



Chicago Teachers' Pension Fund

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Each session of the CTPF Board of Trustees meetings has been carefully recorded and made public since 1895. The minutes detail the business of the fund and include information about members who receive pension and death benefits.



Kevin B. Huber, executive director

Recently, the name Marion Wood caught my attention as I read through a set of minutes. Mrs. Wood, a centenarian we profiled recently in *Pension News*, was born in 1904, less than a decade after CTPF's founding in 1895. Mrs. Wood retired in 1971 after earning 39 years of service credit. At the time of her death in December 2007, she had enjoyed nearly as many years of retirement as she had years of service.

The minutes reminded me that the pages do more than simply record the day-to-day workings of CTPF; they define important life events and milestones for our members. At CTPF we have been recording this cycle of events and providing stability in retirement to our members for more than a century.

Continued on page 3

HEALTH INSURANCE OPEN ENROLLMENT BEGINS

RETIREE HEALTH INSURANCE

This fall CTPF retirees will have the opportunity to make changes to their health insurance coverage during the open enrollment period.

Retirees will receive health insurance open enrollment booklets in late September. The publication details the various health insurance plans offered by CTPF and provides cost and enrollment information for 2009.

The health insurance carriers for CTPF sponsored plans remain the same: Blue Cross/Blue Shield of Illinois, HMO Illinois (a Blue Cross/Blue Shield Company), and Humana.

The CTPF will again offer a health insurance rebate to members whose final service is with CTPF. The rebate will remain 70%.

If you currently participate in a CTPF-sponsored health insurance plan and do not plan to make any changes during open enrollment, you do not need to submit a new enrollment form. Your current coverage will automatically continue.

If you wish to enroll for the first time or make a change to your current coverage you may do so during open enrollment. During this period you may:

- enroll in a CTPF-sponsored health insurance plan
- change your health insurance plan or carrier
- add a spouse, domestic partner, and/or dependent(s) to your health insurance plan

The deadline for submitting the enrollment forms is November 30. Changes made during open enrollment become effective January 1, 2009.

Individuals who need assistance with enrollment should plan to attend one of the following CTPF Open Enrollment Seminars.

OPEN ENROLLMENT SEMINARS

October 7, 2008

9:00 a.m. or 1:00 p.m. (*attend one*)
 Holiday Inn Chicago Mart Plaza
 350 West Mart Center Drive, Chicago

October 14, 2008

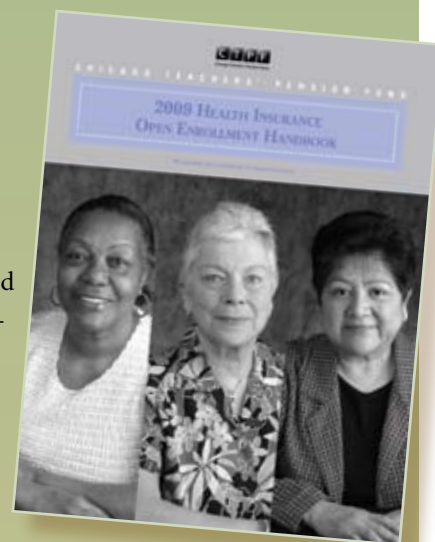
9:00 a.m. or 1:00 p.m. (*attend one*)
 Hilton Oak Lawn
 9333 South Cicero Avenue, Oak Lawn

Reservations are requested. Call 312.641.4464 to reserve a space. The seminars will include a group presentation highlighting insurance plan changes, offer a chance to meet with individual health insurance vendors who can answer plan-specific questions, provide enrollment forms, and offer the opportunity to submit enrollment applications.

Continued on page 3

IN THIS ISSUE

Financial Snapshot	2
Paying for Medicare	4
Direct Deposit	4
Legislative Update	5
Pension Representative U	6
Second Notice of Election	6
Redefining Retirement	7
Designate Your Beneficiary	7



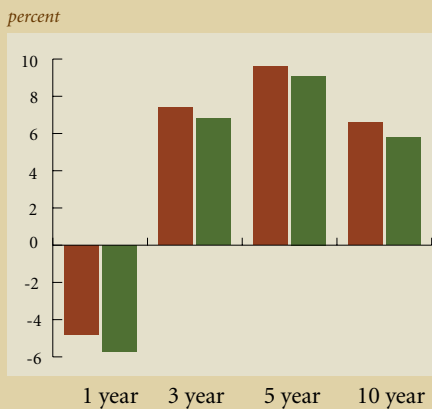
CPS PAYROLL UPDATE

CTPF FINANCIAL SNAPSHOT

CTPF RETURN ON INVESTMENTS

As of June 30, 2008

	RATE OF RETURN	TOTAL FUND BENCHMARKS
1-year	-4.8%	-5.7%
3-year	7.4%	6.8%
5-year	9.6%	9.1%
10-year	6.6%	5.8%



■ RATE OF RETURN
■ TOTAL FUND BENCHMARKS

As of June 30, 2008, the approximate current value of CTPF's investments was \$11.5 billion.



The Chicago Public School system implemented a new payroll management system in March 2007. The implementation of the new system proved more difficult than expected and CTPF has not received complete and accurate payroll data from CPS since that time. While CPS has reported that they have made all data available, receipt of the data does not guarantee that the information provided is correct. Because the data contained many errors, CTPF must audit each record to ensure accuracy.

Problems with the CPS payroll system impact CTPF members in several ways.

RECENT RETIREES

Without final data CTPF cannot finalize pensions. Retirees from June 2007 (over 1700) were initially issued preliminary pensions based on the information CTPF had available. During the past year, CTPF has worked aggressively with CPS to finalize the payroll data for 2007 retirees and has narrowed the number of individuals from 2007 still receiving a preliminary pension to fewer than 400.

Teachers who retired from CPS in June 2008 are also receiving preliminary pensions. This will continue until CPS can provide final payroll data for these members.

ACTIVE TEACHERS

At the end of each fiscal year, CTPF issues a member statement that includes data summarizing a member's pension contributions, sick days, and service credit. Because of the delay in receiving payroll data from CPS, the 2007 statements were issued in March 2008. The 2008 statements will be delayed as well.

Accurate pension estimates cannot be completed. Pension estimates require accurate data; estimates being processed have to be understated due to the lack of current data. Requests for optional service bills cannot be processed without current salary information.

FORMER MEMBERS

Members who have resigned from CPS since 2007 and have applied for a refund of contributions are experiencing delays in the final payout of contributions.

UPDATES

CTPF understands that this is an important issue for our membership. We will continue to provide updates to our membership as developments occur.



This summer we continued the cycle and issued pensions to nearly 500 new retirees. We acknowledge the dedicated service these members have provided and thank them for their commitment to educate Chicago's children. While a majority of our new retirees received preliminary pensions because we have not yet obtained final data from CPS, we want our new retirees to know that we continue to work diligently with CPS to resolve their payroll issues. We will finalize pensions as soon as possible.

This fall we welcome hundreds of new members who are joining CTPF for the first time. All CTPF members participate in a defined-benefit plan. In our plan, after five years of contributions, members are guaranteed a pension for life. Retirees cannot outlive their benefit, and income does not change depending on market conditions.

Market conditions have been on everyone's mind lately as a variety of factors continue to take their toll on our economy. Our fund closed the 2008 fiscal year with a -4.8% return, our first decline in more than five years, which comes on the heels of a 17.7% gain in fiscal year 2007. While we cannot predict future returns, we know from experience that our market also follows a life cycle of gains and losses. Our philosophy of diversity and prudence in investing has always guided us through difficult economic times and will continue to do so.

As the director of a pension fund during tough economic times, I tell our members that the individuals who receive pensions today or tomorrow will enjoy the same security as the thousands of pensioners who have gone before them. Our members enjoy pensions for life, guaranteed by Illinois law.

This guarantee is one reason CTPF is educating its members about a question on the ballot in November. During the general election, Illinois voters will be asked if they want to hold a convention to rewrite their constitution. The current Illinois Constitution guarantees CTPF pensions and our

trustees do not want to see this document opened up to wholesale changes. We have a more detailed update on this topic in the Legislative Update on page 5. Please carefully consider this issue before going to the polls.

Teachers will also have the opportunity to participate in the CTPF Board of Trustee elections this fall. The CTPF is governed by a 12-member board of trustees including 6 active teachers, 3 retired teachers, 2 members of the board of education, and 1 administrator/principal. The board meets monthly to conduct the business of the fund. On October 24, teachers will vote for 2 teacher representatives. We encourage all eligible members to vote in this election. Election materials and candidate information will be distributed in schools in early October.

October is also the height of our open enrollment season. In addition to providing retirement pensions, CTPF offers group health insurance to retired members. Retirees who want to enroll in a health insurance plan or add a dependent to a plan can do so during the open enrollment. We will again offer a health insurance rebate of 70% to retirees to help reduce the cost of health insurance for our members. Our open enrollment seminars offer the opportunity for retirees to meet with representatives from health insurance companies and to receive assistance in filling out forms and materials.

As the year begins we want to welcome our new members and thank our recent retirees for their invaluable service. While we cannot predict the future, we know that we will follow a steady path, even during difficult economic times, so that today's new members will one day join the ranks of our pensioners.

We look forward to serving you.



Kevin B. Huber, executive director

OPEN ENROLLMENT

Continued from page 1

2007 RETIREES WITH COBRA COVERAGE

Retirees who currently have coverage under their former employers through COBRA and recently received a termination notice should make their new health care choices during open enrollment.

Retirees who plan to leave COBRA must continue payments until other coverage is secured. If you enroll in a CTPF-sponsored plan during open enrollment, your insurance will become effective on January 1, 2009.

The CTPF health insurance enrollment booklet contains information about individual plans and choices available to retirees whose COBRA coverage is terminating. Additional information, forms, and assistance will also be available at the Open Enrollment Seminars.

DISENROLLING FROM A PREVIOUS PLAN

Members with health insurance coverage outside of CTPF who plan to join a CTPF plan during open enrollment will need to disenroll from their current plan (effective December 31, 2008), before joining a CTPF-sponsored plan. Check with your current insurance carrier to determine disenrollment procedures. Changes made during open enrollment become effective on January 1, 2009.

Members who fail to disenroll from previous coverage may find all of their coverage cancelled.

CTPF CALENDAR

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

SEPTEMBER

- 16 9:30 a.m., trustee meeting
- 27 9:30 a.m.-12:00 p.m.
Pension Representatives' Seminar,
University Center
525 South State Street, Chicago

OCTOBER

- 1 Nominating petitions due for all
teacher trustee candidates
- 6 Candidates notified of eligibility
to run for election
- 7 9:00 a.m. or 1:00 p.m. (attend
one) Open Enrollment Seminars,
Holiday Inn Chicago Mart Plaza,
350 West Mart Center Drive,
Chicago
- 13 Columbus Day, office closed
- 14 9:00 a.m. or 1:00 p.m. (attend
one) Open Enrollment Seminars,
Hilton Oak Lawn, 9333 South
Cicero Avenue, Oak Lawn
- 23 9:30 a.m., trustee meeting
- 24 CTPF Teacher Trustee Elections
in all CPS and Charter Schools.

NOVEMBER

- 11 Veterans Day, office closed
- 25 9:30 a.m., trustee meeting
- 27-28 Thanksgiving holiday,
office closed

DECEMBER

- 16 9:30 a.m., trustee meeting
- 25 Christmas, office closed

OFFICE/MAILING ADDRESS

Chicago Teachers' Pension Fund
203 North LaSalle Street, suite 2600
Chicago, Illinois 60601-1210
312.641.4464 p. 312.641.7185 f.
www.ctpf.org
memberservices@ctpf.org

Office hours:

7:30 a.m. – 5:00 p.m. M-F

PAYING FOR MEDICARE

Many retirees receive Medicare Part A at no cost when they turn 65. Everyone pays for Part B coverage.

If you receive a Social Security benefit you may qualify for Medicare Part A at no cost. Your Part B premiums will automatically be deducted from your Social Security benefit.

If you must pay for Medicare Parts A and B you must arrange for payments directly to the Center for Medicare/Medicaid Services (CMS) or make arrangements to have CTPF make payments on your behalf.

If you make payments directly to CMS, you must make timely payments or you could lose Medicare health insurance coverage.

If Medicare cancels your coverage, you cannot re-enroll in Medicare until their next open enrollment period, which runs January through March. Medicare coverage will be reinstated the following June.

CTPF-SPONSORED SUPPLEMENTAL PLANS AND MEDICARE

Individuals age 65 or better enrolled in a CTPF-sponsored supplemental health insurance plan must be enrolled in Medicare Parts A and B. If you do not obtain Medicare Parts A and B when you turn 65, you will be placed in a transitional insurance plan at a higher cost until proof of Medicare coverage is provided to CTPF.

MEDICARE		HEALTH INSURANCE	
SOCIAL SECURITY ACT			
NAME OF BENEFICIARY	JOHN D. DOE		
MEDICARE CLAIM NUMBER	123-45-6789A	SEX	MALE
SENTITLED TO		EFFECTIVE DATE	
HOSPITAL INSURANCE (PART A)			1/1/95
MEDICAL INSURANCE (PART B)			1/1/95
SIGN HERE			

TIMELY PAYMENTS

One way to avoid missed or late payments is to have CTPF make Medicare payments from your pension check. As an added convenience, once CTPF begins making payments to CMS, the CTPF health insurance rebate (currently 70%) will automatically be applied to the Medicare deduction from your monthly pension.

If you want CTPF to make your payments, follow these steps:

1. Send or fax a copy of your Medicare bill to CTPF. Include the date you paid the bill, the check number, and your birthdate.
2. CTPF will process your request and begin making Medicare payments on your behalf.

Establishing CTPF payments to Medicare can take up to 30 days. If you receive another Medicare bill before CTPF begins making payments, contact CTPF Member Services before making the payment.

DIRECT DEPOSIT



Over 90% of CTPF retirees take advantage of direct deposit, which assures that funds are available on the first business day of the month. If you have not already requested direct deposit you can do so by completing a Direct Deposit Authorization form, available at www.ctpf.org or on request from CTPF Member Services at 312.641.4464.

DIRECT DEPOSIT CHANGES

Changes made to your direct deposit by the 15th of the month will go into effect for the following month's deposit. Changes requested after the 15th of the month will go into effect for the second deposit following the request.

LEGISLATIVE UPDATE

THE CONSTITUTIONAL QUESTION

The constitution of the State of Illinois broadly outlines the powers of government. The current document, the state's fourth constitution, was adopted on December 15, 1970, with earlier documents adopted in 1818, 1842, and 1870.

Article XIV, Constitutional Revision, section 1. (a) gives the General Assembly the power to call a constitutional convention at any point if they have a three-fifths majority. If the legislators fail to execute this power, section 1. (b) requires that once every 20 years the people of Illinois vote on the question. The question must be placed on a separate ballot and a convention will be called if three-fifths "of those voting on the question or a majority of those voting in the election" approve the question. The last time the question was put to voters, in 1988, the measure failed to muster any popular support and was soundly defeated by more than a 3:1 margin.

THE ROAD TO A CONVENTION

This fall, voters in the Illinois general election will again be asked if they want to hold a constitutional convention.

If voters approve the call to hold a convention, it will trigger another set of elections. Voters would elect two delegates from each Legislative District in Illinois.

The charge to the delegates is broad and undefined. Article XIV, section 1 (f) states: "The Convention shall prepare such a revision of or amendments to the Constitution *as it deems necessary*." The General Assembly decides on the ground rules for the convention but cannot restrict the work of the delegates.

Within three months of the election of delegates, the assembly must call a convention and is responsible for paying delegates and officers, and for funding all convention expenses. The current Illinois constitution does not set a time limit or budget for the process. The 1970 convention lasted 10 months and cost \$14 million dollars, (\$78 million in current dollars).

After the delegates write the final document it is then presented to voters in written form. The state holds another election for voters to accept or reject the new document. If voters reject the work of the convention, the current constitution remains in effect.

ARGUMENTS AGAINST A CONVENTION

There are several reasons CTPF does not support the concept of revising the current State of Illinois constitution.

First and foremost, CTPF pension rights, along with those of many other municipal and public employees, are guaranteed by the current Illinois constitution. If a convention is held, special interest groups may lobby to reduce pension benefits or alter the pension system. Protecting and maintaining the pension rights currently guaranteed by the Illinois constitution are a top priority for the fund. The CTPF does not support any changes to its current governance or any reduction in pension benefits for its members.

Illinois has a young constitution, widely regarded as progressive and efficient, that already allows for modification through amendment. Illinois voters have changed their constitution 10 times in the past 40 years using the amendment process. An amendment to the current constitution would be a much more efficient way to address issues without opening up the entire document to debate.

A convention would be an extremely expensive proposition, both in terms of real dollars and opportunity costs. Current estimates range up to \$100 million dollars to elect delegates and hold the convention in 2010.

The General Assembly would decide how the convention would run and



would have a great deal of influence in establishing the ground rules and structure. With the current deadlock in Springfield, it is unlikely that the assembly would suddenly begin to work together towards a common goal. In addition, special interest groups would try to influence both the structure and content of a convention.

The best way to influence the political process is for individuals to vote in general elections and to select candidates who represent their interests.

CONCLUSION

The issue of whether or not to hold a constitutional convention is an important decision for the voters of Illinois. The CTPF Board of Trustees agrees with many other labor organizations and business leaders and does not support a constitutional convention. The CTPF encourages its members to vote no on this question in November elections.



SECOND NOTICE OF 2008 TEACHER TRUSTEE ELECTION

PENSION REPRESENTATIVE UNIVERSITY

Pension representatives should plan to attend CTPF's fourth annual Pension Representative Workshop

SATURDAY, SEPTEMBER 27
UNIVERSITY CENTER
525 SOUTH STATE STREET
CHICAGO, IL 60605
9:30 A.M. – 12:00 P.M.

This year's seminar includes a presentation on a variety of topics, including:

- Your role as CTPF Pension Representative
- Conducting trustee elections
- Services available through CTPF
- Meet your CTPF area field representative

REGISTER NOW

Call 312.604.1242 to reserve your place at this workshop. Reservations are required as seating is limited.

October 24, 2008, the Chicago Teachers' Pension Fund will hold elections for two teacher trustee positions. Elections will be conducted in all Chicago Public and Charter Schools, the Chicago Teachers Union office, and in the CTPF office.

Individuals elected to the teacher trustees positions will serve a three-year term from November 2008 – November 2011.

ROLE AND RESPONSIBILITIES

The Board of Trustees represents CTPF in all matters concerning retirement benefits, provides general oversight for all operations, and approves all benefits. In addition, the board hires professional consultants who provide investment advice.

The board meets monthly. Trustees serve without compensation but employers may grant paid leave for CTPF-related activities.

ELIGIBILITY

Individuals interested in running for a teacher trustee position must hold an Illinois State teaching certificate and must have been employed in the Chicago Public or Charter Schools a minimum of 10 years. Teachers must be current contributors to CTPF.

NOMINATION

To be placed on the ballot, candidates must secure 200 or more legible nomination signatures with the required identifying information.

Individuals who wish to run for a trustee position should request a nomination packet from CTPF's election coordinator at 312.604.1400, ext. 132. Eligibility to run must be verified before the packet is issued. The signed nomination petitions must be submitted to the CTPF election coordinator no later than 5:00 p.m., Wednesday, October 1, 2008. Only forms received by the deadline will be accepted. Candidates will be notified of their eligibility to run for office no later than October 6, 2008.

ABSENTEE BALLOTS AND ALTERNATE SITES

Teachers who will not be available to vote on October 24 may request an absentee ballot be sent to their home. The request form is available at www.ctpf.org or call 312.604.1400, ext. 132. Absentee ballot requests must be submitted no later than October 10, 2008. Completed ballots must be postmarked no later than October 24.

Teachers may also cast votes at any Chicago Public School, in the CTU office, or in the CTPF office. If a member votes at an alternate site, his or her ballot will be placed in a provisional envelope for verification prior to its inclusion in the final tally.

ADDITIONAL INFORMATION

Detailed procedures and policies for conducting elections are contained in the *Election Policies and Procedures Handbook*, available on request from CTPF's election coordinator or at www.ctpf.org. Additional information will be posted on the CTPF website and distributed to each school in October.



REDEFINING RETIREMENT MEET DANNY CLARK

It is Monday morning in the CTPF office and the office reception area buzzes with members waiting for appointments. On this Monday, though, visitors do a double take as Danny Clark enters the room. Against the backdrop of quiet walls and ordinary office furniture, Clark, clad in a tuxedo, dominates the reception area.

Danny Clark has always understood the importance of making an entrance. Whether it was the first day of music class at Englewood High School or playing background music for a high-profile event, Clark instinctively knew that his approach determined the audience's reaction.

"At Englewood I used to sit silently waiting until the students quieted themselves. Then I would look up and address them. I rarely had a problem with behavior."

A high school music teacher for more than 30 years, Clark retired in 1999 but continues to work regularly as a musician and entertainer. Performing since the 1960's, he is one of Chicago's most sought-after jazz pianists and vocalists. He is also the rare individual who has merged his passion and his career.

"If you carry your childhood with you, you'll never grow old," Clark offers with a smile. It quickly becomes clear that Clark follows his own advice. The childhood he carries with him is his music.

Born in Mississippi, Clark moved to Chicago with his family at age six. He can't remember a time when music wasn't a part of his life. "As a child, I always remember singing with my mother. She's a wonderful musician and teacher and a great influence. She never had to force me to practice music. I just always wanted to play."

Although his first memories of music are of singing in church, Clark's first instrument was the bass. "I played string bass in many jazz ensembles early in my career, and a lot of folks never knew I could sing. I started playing piano because I needed an accompanist."



Classically trained in piano, Clark earned his undergraduate degree in music and a master's in music education from Roosevelt University.

Music also laid the foundation for his marriage. "I met my wife, Gloria, in college," Clark reminisces. "She was a vocal major and became my coach. She's still my best critic and teacher."

"My first teaching job was at Englewood in 1964. I used to enjoy bringing music to kids from the city. I would always begin with music that was familiar to them, sometimes Motown or show tunes, and then I would move on to more classical pieces. I taught the history of music and sound and enjoyed storytelling through music."

Reflecting on his own musical style, Clark explains, "I like to improvise. I always read my music but I like to add my own personal touch. I enjoy playing weddings and joyful occasions. That's the best way to share what I do."

On his CD, aptly titled *Elegance and Style*, familiar songs become soul-filled ballads. The tune "Tomorrow" from the musical *Annie*, sheds its wishful, little-girl attitude and in Clark's hands becomes a powerful promise, delivered with a dose of life experience.

"Music isn't a career I pursue for the money," laughs Clark. "I do it for the joy."

Read more about Danny Clark and hear his music at www.dannyclark.info.

DON'T HESITATE, DESIGNATE

The benefits provided by CTPF ensure a secure retirement for you (the member) and also provide for your survivors upon your death. CTPF offers the following survivor benefits:

- survivor pensions payable to your eligible spouse and/or eligible minor children
- a lump-sum death benefit payable to your beneficiaries or estate
- a refund of contributions payable to your beneficiaries or estate, if applicable

The amount and the method of payment depend on your years of service credit, who is eligible, and whether death occurs before or after you retire.

PLAN AHEAD

Planning ahead and designating your beneficiaries ensures that any death benefits are paid according to your wishes. You may name any person, trust, church, charity, or organization as a beneficiary. If you name more than one individual or organization, all share equally in the benefit unless you designate specific percentages.

It is important to keep your Designation of Beneficiary form current as life changes, including marriage, death, births or divorce, occur.

CONFIDENTIALITY

The information contained on your Designation of Beneficiary form is confidential and will not be disclosed to anyone. If you cannot locate a copy of your current form and/or recall your named beneficiary, contact CTPF at 312.641.4464 to request a new designation form.

Please Note: The only person who may sign and/or change a Designation of Beneficiary form is the CTPF member. A representative, including a power of attorney, guardian, conservator, trustee, or representative payee, cannot change or sign this form.



Chicago Teachers' Pension Fund

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Chicago, Illinois 60601-1210

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CTPF BOARD OF TRUSTEES' MISSION STATEMENT

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

INSIDE THIS ISSUE



Redefining Retirement... Danny Clark may have retired from teaching in 1999 but he continues to work regularly as a musician and entertainer. Read more about one of Chicago's most sought after jazz pianists and vocalists on page 7.

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