

PENSION NEWS

FALL 2014 FOR RETIREES

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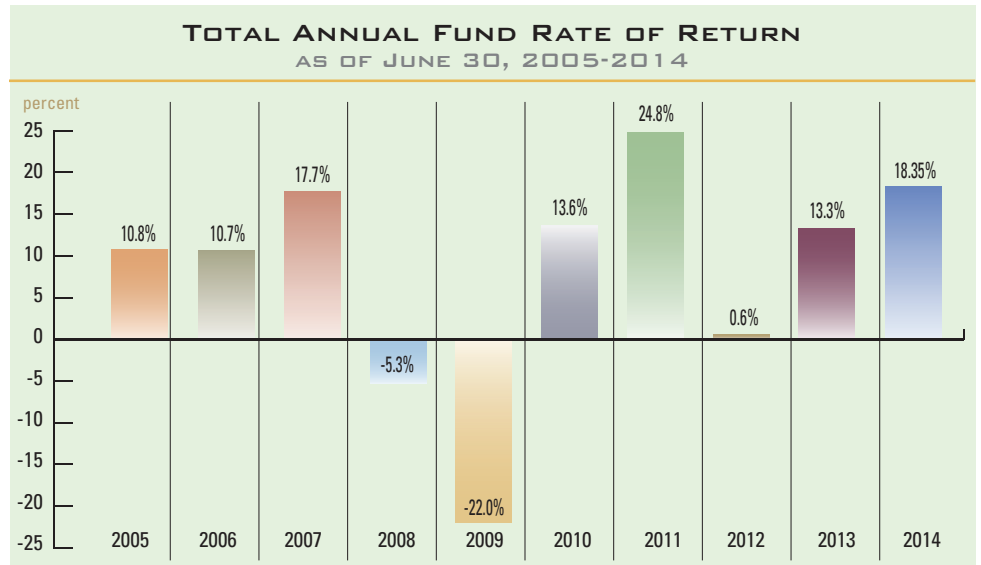
Upcoming Ambassador training registration and a recap of recent visits. **7**

CTPF REPORTS STRONG RETURNS

CTPF reports a preliminary return on investments of 18.35 percent at the close of the fiscal year on June 30, 2014 – more than double the plan’s assumed rate of return of 7.75 percent. As a long-term investor, the plan’s investment returns are more significant over longer periods. Over the past 35 years, the plan’s compound rate of return has been 9.13 percent, which is 17.8 percent more than the plan’s assumed rate of return.

CTPF currently holds approximately \$10.8 billion in assets, an 11 percent increase from \$9.7 billion as of June 30, 2013.

“CTPF is a well-managed plan, and our Fiscal Year 2014 performance demonstrates the success of our long-term strategy to manage a diverse portfolio with sound investments,” said Jay C. Rehak, president of the CTPF Board of Trustees. “Our strong market performance is good news for our members and taxpayers who support our plan.”



HEALTH INSURANCE OPEN ENROLLMENT

→ SUMMARY ←

Choosing a health insurance plan for you and your eligible dependents is one of your most important decisions in retirement. The Chicago Teachers’ Pension Fund (CTPF) sponsors comprehensive health insurance plans designed to promote wellness and provide high-quality coverage at a reasonable cost. CTPF offers health insurance benefits to retirees, dependents, and survivors if the retiree’s final teaching service was with the Chicago Public or Charter Schools. Qualified retirees may enroll in a plan for:

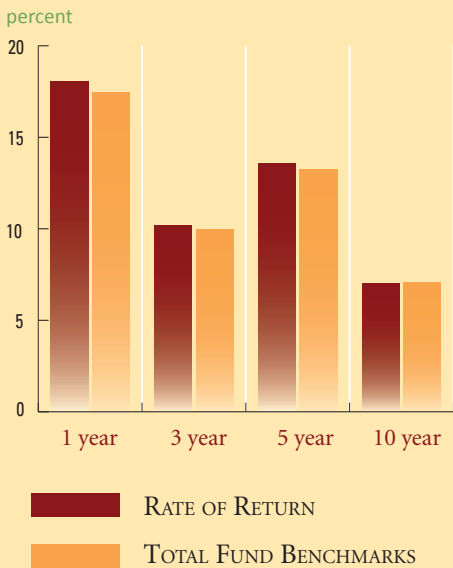
- Non-Medicare eligible members
- Medicare-eligible members who maintain enrollment in Medicare Part A and Part B.

**CTPF FINANCIAL
SNAPSHOT**

CTPF RETURN ON INVESTMENTS

June 30, 2014

	RATE OF RETURN	TOTAL FUND BENCHMARKS
1 year	18.35%	17.63%
3 year	10.18%	9.98%
5 year	13.56%	13.22%
10 year	7.03%	7.07%



As of June 30, 2014, the approximate current value of CTPF's investments was \$10.8 billion.



**DRISCOLL NAMED INTERIM
EXECUTIVE DIRECTOR**



Peter A. Driscoll

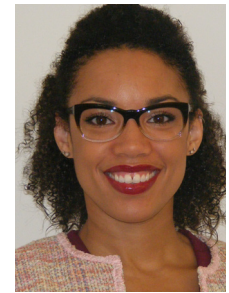
August 21, 2014, the CTPF Board of Trustees named Peter A. Driscoll, interim executive director. Driscoll will hold the position through December 31, 2014. Driscoll replaces Jay C. Rehak, president of the CTPF Board of Trustees who returned to his teaching position in August. Rehak remains president of the Board of Trustees.

Driscoll has extensive experience as a consultant and pension fund administrator. He worked for more than 20 years at The Segal Company, a privately-held employee-owned actuarial and consulting firm providing benefits and human resources consulting for multiemployer funds and public sector organizations. He began his career at Segal as an analyst and rose to head the Chicago office. Driscoll then served for a year as the pension and welfare funds' administrator for Sheet Metal Local 73, and for a decade at Pipefitters Local 597.

"We appreciate Mr. Driscoll's willingness to step in to this role," said Jay C. Rehak, president of the CTPF Board of Trustees. "His excellent skills and experience will enable him to provide leadership and a seamless transition during this interim period."

Driscoll is a Chicago native and earned his bachelor of arts degree, with honors, from the University of Chicago.

**REEVES NAMED
CHIEF LEGAL OFFICER**



Tiffany Reeves

Tiffany Reeves has been named CTPF's Chief Legal Officer. Reeves has experience working as an attorney in both the public and private sectors, and most recently worked for the law firm of Jacobs, Burns, Orlove & Hernandez (JBOH), the Fund's outside counsel. At JBOH Reeves represented and counseled the firm's labor union clients in all aspects of labor law, including collective bargaining issues and handling grievance arbitrations. Reeves also counseled and represented the Firm's public sector and ERISA pension and health and welfare funds on various personnel, fiduciary, investment, legislative, governance, and operational and compliance issues.

Originally from Eugene, Oregon, Reeves received her J.D. and B.A. degrees from the University of Oregon, and a M.A. from Northwestern University.

**STATE OF ILLINOIS BUDGETS
\$62.1 MILLION FOR CTPF**



The Chicago Teachers' Pension Fund will receive approximately \$62.1 million in funding from the Illinois Legislature for fiscal year 2015 (July 1, 2014 - June 30, 2015). The State appropriated \$11.9 million for CTPF in fiscal year 2014.

PA 98-0675 included \$50 million (a historically budgeted amount which has not been appropriated since 2011).

PA 98-0680 authorized the statutorily required \$12.1 million payment based on payroll.

AUGUST 1 PENSION PAYMENTS DELAYED

Direct Deposit payments due to members on August 1, 2014, were delayed due to a human error.

Pensioners who receive paper checks were not impacted by this issue. The fund became aware of the problem on August 1 and immediately implemented an emergency communication plan that included e-mail and web updates, recorded messages, and social media posts. CTPF also alerted affiliate organizations, including the Retired Teachers Association of Chicago (RTAC), the Retiree units of CTU and CPAA, and worked proactively with local media to

share information with our members.

Checks were made available on a walk-in basis to pensioners who could not wait for their deposits, and the fund worked with local banks to expedite payments. Most funds were restored by Monday, August 4 and all accounts were fully funded by Tuesday, August 5.

“We know this was a great inconvenience for our members and we apologize for this unfortunate error,” said Jay C. Rehak, president of the CTPF Board of Trustees. “We have put in place additional safeguards to ensure that this never happens again.”



GOVERNOR QUINN SIGNS SENATE BILL 1922

June 9, 2014, Governor Quinn signed SB 1922, now PA 98-0641, which changes pension law for Chicago’s Municipal Employees and Laborers.

The law includes benefit changes for both Tier 1 and Tier 2 members, including a cut in cost of living benefits, increases in employee and employer contributions, and establishes an actuarially determined funding schedule for both funds. This law does NOT currently apply to CTPF.

Find more information including a summary of the legislation on the Education and Advocacy Page at www.ctpf.org.

PENSION PAYMENT SCHEDULE

MONTH	CHECK MAILING DATE	DIRECT DEPOSIT DATE
November 2014	October 30, 2014	November 3, 2014
December 2014	November 25, 2014	December 1, 2014
January 2015	December 30, 2014	January 2, 2015
February 2015	January 29, 2015	February 2, 2015
March 2015	February 26, 2015	March 2, 2015
April 2015	March 30, 2015	April 1, 2015
May 2015	April 29, 2015	May 1, 2015
June 2015	May 28, 2015	June 1, 2015
July 2015	June 29, 2015	July 1, 2015
August 2015	July 30, 2015	August 3, 2015
September 2015	August 28, 2015	September 1, 2015
October 2015	September 29, 2015	October 1, 2015

CPS MAKES FULL \$612.5 MILLION PAYMENT FOR 2014

The Chicago Teachers’ Pension Fund received more than \$585 million from the Chicago Board of Education on June 29, 2014, completing the \$612.5 million required contribution for the 2014 fiscal year.

“This is an important step. This payment marks the first time since 2010 that the BOE has made a full payment of its

pension obligation,” said Jay C. Rehak, president of the CTPF Board of Trustees. “Our members pay their pension obligations in full with every paycheck. We appreciate the employer doing the same.”

“CTPF is a well-managed plan that has generated a 9.13 percent return over the last 35 years,” said Rehak. “Our financial situation has deteriorated because our employer and the state underfunded this plan for decades. As a result, our plan’s funded ratio has fallen

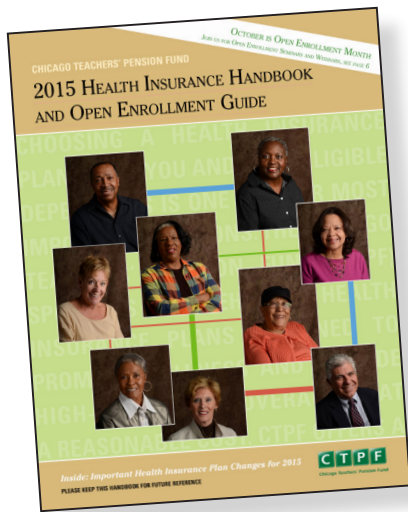
from 100 percent in 2002 to our current 49.5 percent.”

“Our fund has had an actuarially based funding schedule in place for many years, but without a consistent, reliable source of revenue – it means nothing,” said Rehak. “Our teachers who do not contribute to Social Security depend on their pensions for financial security in retirement. We hope that this payment is the first of many as our fund pursues full funding.”

Continued from cover

2015 OPEN ENROLLMENT

Each year, CTPF offers an open enrollment period when members and their eligible dependents may enroll or change plans. This year, Open Enrollment will run from October 1-31, 2014. All changes become effective January 1, 2015.



Health Insurance: What's new in 2015?

PLANS AND OPTIONS

CTPF retirees can find detailed information about health insurance plans, plan design changes, costs and comparison information in the *2015 Health Insurance Handbook and Open Enrollment Guide*, which was mailed to all eligible retirees on September 22, 2014. A version of the Handbook is also available online. Download the document from the Health Insurance Central page at www.ctpf.org.

CTPF PLAN RATES FOR 2015

Overall rates for CTPF plans increased an average of 9.4% for 2015. A portion of the increase (3.3%) is attributed to Federal Affordable Care Act fees.

“Overall premium rates for the health insurance program increased just 3% from 2010 through 2014. We achieved significant savings by carving out our Medicare Part D drug plan and encouraging the use of generic prescription drugs. We scrutinized our contracts and improved pricing terms,” explained Mary Cavallaro, senior director of benefits. “These meaningful changes, along with subsidy dollars from the federal government, allowed the trustees to prolong the 60% subsidy through 2014 – two years longer than our original projections. Unfortunately, claims experience for our plans increased significantly in 2014, which in part is driving the 2015 rate increases along with fees associated with the Affordable Care Act.”

PREMIUM SUBSIDY DECREASES TO 50% IN 2015

The amount CTPF can spend on a health insurance premium subsidy is limited to \$65 million per year, plus any “carryover” amount from the previous year. The subsidy is set annually and is subject to change. CTPF trustees have lobbied vigorously to have the spending cap raised, but the Illinois legislature has not raised the cap since it was set a decade ago.

Given the rise in insurance costs, CTPF trustees voted to subsidize the 2015 CTPF health insurance premiums at 50% (certain limitations may apply), effective January 1, 2015.

“This year, without additional funding, our trustees were forced to reduce the subsidy in order to ensure that all members still receive a premium subsidy,” said Cavallaro.

Members enrolled in non-CTPF health insurance plans and/or Medicare may be eligible for a subsidy, subject to maximum reimbursement amounts published annually. In 2015, the maximum reimbursement amount will

be based on CTPF’s most economical Medicare or non-Medicare plan option.

ENROLLMENT ASSISTANCE

See page 6 for information on where to find assistance with 2015 Open Enrollment.

Medicare-Eligible Members HEALTH PLANS FOR 2015

CTPF offers three plans for members over age 65:

- AARP Medicare Supplement Plan F (UnitedHealthcare) with Express Scripts Medicare (PDP)
- Blue Cross and Blue Shield (BCBS) Medicare Advantage PPO (replaces the BCBS Supplement to Medicare PPO)
- Humana Group Medicare HMO with Part D Pharmacy

Members who wish to continue with their current insurance company do not need to take any action.

BCBS SUPPLEMENT TO MEDICARE PLAN REPLACED

The BCBS Supplement to Medicare Plan has been replaced by the BCBS Medicare Advantage PPO. Out-of-pocket costs (deductible and coinsurance) will remain the same under the Advantage PPO Plan. Current Supplement to Medicare plan enrollees will be automatically transferred, effective January 1, 2015, and will receive new insurance cards. You must use physicians and providers who accept Medicare under this plan. You can choose a different plan during Open Enrollment.

EXPRESS SCRIPTS® PRESCRIPTION DRUG PLAN CHANGES

Medicare-eligible members enrolled in BCBS and UHC plans have prescription drug coverage provided by Express Scripts®. There are changes to coverage under this plan for 2015:

- Prescription copays have changed, see the Handbook for information.
- Express Scripts will no longer cover drugs that are not covered under Medicare Part D, for example: lifestyle drugs for erectile dysfunction.
- Coverage for Medicare Part B drugs, including diabetic supplies such as test strips, lancets, and blood sugar monitors will now be provided under your medical plan.

Non-Medicare Eligible Members

HEALTH PLANS FOR 2015

CTPF offers five plans for members who are not eligible for Medicare including the Blue Cross Blue Shield PPO, BCBS HMO Illinois, UnitedHealthcare Choice Plus PPO, United Healthcare Choice HMO, and the United Healthcare High Deductible Plan with Health Savings Account (HSA).

All plans offered in 2014 will be offered in 2015. You do not need to take any action to stay enrolled in these plans. A summary of changes by plan include:

BCBS PPO

- Individual deductible increases to \$500
- New non-PPO deductible of \$1,000



- Individual PPO out-of-pocket maximum increases to \$2,400; family to \$4,000
- PPO coinsurance decreases to 80%; non-PPO to 50%
- Prescription copay changes

BCBS HMO ILLINOIS

- New inpatient hospital deductible of \$200
- Office visit copay increases to \$30
- Emergency copay increases to \$125
- Prescription copay changes

UNITEDHEALTHCARE CHOICE PLUS PPO

- Individual PPO deductible increases to \$1,000
- PPO coinsurance decreases to 80%; non-PPO to 60%
- Individual out-of-pocket maximum increases to \$4,500; family to \$9,000

UNITEDHEALTHCARE HIGH DEDUCTIBLE PLAN WITH HEALTH SAVINGS ACCOUNT (HSA)

The allowable annual contribution increased to \$3,350 per individual or \$6,650 per family in 2015.

ENROLLMENT PROCESS

If you're enrolling for the first time, re-enrolling (this year only), or making a change to your plan, you'll need to



complete the enrollment process. An enrollment form and return envelope for most CTPF plans is included in the Handbook. Members who are Medicare eligible will need to complete additional forms required by individual plans. Find instructions on pages 36-37 of the Handbook or online.

Return all completed enrollment forms and required documentation to CTPF. Forms returned to an insurance company will not be processed.

All enrollment forms are due by October 31. Changes made during open enrollment become effective January 1, 2015.

ENROLLMENT EXCEPTION

Normally, eligible members and their dependents may enroll in a CTPF health plan once in a lifetime, unless they experience a qualifying event. CTPF will make an exception and allow all qualified members and their dependents to enroll in CTPF plans during the 2015 Open Enrollment period, October 1-31, 2014. This exception is being made to accommodate members who may be impacted by changes to CTPF's outside rebate program.





The Open Enrollment Period for 2015 health insurance runs October 1-31, 2014. During this period, retirees can enroll for the first time, re-enroll (this year only), add a dependent, or change a health insurance plan or carrier.

CTPF's Open Enrollment seminars and webinars offer an overview of 2015 health plan choices and changes. Seminars and webinars include the

same content, and are designed to provide the information you need to make an informed decision about your 2015 health care. You can also find links to vendors, drug formularies and additional information on the Open Enrollment central page at www.ctpf.org.

2015 OPEN ENROLLMENT SEMINARS

CTPF will offer two seminars for Medicare-eligible members and two seminars for non-Medicare eligible members. If you will become eligible for Medicare in 2015, or if only one family member is Medicare eligible, consider attending both sessions.

TUESDAY, OCTOBER 7

Chicago Cultural Center,
2nd floor, Claudia Cassidy Theater
78 East Washington Street
Chicago, Illinois 60602

- 9:00 a.m. Medicare plans
- 1:00 p.m. Non-Medicare plans

THURSDAY, OCTOBER 9

Hilton Oak Lawn
Ballroom
9333 South Cicero Ave.
Oak Lawn, Illinois 60453

- 9:00 a.m. Medicare plans
- 1:00 p.m. Non-Medicare

REGISTRATION FOR SEMINARS

Registration is required for all seminars and space is limited. Register for a seminar at goo.gl/Z7eVsy (case sensitive) or call Member Services at 312.641.4464.



2015 OPEN ENROLLMENT WEBINARS

CTPF will offer Webinars that include the same information as the seminars. Members who prefer not to travel can watch a webinar from their home computer. Registration is required for both webinars, see links below.



MEDICARE ELIGIBLE MEMBERS WEBINAR

- Wednesday, October 1, 10:00 a.m.
Register at goo.gl/Tcbfyc
(case sensitive)

NON-MEDICARE ELIGIBLE MEMBERS WEBINAR

- Thursday, October 2, 10:00 a.m.
Register at goo.gl/PVB6v9
(case sensitive)

PENSION REPRESENTATIVES RECOGNIZED

CTPF Pension Representatives provide an important link between the fund and faculty in schools. Pension Reps run annual elections and help to communicate vital information to members.

THANK YOU

CTPF would like to recognize and thank the following individuals who retired in 2014, for their time and service.

Jose Becerril, Charles G. Hammond Elementary School, 2 Years

Ronald Girainio, Whitney Young High School, 18 Years

Steven Greenberg, West Park Academy, 6 Years

David Hall, Chicago Military Academy, 6 Years

Claretta Hobbs, Helen Hefferan School, 6 Years

Paula Jacko, Northside Learning, 10 years

Queen Esther Jackson, Gage Park, 6 years

Linda Jordan, Charles R. Henderson Elementary School, 2 Years

Miriam Laureano, Richard Gates School, 3 Years

Gloria Oden, Parkside Community School, 2 Years

Kathleen Pascente, Harriet Beecher Stowe Elementary School, 3 Years

Scott Saffro, Edwin Foreman High School, 3 Years

Monica Skylas, John Pirie Fine Arts and Academic Center, 6 Years

Angela Smith, Northwest Middle School, 4 Years

Tonisia Smith, Charles Wacker School, 6 Years

Mary Lou Spedale, Frank L. Gillespie Elementary School, 2 Years

Kim David Tetzloff, John F. Kennedy High School, 6 Years

Merle Warshausky, Sullivan High School, 8 Years

Cynthia Varnado, Frank L. Gillespie Elementary School, 2 Years

EDUCATION AND ADVOCACY UPDATE



AMBASSADORS ATTEND IN-DISTRICT VISITS

CTPF Ambassadors, led by Board of Trustees President Jay C. Rehak, enjoyed two “meet and greet” sessions with Illinois’ legislative leaders this summer. Monday, July 7, 2014, constituents of House Majority Leader Barbara Flynn Currie met with the Representative in her Hyde Park office. Tuesday, July 8, 2014, constituents and members met with Senate President John J. Cullerton in his downtown law office.

“We are always interested in dialogue with legislators and we especially appreciate the time that Senate President Cullerton, Majority Leader Currie, and our members shared with us,” said Rehak. “This was a great opportunity to reflect on this past year and also to remind our legislators that pensions are people – not just numbers on a spreadsheet.”



Constituents of Representative Barbara Flynn Currie visited the Representative’s Hyde Park office with CTPF’s Board of Trustees President Jay C. Rehak on Monday, July 7.



The meeting with Senate President Cullerton on July 8, 2014, included from left to right: Bukola Bello (CTPF lobbyist), Hilde Brake, Demetra Makris, Margaret McKenna, Susan Goldberg, Senate President Cullerton, Jacque Ehrlich, Thelma Fitzgerald, Eve Hedlund, and CTPF Board of Trustees President Jay C. Rehak.



AMBASSADOR ACTION: WHAT TO DO NOW....

Ready to make an impact? Many members have asked what they can do to help preserve their benefits and advocate for CTPF pensions. Here are some ideas:

1. Join the Pension Fund Ambassador Program. Ambassadors reach out to elected officials to share their stories and help legislators understand that we must not repeat the mistakes of the past. Register at goo.gl/oc1sro (case sensitive).
2. Register for the fall training session. If you haven’t already attended ambassador training, mark your calendar for October 16, 1:00 p.m., in the CTPF office. Register at goo.gl/5ooOGC (case sensitive).
3. “Like us” on Facebook to stay informed and up-to-date.
4. Review our online webinar library on the Education and Advocacy page at www.ctpf.org.



CTPF CALENDAR

Trustee meetings, held in the CTPF office, are open to the public. Please confirm all meeting times/dates at www.ctpf.org.

OCTOBER

- 1 10:00 a.m., Medicare Eligible Open Enrollment WEBINAR, see page 6.
- 2 10:00 a.m., Non-Medicare Eligible Open Enrollment WEBINAR, see page 6.
- 7 Open Enrollment Seminars:
9:00 a.m. Medicare plans
1:00 p.m. Non-Medicare plans, see page 6.
- 9 Open Enrollment Seminars:
9:00 a.m. Medicare plans
1:00 p.m. Non-Medicare plans, see page 6.
- 13 Columbus Day, office closed
- 16 1:00 p.m., Ambassador training, register at goo.gl/5ooOGC
- 23 9:30 a.m., Trustee meeting

NOVEMBER

- 11 Veterans Day, office closed
- 20 9:30 a.m., Trustee meeting
- 27-28 Thanksgiving holiday, office closed

DECEMBER

- 11 9:30 a.m., Trustee meeting (tentative)
- 25 Christmas holiday, office closed

OFFICE/MAILING ADDRESS

Chicago Teachers’ Pension Fund
203 North LaSalle Street, suite 2600
Chicago, Illinois 60601-1231
312.641.4464 fax: 312.641.7185
www.ctpf.org
memberservices@ctpf.org
Office hours: 8:00 a.m. – 5:00 p.m. M-F



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



WWW.CTPF.ORG

To provide, protect, and enhance the present and future economic well being of members, pensioners and beneficiaries through efficient and effective management of benefit programs, investment practices and customer service, and to commit to earning and keeping the respect and trust of the participants through quality service and by protecting retirement benefits, in compliance with applicable laws and standards.

BOARD OF TRUSTEES

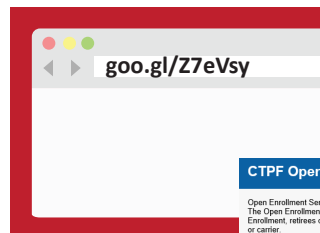
- Jay C. Rehak, *president*
- Lois W. Ashford, *vice president*
- Mary Sharon Reilly, *financial secretary*
- Raymond Wohl, *recording secretary*
- Carlos M. Azcoitia
- Robert F. Bures
- Jeffery Blackwell
- Bernie Eshoo
- Tina Padilla
- Walter E. Pilditch
- Jerry Travlos
- Andrea L. Zopp
- Kevin B. Huber, *executive director*

What does goo.gl/Z7eVsy mean?

Throughout this newsletter and in our online publications, you may see references to links that begin with “goo.gl” and include additional letters or numbers. These links are shortened web addresses, called shortened URLs. If you type this information into your favorite web browser, you can find information or registration forms for CTPF programs. These links are case sensitive, which means if you see a capital letter, you must enter it as a capital letter in your browser.

Computer Tutor: Step by Step

- 1. Open your favorite web browser from your computer.**
- 2. Type the short URL into your browser window.**
- 3. Additional information will pop up on the screen. Fill in the requested information or registration. CTPF then sends a confirmation.**



CTPF Open Enrollment Seminar Registration

Open Enrollment Seminars
The Open Enrollment Period for 2015 health insurance will be October 1-31, 2014. During Open Enrollment, retirees can enroll for the first time, add a dependent, or change a health insurance plan or carrier.

CTPF's Health Insurance Open Enrollment Seminars offer an overview of 2015 health plan choices and changes. These seminars are designed to make sure you have the information you need to make an informed decision about your 2015 health care.

Seminars will be held:

Tuesday, October 7
Chicago Cultural Center,
2nd Floor, Claudia Cassidy Theater
75 East Washington Street
Chicago, Illinois 60602
9:00 a.m. Medicare plans
1:00 p.m. Non-Medicare plans

Thursday, October 9
Hilton Oak Lawn
Ballroom
5333 South Cicero Ave.
Oak Lawn, Illinois 60453