf.org.

MEMBER ID INITIATIVE

CTPF is committed to protecting our members' data, and in an effort to improve the security of your personal information, we're eliminating the use of social security numbers throughout most of our outbound correspondence where possible.

Instead, you will soon begin seeing your new Member ID number on all CTPF correspondence and documents, starting with your December pay advice. You will still have the option of using the last four digits of your social security number when communicating with CTPF in writing or your full social security number when contacting our office via phone (*when calling Member Services*), but we will eliminate it from all documents and correspondence.

This improvement adds an additional layer of security and helps eliminate any threat of identity theft, fraud, or unintentional transfer of personal information. In December, you will see a message printed directly on your pay advice highlighting your new Member ID number. Between now and December, you will receive additional communications regarding the new Member ID initiative.



NEW STAFF AT CTPF



CAVALLARO PROMOTED TO DEPUTY EXECUTIVE DIRECTOR

Mary Cavallaro, RN, GBA, has been promoted to Deputy Executive Director. Cavallaro joined the Fund in March of 2009 as the Health Benefits Manager, a newly created position, and her responsibilities increased over time until she was elevated to Chief Benefits Officer (CBO) in 2015. As CBO she has had primary responsibility for pension administration, disability processing, retiree health insurance, employer reporting, member records, and member services, all with a goal of continuous process improvement. As Deputy Executive Director, Cavallaro will take on new responsibilities, including coordinating Fund operations, working with the Board of Trustees to establish operational priorities, and providing leadership and direction in the development of short and long-range plans for the organization. A search is currently underway to fill the Chief Benefits Officer position.



CTPF WELCOMES CHIEF LEGAL OFFICER

John Schomberg joined the Fund in May 2017 as Chief Legal Officer. Schomberg previously served as General Counsel for the State of Illinois under Governor Pat Quinn, led Clark Hill's Government & Public Affairs practice group in Chicago, and worked as the liaison to the US Attorney's Office. He also practiced constitutional and commercial litigation for the City of Chicago. He began his legal career at Mayer Brown in Chicago, where he was a litigator working on securities, commercial, and internal investigation matters. Schomberg holds a BA from the The College of William and Mary and a JD from New York University School of Law.



Chicago Teachers Pension Fund

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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.

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 for 2017 please visit www.ctpf.org.

Month	Check Mailing Date	Direct Deposit Date
October	September 28, 2017	October 2, 2017
November	October 30, 2017	November 1, 2017
December	November 29, 2017	December 1, 2017
January	December 28, 2017	January 2, 2018

BOARD OF TRUSTEES

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Tina Padilla
Financial Secretary

Lois W. Ashford
Vice President

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Recording Secretary

Jeffery Blackwell
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Mark F. Furlong

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