

PENSION NEWS



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Spring/Summer 2009

Chicago Teachers' Pension Fund

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2009 NOTICE OF ELECTION

The Chicago Teachers' Pension Fund has set the dates for the 2009 Trustee Elections. The Teacher Trustee Election will be conducted in schools and at other designated polling places on Friday, October 30, 2009. Teachers and other active contributors will elect two trustees to serve three-year terms from November 2009 to November 2012.

The Pensioner Trustee Election will be conducted by mail ballot. The official date for the election is Friday, November 6, 2009. Pensioners will elect three trustees to serve two-year terms from November 2009 to November 2011.

NOMINATION

Individuals interested in running for office should request a nomination packet from CTPF's election coordinator at 312.604.1400, ext. 234. Eligibility will be verified before the packet is issued. Petitions must be returned to CTPF no later than 5:00 p.m., Thursday, October 1, 2009.

Continued on page 5



Kevin B. Huber, executive director

EXECUTIVE DIRECTOR'S LETTER

"When we speak we must say something!"

— Jane Addams, legendary reformer, early CTPF Board of Trustees member, and Nobel laureate.

Our members have been busy speaking with a clear voice and unified purpose in recent months. In February, CTPF members contacted their local legislators to ask for the defeat of Senate Bills 303 and 304. The bills, which threatened to weaken pension rights for Teachers' Retirement System (TRS) and other Illinois pension systems, were met with an outpouring of disapproval and have been sent back to committee. We believe that no further action will be taken during this legislative session.

In April, CTPF members again spoke to legislators to ask that they reject a CPS pension holiday and ensure that CPS upholds its financial obligations. At press time, CPS had not asked for or introduced legislation designed to stall or eliminate CTPF payments.

We hope our message has been heard and understood. We understand the difficult financial situation that CPS faces and want to cooperate to ensure a positive outcome, but we believe that CPS must honor its commitments to Chicago's teachers and pensioners.

The recent economic downturn has caused many to look for a quick fix to a dire economic situation. Even in these difficult financial times, we must maintain a long-term perspective and ask our lawmakers to do the same. Funding pensions makes financial sense for our state, even during a recession.

During these months I have done my own share of speaking, logging many miles on the road between Springfield and Chicago. I have testified to members of the Illinois legislature on issues ranging from ethics reform to pension finance.

While I appreciate the opportunity to serve as a link between our members and legislators, I have also come to appreciate the power in our members' voices. Legislators listen to their constituents and take requests seriously. **Your** cards, letters, e-mails, and visits shape policy and influence decisions.

Our retirees, who have a guaranteed monthly income and financial security, continue to spend money even during a recession. This is an important and quantifiable benefit. A February 2009 study by the National Institute on Retirement Security found that in the State of Illinois, state and local pensions supported 83,611 jobs that paid \$5.5 billion in wages and contributed \$2 billion in federal, state, and local tax revenues. In comparison, the entire federal government in the State of Illinois employed 86,000 individuals.

Continued on page 2

IN THIS ISSUE

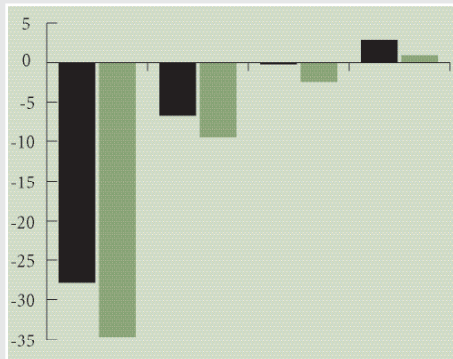
Financial Snapshot	2
Health Insurance Rebate	2
CTPF Calendar	3
Private School Service Deadline	4
Accrued Sick Days	5
Pension Payment Schedule	6

CTPF FINANCIAL SNAPSHOT

CTPF RETURN ON INVESTMENTS
As of February 28, 2009

	RATE OF RETURN	TOTAL FUND BENCHMARKS
1 year	-27.8%	-34.6%
3 year	-6.7%	-9.5%
5 year	-0.2%	-2.5%
10 year	2.8%	0.9%

percent



1 year 3 year 5 year 10 year

RATE OF RETURN
 TOTAL FUND BENCHMARKS

As of February 28, 2009, the approximate current value of CTPF's investments was \$7.5 billion.



Our average pension is about \$36,000 and is the single source of post-retirement income for most members. This stable and modest income guarantees a sound future and helps drive the economy of our communities and state.

This winter a new generation of members prepared to join the ranks of retirees. More than 700 sought advice and counsel at our retirement seminars held in February and March.

Our June 2009 retirees will receive preliminary pensions (usually more than 90% of final pension amounts). For the past two years, CTPF has worked with CPS to try and resolve issues that make employee payroll data difficult to process. In February, CPS hired an outside consultant to assist in working through the issues. We appreciate the extraordinary patience that our 2007 and 2008 retirees have demonstrated as we actively work with CPS to address and resolve this situation.

Data issues also affect our ability to provide services to our current members.

Our current members await their 2008 annual Member Statements. These statements detail current contributions and expected pension benefits. While we have received actual monetary contributions from CPS, we must await accurate data to reconcile the information and provide individual Member Statements. Once CPS payroll issues are resolved, CTPF will issue Member Statements for the 2008 fiscal year.

Even with challenges on the horizon, we look forward to the end of the academic year and a new beginning. We want to recognize and thank the members who will soon join the ranks of the more than 22,000 CTPF retirees. Your service and dedication have set a strong example for the generations that will follow, and we look forward to the opportunity to serve you in the years to come. With your help we will continue to speak with one voice.

Kevin B. Huber, executive director

2007-2008 HEALTH INSURANCE REBATE DEADLINE

RETIREES WHO PLAN TO APPLY FOR CTPF'S HEALTH INSURANCE REBATE FOR FISCAL YEAR 2008 MUST DO SO BY JUNE 30, 2009. THIS REBATE APPLIES TO RETIREES WHO PAID FOR HEALTH INSURANCE THROUGH COBRA OR ANOTHER PRIVATE PLAN FROM JULY 1, 2007, THROUGH JUNE 30, 2008. THE REBATE COVERS ONLY THE RETIREE, NOT A SPOUSE OR CHILDREN. CALL MEMBER SERVICES AT 312.641.4464 TO REQUEST A COPY OF THE FORM.

FORMS FOR THE 2008-2009 HEALTH INSURANCE REBATE WILL BE MAILED TO MEMBERS IN LATE SUMMER.

LEGISLATIVE UPDATE

Following is an update on current State of Illinois legislative activity of interest to CTPF members:

SENATE BILLS 303 AND 304

The Illinois Senate currently has two bills that propose changes to the pension structure for some Illinois state pension systems, including Teachers' Retirement System. These bills do not directly impact CTPF.

Senate Bill 303 allows current employees to elect to participate in a defined-contribution plan, and Senate Bill 304 requires new employees to enroll in a defined-contribution plan. In February, CTPF members protested these bills by writing to legislators. At press time, the bills appear defeated and stalled at the committee level.

SUPPORT HB0579: RETIREE HEALTH CARE

In February, CTPF asked members to write legislators in support of House Bill 0579, which allows CTPF to increase the amount it spends on retiree health insurance to \$100 million. This measure does not ask the legislature for any new money, but allows CTPF to spend more of its budget on retiree health insurance. Without passage of this measure, the amount CTPF can rebate to members will fall below 70%. At this point, the bill is stalled in committee and passage of the bill does not seem likely during this legislative session. Please consider writing your own letters to your state legislators to voice support for allowing CTPF to maintain reasonable post-retirement health care benefits.

LETTER TO GOVERNOR QUINN AND LEGISLATORS

In March, CTPF Trustees, along with Marilyn Stewart, president, Chicago Teachers Union; Robert F. Bures, executive director, Retired Teachers Association Chicago; and Clarice Berry, president, Principals and Administrators of Chicago Association, sent a letter to Governor Quinn. The letter asked the governor and lawmakers to reject any attempt by the Chicago Public Schools to cut pension funding, to maintain current state funding for CTPF, and to consider an increase to provide a more equitable distribution of the state income tax for teacher pension purposes. At press time, CTPF had not yet received a response from Governor Quinn. A copy of the Open Letter to Governor Quinn is available at www.ctpf.org. A copy of the letter was also sent to all members of the Illinois legislature.

NO PENSION HOLIDAY

At press time, no formal legislation regarding a pension holiday had been introduced to the Illinois legislature. We ask our members to check www.ctpf.org frequently for updates on legislation that would negatively affect CTPF.

P.A. 96-006

April 3, 2009, Governor Quinn signed Public Act 96-006, formerly Senate Bill 364, which addresses ethics and reforms for Illinois retirement systems and pension funds. The law places new requirements on board members and requires all contracts for investment services to be awarded after a competitive bid process similar to the Illinois Procurement Code. The law mandates inclusion of female, minority, and disabled service providers for consideration when pension funds seek services. The law offers several other reforms, including a ban on gifts from anyone doing business or seeking to do business with a fund, and requires trustees to attend ethics training yearly. The complete text can be found at www.ilga.gov. A copy of CTPF's Ethics Policy, adopted November 6, 2008, can be found at www.ctpf.org.



CTPF CALENDAR

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

MAY

- 1 Election nomination packets available from CTPF election coordinator; see pg. 1.
- 21 9:30 a.m., trustee meeting
- 25 Memorial Day, office closed

JUNE

- 1 Last day to apply for private school service credit; see pg. 4.
- 16 9:30 a.m., trustee meeting
- 30 Last day to submit Health Insurance Rebate forms for the 2007-2008 fiscal year; see pg. 2.

JULY

- 3 Independence Day observed, office closed
- 16 9:30 a.m., trustee meeting

AUGUST

- 20 9:30 a.m., trustee meeting

SEPTEMBER

- 7 Labor Day, office closed
- 15 9:30 a.m., trustee meeting

OCTOBER

- 1 5:00 p.m., election nomination petitions due to CTPF
- 12 Columbus Day, office closed
- 20 9:30 a.m., trustee meeting
- 30 2009 Teacher Trustee election

NOVEMBER

- 6 2009 Pensioner Trustee election

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: 7:30 a.m. – 5:00 p.m. M-F

RETIRING IN JUNE?

If you are considering retirement in June 2009, make sure you have taken the following steps to 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 a Retirement Application

- Request a Retirement Application Packet from CTPF Member Services or download one from www.ctpf.org.
- If you need assistance completing the application, make an appointment with a Member Services counselor.

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.

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 coverage at retirement.

Contact

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

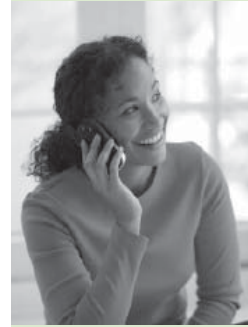
More Information

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

Individual counseling sessions are available with Member Services representatives. To schedule an appointment, call 312.641.4464.

PLANNING TO VISIT? PLAN AHEAD



Appointments with Member Services counselors are available Monday through Friday from 7:30 a.m. to 3:30 p.m. In order to expedite your

office visit, we recommend that you call CTPF Member Services at 312.641.4464 to schedule an appointment.

Getting Here

CTPF is located at **203 North LaSalle Street, suite 2600, Chicago, Illinois 60601-1231.**

The 203 North LaSalle building has a self-park garage, and parking is also available in nearby buildings. The CTA's blue, green, brown, pink, purple, and orange lines all stop at Clark and Lake with easy entry to 203 North LaSalle Street.

APPLY NOW FOR PRIVATE SCHOOL SERVICE CREDIT

In 2007, legislation was adopted that provided active CTPF members the option to establish up to two years of pension service credit for employment as a teacher in a private school in Illinois. The option expires June 1, 2009.

In order to qualify for a private school service purchase, your completed application must be received in the CTPF office on or before June 1, 2009. Applications received after that date will be considered ineligible and will be denied. Apply now to avoid the last-minute rush, which may lead to processing delays.

In addition to the June 1, 2009, application deadline, eligibility requirements must be met. Additional information, including cost factors and eligibility requirements, can be found on CTPF Form 685, Application for Private School Service. Download this form at www.ctpf.org or request an application from CTPF Member Services at 312.641.4464.



FREQUENTLY ASKED PENSION QUESTIONS

ACCRUED SICK DAYS

It is important to understand that CPS and CTPF offer different options for using accrued sick days.

CPS OPTIONS

PEP

CPS employees may choose to participate in the Pension Enhancement Program (PEP). This program allows you to “sell” a portion of unused sick days back to your employer during your last 1 to 5 years of employment. Selling sick days through PEP increases the final average salary used to calculate your pension. Days used in the PEP program cannot be counted toward additional service credit at retirement.

Sick-Day Payout

Depending on your specific circumstances, CPS may provide a sick-day payout at retirement. The amount of the payout is determined by CPS and based on the years of service earned with CPS. *See chart.* Payment for unused sick days comes from CPS and is based on the service credit on file in its records.

If you plan to cash out sick days at retirement, verify your service credit with CPS to ensure that you understand the payout percentage you will receive.

Contact CPS if you have questions regarding PEP or sick-day payout.

CTPF OPTION

CTPF members with accrued sick days at retirement can convert the days to CTPF service credit. Converting sick days allows members to increase their years of service and retire earlier or with a larger pension.

Eighteen sick days equal one month of service credit, and a maximum of 244 sick days may be converted to service credit at retirement.

Sick days converted to CTPF service credit can also be “cashed out” by CPS

at retirement if members meet CPS requirements *See chart.*

“Understanding that CPS calculates service separately from CTPF is important for our members,” remarked Pat Hambrick,

chief financial officer at CTPF. “It is possible for a member to have 20 years of service including sick days with CTPF – but less than 20 years of service on record with CPS.”

CPS UNUSED SICK-DAY PAYOUT SCHEDULE¹

Eligibility Criteria	Calculation Rate
Retirement with 33.95 or more years of service	100%
Retirement with a minimum of 20 years of service but less than 33.95 years of service	90%
Retirement at age 65 ² with fewer than 20 years of service	85%

¹ CPS does not include sick days in its service credit calculation.

² In order to be eligible, individuals must reach age 65 before the start of the next school year.

EXAMPLES

Example 1

Member Smith has:

- 33.00 years of service with CPS
- 1.00 year of unused sick days (180 days)

Smith uses his sick days to add a year of service credit at CTPF and qualifies for a maximum pension with 34 years of service. Smith will receive a payout of 90% of his sick pay because he only has 33 years of service with CPS.

Example 2

Member Jones is 62 years old and has:

- 19.50 years of service with CPS
- 1.0 year of service credit from unused sick days (180 days)

Under the PEP program, Jones “sells” 90 sick days back to CPS and increases the final average salary used to calculate her pension.

Jones uses her remaining 90 sick days to add a half-year of CTPF service credit and qualifies for a pension with 20 years of service. Jones does not qualify for a CPS payout for these sick days (90) because she is not 65 years old and does not have 20 years of service **with CPS.**

NOTICE OF ELECTION *continued from cover*

ADDITIONAL INFORMATION

Detailed procedures and policies for the trustee election are contained in the *Election Policies and Procedures Handbook* available at www.ctpf.org or by calling the CTPF election coordinator at 312.604.1400, ext. 234. Additional information will be published in the autumn *Pension News* and distributed to each school.

DELAYED MAIL? TAKE ACTION

Retirees who receive a check more than 5 business days after the posted mailing date (*see chart*) should take action to ensure that future checks are not delayed.



1. Save your delivery envelope. The outside of the envelope contains important tracking information for the U.S. Post Office. Mark the delivery date on the outside of the envelope.
2. Contact your local postmaster or file a complaint at www.usps.org.
3. Contact CTPF's Member Services Department. Be prepared to share your contact information as well as the date the check actually arrived. You may be asked to fax in your delivery envelope. Member Services can initiate an investigation with the Post Office to help determine why the mail is being delivered slowly.
4. Consider direct deposit. The most efficient way to receive your check is through direct deposit. CTPF adheres to a strict schedule and mails all checks by the date specified (*see chart*). Delivery delays by the Post Office are beyond the control of CTPF.

PENSION PAYMENT SCHEDULE

The schedule for mailing checks/direct deposit advices and the date direct deposits are credited to members' accounts are listed below. Please use this as a guide for budgeting.

Mail delivery usually takes 2 or 3 days. Members who receive checks by mail may not have the check in hand on the first of the month. If you have not received your check 5 business days after the posted mailing date, please contact CTPF.

PAYMENT MONTH	MAILING DATE	DIRECT DEPOSIT DATE
July 2009	June 29, 2009	July 1, 2009
August 2009	July 30, 2009	August 3, 2009
September 2009	August 28, 2009	September 1, 2009
October 2009	September 29, 2009	October 1, 2009
November 2009	October 30, 2009	November 2, 2009
December 2009	November 27, 2009	December 1, 2009
January 2010	December 30, 2009	January 4, 2010
February 2010	January 29, 2010	February 1, 2010
March 2010	February 26, 2010	March 1, 2010
April 2010	March 30, 2010	April 1, 2010
May 2010	April 29, 2010	May 3, 2010
June 2010	May 28, 2010	June 1, 2010

DIRECT DEPOSIT

Direct deposit electronically deposits your benefit check directly into your personal bank account, eliminating problems associated with mail delivery. Over 90% of CTPF's retirees use direct deposit and enjoy the convenience of same-day availability of funds. To request direct deposit, complete the authorization form available at www.ctpf.org or request one from Member Services at 312.641.4464.



Direct Deposit Advice

You will receive a deposit advice notifying you of the amount and the date of deposit:

- when your first pension check is deposited
- whenever your payment amount changes
- every December
- every January

The direct deposit advice provides you with a breakdown of the current months' payment as well as year-to-date figures. If you prefer to receive your deposit advice monthly, please call Member Services to request this option.

Dividing Your Deposit

If you would like to divide your deposit between two bank accounts, you can indicate this on your Direct Deposit Authorization. If you deposit into two accounts, you must specify a flat dollar amount for one account, and the balance will be deposited into the other.

RETIREMENT SEMINARS PROVIDE ANSWERS

More than 720 current teachers attended CTPF's 2009 Retirement Seminars, held February 12 at the Doubletree Hotel Chicago/Alsip, February 16 at the O'Hare Marriott, and March 2 at the Hilton Oak Lawn.

The seminars provided an overview of the retirement process and offered on-site counseling and assistance to individuals who completed retirement applications. The seminars also included presentations by representatives of CTPF and the Chicago Public Schools. In addition, the Social

Security Administration and vendors for retirement-related services hosted informational booths during the events.

"This was the fourth year we've offered these seminars and our attendees always appreciate having a range of services in a single place. This year we had more people attend who weren't necessarily interested in retiring this year, but who wanted information about the process," said Communications Manager, Frances Radencic.



"The feedback we received from the program was very positive," commented Member Services Manager, Sheron Banks-Fallis. "Our members indicated that the information was well presented and informative. In general, our attendees left feeling that their questions were answered and they could make informed decisions about their retirement plans."

If you plan to retire at the end of the 2009 academic year and need a retirement application packet, call Member Services at 312.641.4464 or download one at www.ctpf.org.

NEW STAFF JOIN CTPF

Mary Cavallaro, RN, serves as the Health Insurance Benefits Manager. Cavallaro works with health insurance vendors to oversee and administer the health insurance program and manages the health insurance department.



Mary Cavallaro, health insurance benefits manager

Cavallaro comes to CTPF with nearly 20 years of health benefits experience, including the administration of health plans for both public sector and private industry retiree groups. Cavallaro attended Michigan State University and Elmhurst College and is a registered nurse.

Two individuals recently joined the CTPF staff.

"We feel fortunate to have Mary Cavallaro and Bob Jurinek join our staff," remarked Kevin Huber, executive director. "Both bring a depth of experience and professionalism to vital functions, and our members will directly benefit from their expertise."



Bob Jurinek, internal auditor

Robert Jurinek, CPA, joined the staff as the Internal Auditor. Jurinek conducts audits and evaluates the effectiveness of fund policies and procedures. He examines internal controls, resource utilization, performance, cost effectiveness, and efficiency of operations.

Jurinek is a Certified Public Accountant with experience in accounting, internal auditing, and management. He previously worked in the energy, electronics, transportation, and telecommunication industries.

HEALTH INSURANCE UPDATES

COBRA Coverage

CTPF offers COBRA continuation to covered individuals who experience a qualifying event causing a loss of health insurance coverage. COBRA (Consolidated Omnibus Reconciliation Act of 1985) allows eligible individuals to continue insurance coverage for 18 to 36 months. In general, qualified events include:

■ Divorce or legal separation from the retiree

■ Failure to meet the plan's eligibility requirements for dependent status (such as age and/or student status)

Dependents who lose health insurance eligibility must immediately report the change, in writing, to CTPF.

Dependent Coverage Expanded

Public Act 95-0958 allows eligible unmarried dependents up to age 26 and eligible military veteran dependents up to age 30 to enroll under CTPF health insurance coverage beginning January 1, 2010. Eligible

dependents do not need to be students or tax dependents of the parent.

Eligible dependents can join CTPF's plan during the fall open enrollment period with an effective date of January 1, 2010. CTPF will also offer a 90-day initial enrollment period beginning January 1, 2010. After the 90-day period, dependents may be added during fall open enrollment or within 30 days of a qualifying event.

For additional information, call Member Services at 312.641.4464.



Chicago Teachers' Pension Fund

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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



**PLANNING TO
RETIRE IN JUNE?
SEE PAGE 4 FOR
MORE INFORMATION.**

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