



Chicago Teachers' Pension Fund

VISIT US AT WWW.CTPF.ORG

During the 2008 election, regardless of which party affiliation you claim, you heard a lot about our history. Senator McCain frequently cited President Roosevelt. President-elect Obama extolled President Lincoln. Each candidate offered a different message but their claims shared the same theme. When uncertainty fills the future, we turn to our past for guidance.



Kevin B. Huber, executive director

While we know that the past cannot predict the future, we also understand that we have much to learn from history's lessons. History has taught us that markets may not be predictable in the short term but they work in cycles.

The Chicago Teachers' Pension Fund (CTPF) has guaranteed financial security for teachers for more than a century. During our 113 years of continuous operation our members have lived through two world wars, massive social upheaval, gasoline shortages, presidential scandals, stock market crashes, and terrorist attacks. While the impact of these events on us socially and

Continued on page 2

2008-2009 BOARD OF TRUSTEES INSTALLED

2008 TEACHER TRUSTEE ELECTION RESULTS

The Chicago Teachers' Pension Fund is governed by a 12-member board of trustees. The board includes 6 members elected by teachers, 3 members elected by pensioners, 1 member elected by principals/administrators, and 2 members appointed by the CPS Board of Education. Terms of office for trustees are staggered and elections are held each fall.

On October 24, 2008, CTPF's active teachers went to the polls and re-elected John F. O'Brill and Maria J. Rodriguez who will serve 3-year terms from 2008-2011. More than 14,500 individual members representing 515 schools cast ballots. O'Brill and Rodriguez were formally sworn in during the November 25, 2008, trustees meeting.

O'Brill teaches at Nancy B. Jefferson Alternative School and has been a member of the board of trustees for 8 years. For the past 3 years he has served as president of the CTPF Board of Trustees. O'Brill has also served as a CTPF pension representative for more than 20 years.

Rodriguez taught for more than 20 years and currently works as a CTU field representative. She has been a member of the CTPF Board of Trustees for the past 9 years and served as president from 2002-2004, recording secretary from 1999-2002, and financial secretary from 2005-2007.



John F. O'Brill



Maria J. Rodriguez



The 2008-2009 CTPF Board of Trustees pictured, back row, from left to right: James F. Ward, Alberto A. Carrero, Jr., Linda S. Goff, Maria J. Rodriguez, Mary Sharon Reilly, Chris N. Kotis, and Walter E. Pilditch. Front row, 2008-2009 Officers: Recording Secretary Nancy Williams, Vice President Reina Otero, President John F. O'Brill, and Financial Secretary Lois Nelson. Not pictured, Peggy A. Davis.

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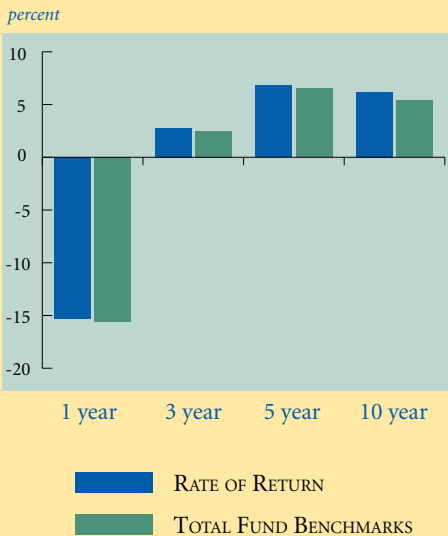
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**CTPF FINANCIAL
SNAPSHOT**

CTPF RETURN ON INVESTMENTS

As of September 30, 2008

	RATE OF RETURN	TOTAL FUND BENCHMARKS
1-year	-15.3%	-15.6%
3-year	2.8%	2.5%
5-year	6.8%	6.5%
10-year	6.2%	5.4%



As of September 30, 2008, the approximate current value of CTPF's investments was \$10.26 billion.



psychologically has been great, the actual impact on CTPF pension payments has been zero. We have never missed a pension payment. We have always taken a disciplined and conservative approach to investing that has led to strong long-term gains and solid growth. We will continue to do so.

The current investment environment is the worst in memory. At the close of our fiscal year, in June 2007, our fund enjoyed its fourth consecutive year with a double-digit return on investment. In contrast, at June 2008, our fund closed the fiscal year with a return of -4.8%. Since June, the market has lost more than 30% and is undergoing a once-in-a-century correction. The unprecedented economic turbulence reflected in the stock market brings new anxiety with each day.

While the news is unsettling, CTPF members should remember that market conditions do not change the value of CTPF pensions. Once you vest in CTPF (after 5 years) you qualify for a pension for life. Your pension is guaranteed by Illinois law and does not change with market conditions.

Your pension is safe.

Why doesn't my pension change with market conditions?

There are two basic types of retirement plans, defined benefit and defined contribution. In a defined-benefit program a retirement pension is based on a formula – not market performance. The pension formula usually includes salary and years of service.

Because CTPF offers a **defined-benefit** program, market conditions do not change the value of your pension benefit. Page five of this newsletter has more information about the CTPF pension plan and answers questions commonly asked by our members.

How does CTPF protect its assets?

In order to maintain a strong fund, CTPF utilizes professional fund managers to implement a diversified investment policy designed to minimize risk and maximize returns over the long term. While we never want to see our assets decline, we also understand that the market undergoes periods of highs and lows. By following a disciplined approach to investing we will continue to provide strong stewardship of our members' assets and ensure secure pensions.

What can I do?

You cannot control the investment market and its impact on CTPF, but there are things you can do that can make a positive impact on the fund.

First, stay actively informed about CTPF investments. Read *Pension News*, visit our website frequently for timely information on current issues, and vote in CTPF elections so your voice is represented.

Second, get to know your local politicians, who can have a major impact on CTPF's success. Several of our legislators have told me how CTPF members flooded their offices with postcards and letters asking for assistance for CTPF. As the battle over state funding heats up, we need to make sure our legislators understand our needs and make CTPF pensions a priority. The Board of Education will need to make substantial payments to CTPF in 2009 and 2010. We need to make sure these payments are not diverted. Our legislators can help ensure that CTPF receives funds due to us.

While I cannot predict when the markets will stabilize, I can assure you that the trustees and staff at CTPF will do everything in our power to make sure that your pension fund is safe and secure. We look forward to serving you.

Sincerely,

Kevin B. Huber, executive director



Left: teachers cast ballots at Wilbur Wright Community College on Chicago's north side during CTPF's Teacher Trustee election October 24, 2008. Five candidates ran for two opens positions. Across the city, CTPF pension representatives held elections in schools and other designated polling places. In total, more than 14,500 individuals cast votes.

2008 Teacher Trustee Election

“We are very pleased that the election ran smoothly and that we had a strong turnout,” said Frances Radencic, CTPF election coordinator. “The election was organized by a private, independent company, Election Services, Inc., and conducted by more than 500 volunteer pension representatives. We want to acknowledge and thank these members and the Canvassing Board members who provided assistance in the CTPF office. Canvassing Board members included Adjora Stevens, Caprice Mitchell, Carole Haymon, Diane Tolbert-Butler, Frances Scott, Ideria Page, James Stewart, Joan Billingham, Johnnie Hicks, Josephine Tanner, Lula Carey, Marvel Hall, Peter Grafner, Stephanie Collins, Steve Jones, Terrance Harrison, Yvette Killingsworth, and Vera Bunting. These members worked tirelessly to ensure a fair and valid election.”

During the November 25, 2008, meeting of the CTPF Board of Trustees, the board elected officers for the 2008-2009 year and set the calendar for 2009 meetings. The following trustees will serve as officers through November 2009: President, John F. O’Brill; Vice President, Reina Otero; Financial Secretary, Lois Nelson; and Recording Secretary, Nancy Williams. The current board includes the following members:

2008-2009 CTPF Board of Trustees

Representing the Contributors

- Linda S. Goff
- Lois Nelson
- John F. O’Brill
- Reina Otero
- Maria J. Rodriguez
- Nancy Williams

Representing the Pensioners

- Walter E. Pilditch
- Mary Sharon Reilly
- James F. Ward

*Representing the Principals/
Administrators*

- Chris N. Kotis

*Representing the Board of
Education*

- Alberto A. Carrero, Jr.
- Peggy A. Davis

OFFICERS

- President*
John F. O’Brill
- Vice President*
Reina Otero

- Financial Secretary*
Lois Nelson
- Recording Secretary*
Nancy Williams

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

DECEMBER

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

JANUARY

- 01** New Year’s holiday, office closed
- 08** 3:45 p.m., investment committee meeting
- 15** 9:30 a.m., trustee meeting
- 19** M.L. King’s birthday, office closed

FEBRUARY

- 10** 3:45 p.m., investment committee meeting
- 12** Lincoln’s birthday, office closed
- 12** 9:00 a.m. and 1:00 p.m. (attend one), CTPF retirement seminar, Doubletree Hotel Chicago/Alsip 5000 West 127th Street, Alsip, Ill.
- 16** President’s Day, office closed
- 16** 9:00 a.m. and 1:00 p.m. (attend one), CTPF retirement seminar, Chicago Marriott O’Hare, 8535 West Higgins Road, Chicago
- 24** 9:30 a.m. trustee meeting

MARCH

- 2** C. Pulaski’s birthday, office closed
- 2** 9:00 a.m. and 1:00 p.m. (attend one), CTPF retirement seminar, Hilton Oak Lawn, 9333 South Cicero Avenue, Oak Lawn, Ill.
- 12** 3:45 p.m., investment committee meeting
- 19** 9:30 a.m. trustee meeting

OFFICE/MAILING ADDRESS

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Chicago, Illinois 60601-1210
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www.ctpf.org
memberservices@ctpf.org
Office hours:

7:30 a.m. – 5:00 p.m. M-F

PLANNING TO RETIRE IN 2009? START NOW...

Making the decision to retire from active service requires much thought and advance preparation. If you are considering retirement in June 2009, CTPF staff recommend beginning your preparations now. The following advice can help ensure a smooth transition.

Start Now

- If you have not already done so, request an estimate of your pension.
- Investigate whether it is to your advantage to purchase optional service for any approved leaves. You may want to request estimates of your pension with and without optional service to make an informed decision.

Request and Register

- Request a Retirement Application Packet from CTPF Member Services or download one from www.ctpf.org.
- If you need assistance completing the application, register for a 2009 Retirement Seminar and bring a copy of your retirement application to the seminar. Completed applications will be accepted at the seminar and additional help with the forms will be available. If you cannot attend a seminar but need assistance, make an appointment with a Member Services counselor at 312.641.4464.

Obtain

- Obtain copies of your vital records including your birth certificate, your spouse's birth certificate (or death certificate), and

a marriage certificate or divorce decree, if applicable.

- Check on the status of any unpaid optional service or 2.2 upgrade contracts. You must complete payment of these contracts before you retire.
- Check with the Board of Education to see if you qualify for any pension enhancement programs.

Consider Health Insurance

- If you are under age 65, you will need to apply for COBRA health insurance coverage with your employer.
- If you are or will be over age 65 at retirement, apply for Medicare with the Social Security Administration at least three months before you retire. If you wish to enroll in a Medicare supplemental or advantage plan available through CTPF, you will need proof of Medicare A and B eligibility at retirement.

Contact

- If you plan to retire under the provisions of the Illinois Reciprocal Act you must file retirement applications with each system.

REGISTER NOW FOR 2009 RETIREMENT SEMINARS

In February and March 2009, CTPF will host six retirement seminars to educate and inform members considering retirement. The seminars provide an overview of retirement benefits, discuss health insurance options, and review the retirement process.

Sessions are 9:00 a.m. - 11:30 a.m. and 1:00 p.m. - 3:30 p.m. Members need only attend one session. The 2009 dates are:

February 12

Doubletree Hotel Chicago/Alsip
5000 West 127th Street, Alsip, Illinois

February 16

Chicago Marriott O'Hare
8535 West Higgins Road, Chicago

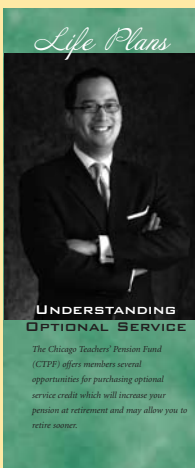
March 2

Hilton Oak Lawn, 9333 South Cicero Avenue, Oak Lawn, Illinois

The seminars feature presentations by CTPF, CPS, and Social Security Administration staff, followed by a question-and-answer session.

After the presentation, CTPF staff will help members complete retirement applications. Representatives from CPS, the Social Security Administration, and independent financial service vendors will also be available to answer questions.

The seminar is free but registration is required and space limited. Call Member Services at 312.641.4464 to reserve.



THINKING ABOUT RETIREMENT? GET THE FACTS...

Several brochures are available for members who are currently considering retirement in 2009. The *Life Plans* series of publications includes information about the 2.2 upgrade, reciprocity, optional service, and health insurance.

Members may request copies of the brochures from their school pension representatives, find them available online at www.ctpf.org, or request copies directly from Member Services at 312.641.4464.

FREQUENTLY ASKED PENSION QUESTIONS

UNDERSTANDING YOUR DEFINED-BENEFIT PLAN

With recent turmoil in financial markets and institutions, many CTPF members have questions about their financial security. The following article reviews some commonly asked questions about the CTPF retirement plan.

What kind of retirement plan do I have?

There are two basic kinds of retirement plans, **defined-benefit plans** and **defined-contribution plans**.

In general, a defined-benefit plan offers a specified monthly benefit to vested members who retire. The pension is based on a formula that includes years of service and final average salary. The CTPF provides a **defined-benefit plan**. Once a member is vested in CTPF s/he qualifies for a lifetime benefit with a 3% annual increase after age 61.

In contrast, a defined-contribution plan does not promise a specific retirement benefit. Employees, the employer, or both contribute to an individual's account during employment. The value of the employee's retirement savings may change depending on the value of investments. Common

examples of defined-contribution plans include IRAs, 401(k) and 403(b) plans, employee stock ownership and profit-sharing programs.

Is my pension safe?

Yes. Once you are vested in CTPF you qualify for a pension for life. Your pension does not lose value or change with market conditions. In addition, your surviving spouse and minor children may qualify for a survivor's pension.

How do I know my pension will be there when I need it?

CTPF pensions are guaranteed by Illinois law. In the unlikely event that CTPF was unable to meet its financial obligations, the state of Illinois would be required to pay for members' pensions. In its more than 113 years of operations, CTPF has never missed a pension payment.

How much will my pension be?

Your pension is based on a formula that uses your years of service and your final average salary. You can estimate your possible pension benefit by using the following formula:

$A \times B = \text{annual pension}$

A = the pension percentage of
2.2% x your service credit,
(to a maximum of 75%)

B = your final average salary
(equal to the average of
the four highest, consecutive
salaries in your last 10 years
of service)

Has the value of my pension dropped?

No. Market conditions do not change the value of your pension. Once you are vested your pension cannot decrease and is guaranteed for life.

What is CTPF doing to protect its assets?

The CTPF utilizes professional fund managers to implement its policy of investing in a diverse set of monetary products designed to minimize risk and maximize returns over the long term. The CTPF utilizes an investment strategy where returns are best viewed in terms of 5 or even 10-year time periods.

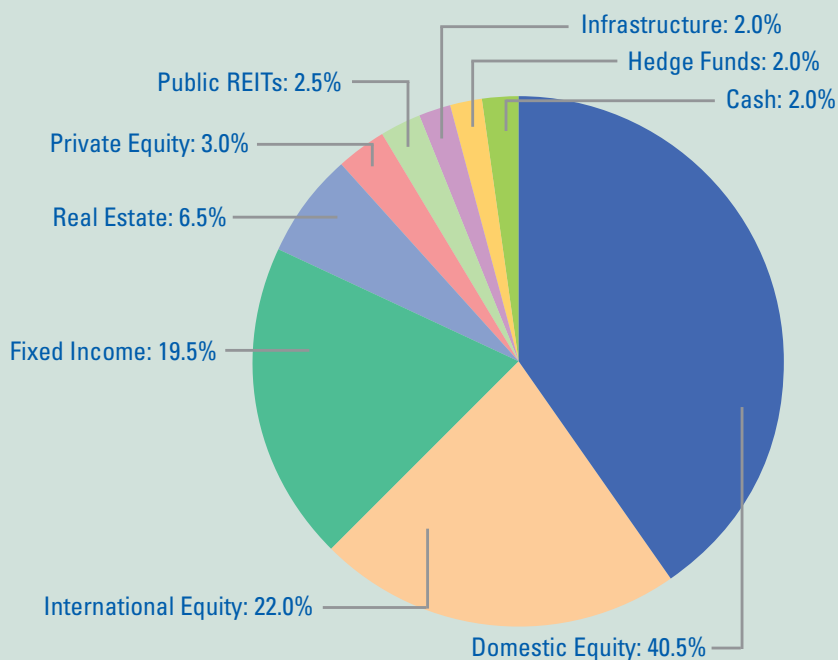
How are CTPF's assets divided?

The asset allocation, as of September 30, 2008, is detailed in the chart on the left.

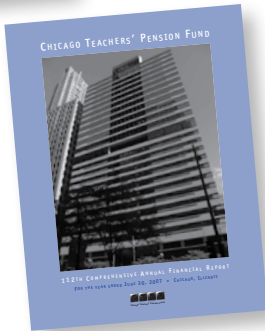
How much money does CTPF have?

As of September 30, 2008, the approximate current value of CTPF's investments was \$10.26 billion dollars.

CTPF ASSET ALLOCATION AS OF SEPTEMBER 30, 2008



CTPF FINANCIAL REPORTS RECOGNIZED



The CTPF 2007 Comprehensive Annual Financial Report (CAFR) and the 2007 Popular Annual Financial Report (PAFR) both received Certificates of Achievement from the Government Finance Officers Association (GFOA).

This is the 18th consecutive year the CAFR earned the distinction. This was the second year CTPF produced a PAFR and the first time it was submitted for consideration.

The CAFR award program recognizes agencies that go beyond minimum reporting requirements to produce financial documents that evidence the spirit of transparency and full disclosure.

The PAFR award program encourages agencies to produce high-quality, easily understood financial reports.

“We are glad that the GFOA has recognized our publications for excellence,” remarked Kevin Huber, executive director. “The feedback we receive from the GFOA will help us refine and improve the documents for the benefit of our members.”

FALL SEMINARS PROVIDE ANSWERS

This fall CTPF offered two different seminars designed to help educate members about CTPF benefits. Current CTPF pension representatives attended the fall workshop and retirees attended CTPF’s Open Enrollment Health Insurance Seminars.

Pension Representative Workshop

More than 150 pension representatives gathered in Chicago on September 27, at University Center to participate in CTPF’s fourth annual Pension Representative Workshop. During the workshop, CTPF field service staff addressed the role of pension representatives and explained procedures for conducting CTPF elections.

More than 600 individuals serve as volunteer pension representatives. Pension representatives link CTPF and active members by distributing information in schools and conducting the annual teacher trustee election.

Open Enrollment Health Insurance Seminars

Retirees who wanted to make changes in their CTPF-sponsored health insurance plans had the opportunity to gain additional information during the Open Enrollment Seminars held in October.

“Health insurance decisions are critically important to our retirees,” said Sheron Banks-Fallis, member services manager. “These seminars provide answers to complicated questions and help our retirees make informed decisions.”

Nearly 700 retirees attended the seminars held at the Holiday Inn Mart Plaza and the Hilton Oak Lawn. The seminars included group presentations along with question-and-answer-sessions. During the seminars retirees had the opportunity to meet with health insurance vendors and received assistance in filling out forms and applications. Open enrollment for 2009 has closed. Changes made during open enrollment become effective January 1, 2009.

PENSION PAYMENT SCHEDULE

The schedule for pension payments is listed below. Mail delivery usually takes 2-3 days. Members who receive checks by mail may not have the check in hand on the first of the month. Contact CTPF if you have not received a check five days after the first of the month.

PAYMENT MONTH	MAILING DATE	DIRECT DEPOSIT DATE
January 2009	December 30, 2008	January 2, 2009
February 2009	January 30, 2009	February 2, 2009
March 2009	February 27, 2009	March 2, 2009
April 2009	March 30, 2009	April 1, 2009
May 2009	April 29, 2009	May 1, 2009
June 2009	May 29, 2009	June 1, 2009



Pension representatives pose for a photo during the September workshop held in Chicago.

REDEFINING RETIREMENT

MEET WALTER A. PEREZ

The world of Walter A. Perez spans two continents, two names, and two careers. The dichotomy and diversity in the life of this dynamic octogenarian offer inspiration for his art.

While friends and colleagues know him as Walter Perez, the literary world recognizes this writer and poet by his pen name, Chaco Gil. Born in 1926 in rural Santa Cruz de Chuca, Peru, Perez began his studies at the small village schools of Santiago de Chuca. He later studied Spanish literature at the University of San Marcos, Lima. In the summer of 1960 he applied for a visa and traveled to the United States.

"I visited a friend in Chicago and liked the city," he explains. "I changed my visa from a visitor to a student and stayed in the United States."

Perez eventually completed a master's degree in modern languages at Loyola University and applied for a job in the Chicago Public Schools. He found work as a Spanish teacher on Chicago's southwest side at Harrison High School.

"Originally, I taught Spanish, but after a few years they needed a math teacher," recalls

Perez. "I had never taught math before but I discovered I liked it. I earned an additional 33 credits and became certified in math. I used my bilingual skills to help students who spoke Spanish as their first language."

Perez met his wife Flor in Peru, but they married after he moved to the United States in 1963. The couple settled on Chicago's north side, where they raised three children and Flor worked as a nurse at Ravenswood Hospital.

"Because we are from the same town we speak the same provincial language," says Perez. "We understand each other. She's the great love of my life."

When Harrison closed, Perez moved to Farragut High School. He retired in 1996 with 33 years of service.

For Perez, retirement marked the end of one career and the beginning of another. "I retired at age 70 and I thought that I would write 70 stories," he explains. "I actually completed 100. These were stories about my younger years in Peru."

In 2002, Perez began writing poetry. Currently a resident of Deltona, Florida, he writes every day, reflecting on the ordinary



Walter A. Perez at Plaza of Trujillo, Trujillo, Peru, February 2008.

and extraordinary events that define his life. His work has been published in both Spanish and English and his poem, "The Poet on Horseback" appears in Poetry.com's *The Best Poems and Poets of 2007*. In February 2008 he presented his book of Spanish poems, *Ojo de Agua*, in three cities in Peru. He maintains a blog of poetry at <http://chacogil.blogspot.com>.

"Writing is my way of escaping old age," laughs Perez. "I learn something every day."

IMPORTANT MEDICARE D (PRESCRIPTION DRUG) NOTICE

If you are 65 or older and are currently enrolled in a CTPF-sponsored Medicare supplemental health insurance plan, **you should NOT enroll in a separate Medicare D (prescription drug) plan.** All of CTPF's Medicare supplemental and advantage plans include Medicare Part D coverage at no additional cost.

A Warning to Retirees

The federal agency that monitors Medicare D enrollments will terminate insurance coverage for anyone enrolled in two Medicare prescription drug plans. This can result in a loss of all insurance coverage.

If you wish to enroll in a different Medicare D plan you must disenroll from your CTPF Medicare supplemental plan before the other plan takes effect in order to avoid losing all coverage.

Maintaining Your Coverage

It is not uncommon to receive solicitations for Medicare D plans. Avoid signing documents that talk about Medicare D unless you are certain that the documents originated from your current CTPF prescription drug plan and/or you intend to change your health insurance coverage. If you do not know the origin of a document, please call CTPF's Member Services at 312.641.4464.

Be mindful of revealing personal information. Some individuals believing they were filling out surveys or questionnaires at their pharmacies were actually filling out enrollment paperwork for a Medicare D plan.

"Retirees need to be extremely careful when filling out forms related to Medicare D," warned Pat Hambrick, chief operating officer. "In the past, CTPF retirees have inadvertently enrolled in other Medicare part D plans and jeopardized all their insurance coverage. All of CTPF's Medicare supplemental plans include Part D coverage. If you enroll in an additional plan it is considered double enrolling and both plans may be terminated."



Chicago Teachers' Pension Fund

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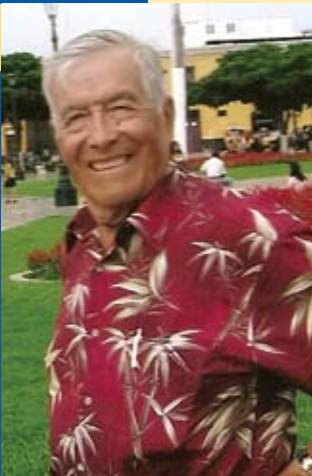
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CTPF BOARD OF TRUSTEES' MISSION STATEMENT

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... Retired mathematics teacher Walter A. Perez has used his retirement to create a second career and has become an internationally recognized poet. Read more about the man known throughout the literary world as Chaco Gil on page 7.

BOARD OF TRUSTEES

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