

# PENSION NEWS



WINTER 2015/16 FOR RETIREES

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## CTPF TRUSTEES INSTALLED



The Chicago Teachers' Pension Fund Board of Trustees, pictured from left to right: Walter E. Pilditch, Recording Secretary Robert F. Bures, Jeffery Blackwell, President Jay C. Rehak, Vice President Lois W. Ashford, Tina Padilla, Mary Sharon Reilly, Financial Secretary Bernie Eshoo, Jerry Travlos, and Raymond Wohl. Not pictured, Mark F. Furlong and Gail D. Ward.

The Chicago Teachers' Pension Fund (CTPF) is governed by a 12-member Board of Trustees. November 6, 2015, teachers and other active contributors re-elected Lois W. Ashford and Jay C. Rehak, who will serve three-year terms, November 2015-2018. Pensioners re-elected Robert F. "Bob" Bures, Walter E. Pilditch, and Mary Sharon Reilly, who will serve two-year terms, November 2015-2017.

The Trustees installed re-elected members, elected officers, and appointed

standing committee chairs during their November 20, 2015, meeting.

### 2015-2016 OFFICERS

*President:* Jay C. Rehak  
*Vice President:* Lois W. Ashford  
*Financial Secretary:* Bernie Eshoo  
*Recording Secretary:* Robert F. Bures

### STANDING COMMITTEE CHAIRS

*Investments:* Tina Padilla  
*Claims and Service Credit:* Jeffery Blackwell  
*Finance and Audit:* Bernie Eshoo  
*Pension Law and Rules:* Lois W. Ashford

## CTPF EXECUTIVE DIRECTOR'S MESSAGE



Executive Director Charles A. Burbridge

Many of us look forward to winter holidays and the New Year as a time filled with family, friends, and even a few gifts. But to a pension fund director and all who are members of the Fund, "pension holidays" and "gifts" are anything but festive.

A "pension holiday" is just pleasant sounding code for employers skipping payments to fund retirements –

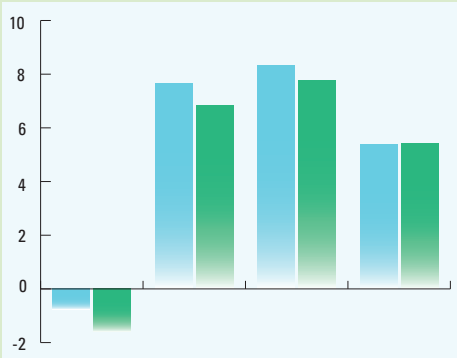
borrowing money from their employees and pushing the costs on to future generations. The interruption in regular payments from our employer during the past 20 years has taken money owed to our members, starved our investments, and contributed to our funded ratio dropping to about 50% from 100% as recently as 2001. That's certainly not a holiday our members want to celebrate.

*Continued on page 2*

CTPF FINANCIAL SNAPSHOT

CTPF RETURN ON INVESTMENTS  
September 30, 2015

	RATE OF RETURN	TOTAL FUND BENCHMARKS
1 year	-0.75%	-1.59
3 year	7.67	6.85
5 year	8.32	7.78
10 year	5.39	5.43



1 year 3 year 5 year 10 year

■ RATE OF RETURN  
■ TOTAL FUND BENCHMARKS

As of September 30, 2015, the approximate current value of CTPF's investments was \$10.1 billion.



The word "gift" can also take on a negative connotation, as it's often used incorrectly in public rhetoric as a description for pensions. Few would consider a paycheck from an employer a gift – and the same is true for pensions. While our members are grateful for retirement security, pension benefits are not gifts.

The teachers who will retire in 2016 with a pension and 34 years of service began paying for their retirement in 1982, making regular contributions each and every pay period, uninterrupted.

Keeping the pension promise required action from our members in 2015, and the 6,500 e-mail messages our members sent, demanding action, accountability, and full funding for CTPF made a difference.

The 2015 fiscal year marked the second year in a row that

CPS made a payment of more than \$600 million to CTPF. Legislative advocacy also successfully fought the passage of SB 318, which would have included an additional \$500 million in pension holidays for CTPF.

Together we fought and received full funding, and these are good forward steps. As we look ahead, we know that the pressures facing our City and State are tremendous. We will face an uphill battle for resources and funding in 2016.

As the new year begins, please make a special resolution to protect your pension. I hope you will use your talents as an educator to remind legislators about the importance of correcting, not repeating, the mistakes of the past.

Charles A. Burbridge, CTPF executive director

**WHILE OUR MEMBERS ARE GRATEFUL FOR RETIREMENT SECURITY, PENSION BENEFITS ARE NOT GIFTS.**

**RESOLVE TO TAKE ACTION IN 2016**

Here are some concrete ways you can take action in 2016. Find links to all of these resources on the Education and Advocacy tab at [www.ctpf.org](http://www.ctpf.org).

1. Download a "Mistakes of the Past" flyer and educate yourself about our funding history.
2. Take time over the holidays and ask your legislators in person to reject requests for pension "holidays." Many have regular in-district office hours and welcome visits from constituents. Not sure who represents you in Springfield? Find a legislator look up on the Education and Advocacy tab at [www.ctpf.org](http://www.ctpf.org).
3. Share the "Mistakes of the Past" with your family and/or neighbors to educate them on the importance of fully funding teacher pensions.
4. Make sure you are registered as a Pension Fund Ambassador so that you receive regular updates on advocacy issues and training opportunities. Register at [www.ctpf.org](http://www.ctpf.org).





## CTPF FILES LAW SUIT AGAINST WORLD'S LARGEST BANKS

November 25, 2015, the Chicago Teachers' Pension Fund (CTPF) filed a lawsuit in federal court charging some of the world's largest investment banks with conspiring to engineer and maintain a collusive and anti-competitive stranglehold over the market for interest rate swaps (IRS) in violation of federal antitrust laws. Led by the CTPF, investors seek an injunction to put an end to this anti-competitive arrangement, and damages to compensate them for the losses they suffered.

"CTPF maintains a long history of being the initiator on issues to improve the lives of our members. We view this action as necessary to protect the long-term interests of our members and their financial security. This suit addresses this monopolistic practice on behalf of the market and institutional investors who manage assets on behalf of everyday citizens," said Jay C. Rehak, president, CTPF Board of Trustees.

The complaint alleges that the banks used their power to stop competitors from bringing exchange trading to the IRS market – keeping prices for trades artificially high. As a result, CTPF paid more for IRS trades than they would have in a competitive market. Read more about the lawsuit at [www.ctpf.org](http://www.ctpf.org).



## OPEN ENROLLMENT RECAP

Open Enrollment for CTPF retiree health insurance programs ended on October 31, 2015. All changes become effective January 1, 2016.

CTPF offered four seminars and two webinars which educated more than 600 members about their Open Enrollment options.

Pictured left: hundreds of CTPF members attend a seminar at the Harold Washington Library, October 8, 2015.

## CTPF CALENDAR

Trustee and Investment Committee meetings, held in the CTPF office, are open to the public. Please confirm meeting times/dates at [www.ctpf.org](http://www.ctpf.org).

### JANUARY

- 1 New Year's Day holiday, office closed
- 18 Martin Luther King Jr. Day, office closed
- 21 9:30 a.m. Board of Trustees Meeting
- 28 Investment Committee Meeting

### FEBRUARY

- 12 Lincoln's Birthday, office closed
- 15 President's Day, office closed
- 18 9:30 a.m., Trustee Meeting
- 29 Deadline to turn in Medicare Part B Premium increase documentation for retroactive payment

### MARCH

- 7 Casimir Pulaski Day, office closed
- 17 9:30 a.m., Trustee Meeting
- 24 9:30 a.m., Investment Committee meeting

### APRIL

- 28 9:30 a.m., Trustee Meeting

### MAY

- 1 Nomination packets for 2016 Trustee elections available
- 26 9:30 a.m., Trustee Meeting
- 30 Memorial Day, 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](http://www.ctpf.org)

[memberservices@ctpf.org](mailto:memberservices@ctpf.org)

Hours: 8:00 a.m. – 5:00 p.m. M-F





*Above pictured, from left to right: Vice President Lois W. Ashford, President Jay C. Rehak, Executive Director Charles A. Burbridge, Deputy Director and Chief Legal Officer Tiffany Reeves, and Director of Investments Angela Miller-May present CTPF's 2015 Diversity Report to the Illinois Senate Committee on Pension and Investments.*

## CTPF PRESENTS DIVERSITY REPORTS

The Chicago Teachers' Pension Fund (CTPF) invested more than \$3.6 billion in assets or more than 35.6% of total assets with Minority, Women, and Disadvantaged Business Enterprise (MWDBE) firms during fiscal year 2015.

November testimony before the Illinois Senate Committee hearing on Pensions and Investments highlighted the Fund's exceptional performance.

"CTPF Trustees understand that the \$10 billion in assets we steward helps drive economic activity, and creates jobs and opportunities for individuals and businesses in the State of Illinois. We have been leaders in making MWDBE investments and are proud of our commitments that consistently exceed our goals. As a Fund, we can clearly demonstrate the benefits in making investments in people and assets that provide opportunities that may otherwise not be available," said Jay C. Rehak, president of the CTPF Board of Trustees.

Over the past twenty years, CTPF has seen dramatic growth in MWDBE investments. The Fund invested 7.9% of assets in MWDBE-owned funds in 1995. Investments in 2015 increased by 2.2% from 2014 with a total investment of 35.6% of the Fund's portfolio. CTPF's 2014 Diversity report is available at [www.ctp.org](http://www.ctp.org).

## 2016 PENSION PAYMENT SCHEDULE

The schedule for mailing checks/direct deposit advices and the date for posting direct deposits is listed below.

2016 Month	Check Mailing Date	Direct Deposit Date
January	December 30	January 4
February	January 28	February 1
March	February 26	March 1
April	March 30	April 1
May	April 28	May 2
June	May 27	June 1
July	June 29	July 1
August	July 28	August 1
September	August 30	September 1
October	September 29	October 3
November	October 28	November 1
December	November 29	December 1

## CTPF HOSTS LEADERSHIP ROUNDTABLE



CTPF hosted the third meeting of the Illinois Reciprocal Funds Leaders' Roundtable on December 9, 2015. The group of leaders from the 13 Illinois Reciprocal Funds reconvened to discuss the economic impact pension funds have on Illinois, consider ways to work cooperatively, and discuss current legislative issues.

# ADDING IT UP: CTPF YEAR IN REVIEW

CTPF is a member-focused organization, and we strive throughout the year to provide exceptional customer service. Here's a look at some highlights from Fiscal Year 2015\*

**64,410** calls answered



**2,660**



**Appointments with members**

**1,055**



**Voice mails returned**

**3,890**



**E-mail messages from members to legislators**

**2,584**



**E-Mail inquiries answered**

**12**



**Medicare Birthday Parties and Health insurance seminars**

**600**



**Members served at 4 retirement seminars**

**1,322**



**Facebook "Likes"**

**275**



**Schools canvassed for election**

**68**



**Field Service workshops conducted**

**3,078**



**Pension Fund Ambassadors**

**88**



**E-lets and electronic communications to members**

**1,012**



**Pensions granted**

**18** Webinars and training for members



\*2015 fiscal year, July 1, 2014-June 30, 2015

# 2016 HEALTH INSURANCE RATES AND REMINDERS

The 2016 Open Enrollment period for CTPF retiree health insurance plans closed on October 31, 2015. All plan changes and rates are effective January 1, 2016.

## 2016 MEDICARE RATES ANNOUNCED

The Centers for Medicare and Medicaid Services (CMS) released the 2016 Medicare premium rates.

### PART A: (HOSPITAL INSURANCE) PREMIUM

Members who have 40 quarters or more of Medicare credit receive Medicare Part A at no charge at age 65. If you do not have 40 quarters of credit, you must pay for this coverage.

### PART B: (MEDICAL INSURANCE) PREMIUM

Social Security did not grant a cost of living adjustment (COLA) for 2016. Therefore, a hold-harmless provision prevents Medicare from raising Part B costs for 70% of Medicare participants who receive a Social Security benefit. The Medicare Part B premium will remain \$104.90 in 2016 for these individuals.

The other 30% of Medicare participants will see an increase in their Part B premiums. If you are a member of the following groups, your rate will increase:

- Higher income beneficiaries subject to an income-adjusted Part B premium
- Beneficiaries who do not collect a Social Security benefit
- Beneficiaries who will become eligible for Part B in 2016
- Beneficiaries receiving a Social Security benefit that is not large enough to pay for the Medicare B premium

### CTPF SUBSIDY NOTES

CTPF subsidizes the “base rate” for Medicare Part B and Part D premiums, and does not subsidize surcharges. You may need to provide proof of your income to receive an adjustment in your Part B subsidy, see page 7 for more information.

Individuals who pay an income-related monthly adjustment amount (IRMAA) will pay more for their Part B and Part D costs. IRMAA adjustments are applied to individuals whose adjusted gross income was higher than \$85,000 and to couples whose income was \$170,000 or more in 2014. CTPF does not subsidize these additional amounts.

### MORE INFORMATION

Find more information about changes to CTPF health insurance plans and links to providers at [www.ctpf.org](http://www.ctpf.org).



Medicare Part A	Medicare Part A Cost	CTPF Subsidy
40 quarters	0	0
30-39 quarter	\$224	\$112
Less than 30	\$411	\$205.50

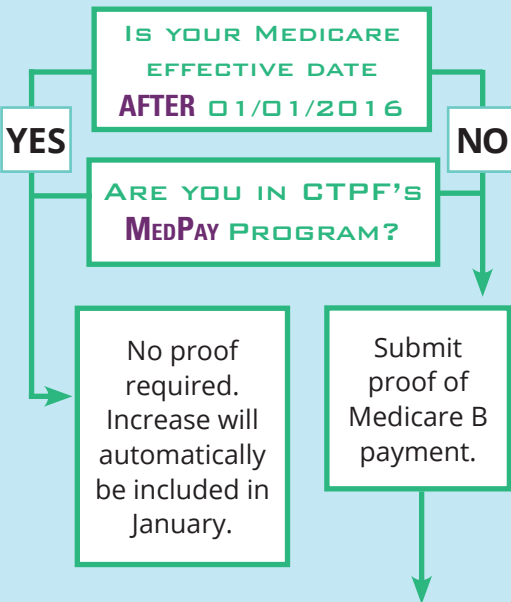


Medicare Part B	Medicare Part B Cost	CTPF Subsidy
“Hold Harmless” benefit Part B	\$104.90	\$52.45
Standard Part B*	\$121.80	\$59.40
IRMAA adjusted Part B*	\$170.50 - \$389	\$59.40

\* The 2016 Part B premium is \$118.80 with a \$3 government surcharge that is not eligible for a subsidy. See page 12 of the *Health Insurance Handbook* for more information about the subsidy.

## IMPORTANT MEDICARE INFORMATION

If your Medicare Part B Cost is going up, you may have to submit documentation to CTPF to receive an adjustment to your subsidy:



### Submitting Proof

Provide CTPF with any document issued by the Centers for Medicare and Medicaid Services or the Social Security Administration detailing your name and 2016 Medicare B cost with your address **OR** Social Security number.

### WHERE TO SEND PROOF

- Mail - CTPF, ATTN: Health Benefits  
203 North LaSalle, suite 2600  
Chicago, IL 60601-1231
- Fax - 1-312-641-7185
- E-mail - [imaging@ctpf.org](mailto:imaging@ctpf.org)

### DEADLINE

Send proof by February 29, 2016, for payment retroactive to January 1, 2016. If you submit proof after February 29, 2016, your subsidy will be adjusted going forward, but will not be retroactive.

### QUESTIONS?

Call CTPF Member Services  
**1-312-641-4464**

## BLUE CROSS MEDICARE ADVANTAGE PPO ENROLLEES WATCH FOR NEW CARDS

Members enrolled in the Blue Cross Blue Shield Medicare Advantage PPO will receive new health insurance cards for 2016. The information on the new cards will allow pharmacies to process certain Medicare Part B covered supplies. Common Part B supplies include diabetic monitoring supplies (lancets, test strips, and monitors), flu, Hepatitis B and pneumococcal shots, and a limited number of prescriptions including transplant and immunosuppressive drugs.

BCBS Enrollees will continue to use their Express Scripts insurance card for Medicare Part D drugs. When you receive a new card, make sure you update all your providers, especially your pharmacy with this information. Cards were mailed out on December 14, 2015. If you have not yet received a new card and are a BCBS Medicare Advantage PPO enrollee, contact Blue Cross at the number on the back of your current card.

“This should make accessing Part B supplies or a flu or pneumonia shot easier for our members,” explained Mary Cavallaro, chief benefits officer for CTPF. “A member can now go directly to the pharmacy for a flu shot and the claim will be billed directly through BCBS. Members will need to make sure they update their providers with the new information so that they can receive the full benefit.”

## BCBS PPO ENROLLEES...WHICH CARD?

### BCBS MEDICARE CARD

#### PHYSICIAN VISITS

- Physicians, specialists, physical therapists, occupational therapists

#### MEDICAL FACILITIES

- Hospitals
- Clinics
- Emergency rooms
- Urgent care facilities

Name: <F NAME M INIT L NAME>	
ID: XOD-SBSB ID>	Office Visit: <XXX> Network
Plan (80840): 9101000211	<XXX> OON
Plan: <PDDS_DESC>	Specialist: <XXX> Network
Group ID: CTPF00	<XXX> OON
Part B RxBin: 011552	
Part B RxPCN: PARTBG	BS Plan Code: 122
Part B RxGrp: 1000	BC Plan Code: 122
Part B RxD: <SBSB_ID>	
CMS H8634 817	

### MEDICARE PART B SUPPLIES AND DRUGS

- Diabetic supplies including lancets, test strips, and monitors at pharmacy
- Immunizations at pharmacy
- Part B Drugs (immunosuppressants, transplant medications)

## EXPRESS SCRIPTS PRESCRIPTION CARD

### MEDICARE PART D DRUGS

- Retail prescriptions
- Mail order prescriptions



Express Scripts Medicare® (PDP)	
Prescription ID Card	
RxBIN	XXXXX
RxPCN	XXXXX
RxGrp	XXXXX
Issuer (80840)	9151014609
ID No.	AZZA27012308
Name	JOHN Q. SAMPLE
Issued	XX/XX/2015
CMS-SXXXX-801	





**Chicago Teachers' Pension Fund**

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**CTPF 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**

- Jay C. Rehak, *president*
- Lois W. Ashford, *vice president*
- Bernie Eshoo, *financial secretary*
- Robert F. Bures, *recording secretary*
- Jeffery Blackwell
- Mark F. Furlong
- Tina Padilla
- Walter E. Pilditch
- Mary Sharon Reilly
- Jerry Travlos
- Gail D. Ward
- Raymond Wohl
- Charles A. Burbidge, *executive director*



**SNOWBIRD ALERT**

If you head south for winter, remember that CTPF does not forward benefit checks. Find an address change form at [www.ctpf.org](http://www.ctpf.org).

**NEW YEAR:  
NEW PAYMENT**

Retirees may notice a difference in their paychecks beginning with their January deposits. The 3% Automatic Annual Increase (AAI) has been implemented for members who qualify. The health insurance premium rebate remains 50%, but insurance rates have changed. See page 6 for information about health insurance. January direct deposit advice slips and check stubs detail the new amounts.

