

Pension News

TRUST.
INTEGRITY.
STABILITY.

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Scan with your smart phone to learn more.

CTPF TRUSTEES INSTALLED



CTPF Board of Trustees, from left to right, back row: Mary Sharon Reilly, Jerry Travlos, Walter E. Pilditch, Andrea L. Zopp, Jeffery Blackwell, and Jeanne Marie Freed. Pictured, front row, from left to right: Recording Secretary, Raymond Wohl; Financial Secretary, Tina Padilla; President, Jay C. Rehak; Vice President, Lois W. Ashford; and James F. Ward. Not pictured, Rodrigo A. Sierra.

The Chicago Teachers' Pension Fund is governed by a 12-member board of trustees. The board includes 6 teachers, 3 pensioners, 1 principal/administrator, and 2 representatives from the CPS Board of Education. Terms of office for trustees are staggered. Elections were held November 9, 2012, to fill two teacher trustee positions.

Lois W. Ashford and Jay C. Rehak Re-Elected Teacher Trustees

Four candidates ran for two open positions. Lois W. Ashford and Jay C. Rehak received the most votes and will serve three-year terms from November 2012 to November 2015. Rehak and Ashford were first elected in November 2009. "We welcome back Ms. Ashford and Mr. Rehak, and look forward to a productive year," remarked Kevin B. Huber, executive director.

EXECUTIVE DIRECTOR'S LETTER



Kevin B. Huber, executive director

Each time I speak in front of a CTPF group, I like to turn the tables and offer a little pop quiz. I ask the audience to raise their hands if they can answer yes to these questions....

Question 1. Do you care about your pension? (All hands go up for this one).

Question 2. Can you name your Illinois state legislators? (About 15-20% get this).

Question 3. Does your Illinois state senator or representative know you by name? (1-2 people raise their hands).

Many of our members simply do not understand the important role that Illinois

legislators play in the health of our pension fund. We are governed by Illinois law and changes to our fund begin in Springfield. The most important step you can take to protect the pension you currently receive, or the future benefit you deserve, is to make sure that you know your Illinois legislators personally.

This fall our CTPF Board of Trustees developed several programs designed to help educate our members so that they can advocate for our pension fund. These programs are helping CTPF share the

CTPF FINANCIAL SNAPSHOT

CTPF RETURN ON INVESTMENTS September 30, 2012

	RATE OF RETURN	TOTAL FUND BENCHMARKS
1 year	17.8	18.9
3 year	9.7	9.5
5 year	1.2	1.7
10 year	7.3	7.8



■ RATE OF RETURN
■ TOTAL FUND BENCHMARKS

As of September 30, 2012, the approximate current value of CTPF's investments was \$9.6 billion.



EXECUTIVE DIRECTOR'S LETTER continued from cover

message that a lack of funding created the pension crisis, and that guaranteed funding from our employer and contributions from the State of Illinois will restore our fund.

We want to help our members communicate with legislators, and that process starts with knowing your local elected representatives. Our new Legislative Action Center, launched in October at www.ctpf.org, offers a one-stop shop where you can look up legislators, send e-mail, and track current legislation.

October also saw the launch of our Pension Fund Ambassador program. The Ambassador program has already attracted nearly 500 enthusiastic members who have agreed to reach out and communicate with Illinois legislators – and we're already seeing results. You can find more information about the program on page 4, and we hope you will join the effort.

We followed up October's efforts with the November release of our new report, *The Buck Stays Here, understanding the economic impact of CTPF benefit payments on the State of Illinois and the City of Chicago*. Pensions generate more than \$1 billion in direct payments to Illinois residents. These payments generate \$1.48 billion in economic stimulus and create more than 11,000 jobs – more than Sears Headquarters and the CME Group combined.

We've also examined the economic impact that pensions make by district and created a fact sheet for every Illinois senator

and representative. It's one thing to walk into your senator's office and tell her that your pension matters – it's another to tell her that CTPF benefit payments create more than 500 jobs in her district. You can find the reports on our education and advocacy page at www.ctpf.org.

Our work this fall has helped to prepare us for the uncertain road we face this winter. I encourage you to face the uncertainty with action. Walk into an office and meet your representative in person. Bring an individual fact sheet and share your story. You can find more information and tools to support your efforts on the education and advocacy page at www.ctpf.org.

The small steps you take now can make a big difference later. We hope you will like us on Facebook, register for e-mail updates, visit the Legislative Action Center at www.ctpf.org, and become an Ambassador. Changes can happen quickly, and electronic communication is the fastest way to reach our members. Our fund has one director, five lobbyists, and twelve trustees who are working non-stop to make our voices heard – but there are only 18 of us. When our 60,000 members stand up and speak with one voice, we'll make an impact.

Your pension matters – it's time to meet your legislators.

Kevin B. Huber

RESOLVED TO RETIRE IN 2013?

If your New Year's resolution includes retirement in 2013, you can start planning now to ensure a smooth transition.

WHAT TO DO NOW

1. Visit the new retirement central website at www.ctpf.org. This easy-to-navigate site was designed for members within five years of retirement, and it includes all the information you'll need to start the retirement process.
2. Request a pension estimate from Member Services, call 312.641.4464.
3. Consider scheduling a personal benefits consultation with a pension resource specialist. See page 6 for more information.



CTPF launched a new Retirement Central website in December.

ONLINE VOTING PILOT SUCCESS



CTPF piloted an online voting program during the 2012 Teacher Trustee Election on November 9. This fall, Track E and charter schools were asked to select a voting preference: online or on paper. A total of 67 schools chose to vote online. In schools which selected online voting, Pension Representatives distributed sealed envelopes for all eligible voters instead of traditional ballots. The voter then signed on to a CPS computer, entered the required identifying information, and cast an electronic ballot.

“The pilot was a great success,” remarked Frances Radencic, CTPF election coordinator. “We had excellent feedback from schools which voted online, and as a bonus, we kept the online polls open until 5:00 p.m.”

Radencic continued, “Our online participation rate was slightly higher than our paper ballot participation rate, which tells us that the system is a good one and working for our users. We will continue to

expand the opportunity for online voting over the next two years.”

Pension Representatives reported a smooth election process with turnout rates comparable to previous years.

The election is organized by Election Services Corporation and conducted by volunteer Pension Representatives and Canvassing Board Members.

“We want to acknowledge and thank our volunteers for their service in this election, and recognize our Canvassing Board for their assistance,” said Radencic

The 2012 Canvassing Board included: Sarah Arends-Repka, Jeffery Blackwell, Ava Blocker, Romeo Carrano, John T. Collins, Stephanie Collins, Denise Forbes, Linda Goff, Peter Grafner, Queen Jackson, Yvette Killingsworth, Erik Kutz, Caprice Phillips-Mitchell, Noel Melchert, Claudia Morales, Margo Murray, Monica Skylas, Kristin Smith, and Sharon Winters.



2012 ELECTION BY THE NUMBERS . . .

A quick overview of 2012 Teacher Trustee Election statistics:

- Overall, 577 out of 684 school conducted elections on November 9, an 80% school participation rate.
- Total Eligible Voters 27,677
- 45% of eligible voters cast ballots
- 68 Schools conducted online elections
- 479 Schools used traditional paper ballots
- 23 Schools achieved 100% voter participation
- 68 schools had a voter participation rate between 90 and 99%



2012-2013 CTPF BOARD OF TRUSTEES

During the November 20, 2012, CTPF Board of Trustees meeting, the trustees elected officers and organized the board.

2012-2013 Executive Board

President

Jay C. Rehak

Vice President

Lois W. Ashford

Financial Secretary

Tina Padilla

Recording Secretary

Raymond Wohl

2012-2013 Board of Trustees

Representing the Contributors

Lois W. Ashford

Jeffery Blackwell

Jeanne Marie Freed

Tina Padilla

Jay C. Rehak

Raymond Wohl

Representing the Principals/ Administrators

Jerry Travlos

Representing the Pensioners

Walter E. Pilditch

Mary Sharon Reilly

James F. Ward

Representing the Board of Education

Rodrigo A. Sierra

Andrea L. Zopp

PENSIONS MATTER

Education and Advocacy Initiative

EDUCATION AND ADVOCACY UPDATE: SPECIAL REPORT

CTPF Trustees have put a special focus on Member Education and Advocacy efforts during the fall. Here's a review of recent work:

LEGISLATIVE ACTION CENTER LAUNCHED

Quick! Who represents you in Springfield? Which legislative district are you in? How can you reach your elected representatives? Find answers to these questions in a simple-to-use format at our new Legislative Action Center at www.ctpf.org. When you visit the CTPF website, click the Education and Advocacy tab and then follow the link to the Legislative Action Center.

When you visit the Legislative Action Center, you can type in your address and look up your elected representatives, send an e-mail to your legislators, and find out more about CTPF legislative efforts. If you register at the Legislative Action Center, you will automatically be enrolled in our new CTPF Pension Fund Ambassador program.



Pictured above the Legislative Action Center at www.ctpf.org. Users who register at the center are automatically enrolled in the Ambassador program.

PENSION FUND AMBASSADOR PROGRAM DEBUTS



CTPF developed the Pension Fund Ambassador Program to encourage our members to educate lawmakers and decision makers about the Chicago Teachers' Pension Fund and our legislative priorities. We want legislators to understand the people behind the pensions, and to hear the facts about the fund straight from our members. Nearly 500 CTPF members have signed up as Ambassadors.

AMBASSADOR ACTIONS...

Ambassadors are working to protect pensions. They are sending hundreds of e-mail messages to their local elected officials through the Legislative Action Center's "Letter of the Week Program," visiting local offices to meet with legislators in person to share our new report, *The Buck Stays Here*, legislative fact sheets, and other materials (see page 5), and sharing the message of fair funding with family and colleagues.



JOIN TODAY

CTPF encourages you to sign up to join the program. Register at the Legislative Action Center to automatically be enrolled, or send an e-mail with your contact information to ambassadors@ctpf.org.

REPRESENTATIVE GOLAR HOSTS CAUCUS WITH CTPF

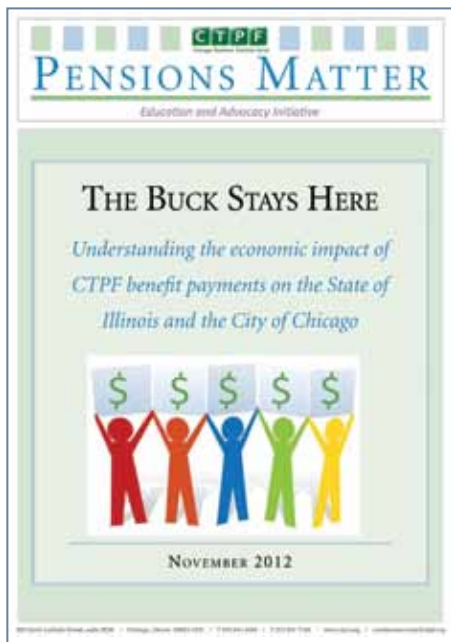


Pictured above, left to right: CTPF Lobbyist Bukola Bello, State Representative Esther Golar (6th district), and CTPF Executive Director Kevin B. Huber, at the October 24 Black Caucus meeting held at CTPF.

October 24, 2012, the Illinois Black Caucus gathered at CTPF for a Pension Information and Education (PIE) seminar and spent the day learning about the facts, issues, and challenges facing pension funds.

"CTPF made history today with our legislators," said Representative Esther Golar who hosted the conference together with CTPF. "This was an excellent learning opportunity for our members."

"This seminar was the first of its kind, and we were excited to be a part of it," commented Kevin B. Huber, executive director. "We would like to thank Representative Golar for her organizational efforts and all the legislators who attended."



Download this report on our Education and Advocacy page at www.ctpf.org.

Pensions matter – not just to CTPF members – but to the State of Illinois and City of Chicago. CTPF has quantified the economic benefit of pensions in our new report, *The Buck Stays Here, understanding the economic impact of pensions*. Pension benefits provide more than \$1.48 billion in economic stimulus to Illinois and help generate more than 11,000 jobs (more than Sears headquarters and the CME Group combined). Download the report to learn more and share it with your legislators.

MAKING AN IMPACT—PENSION DOLLARS CREATE JOBS IN YOUR COMMUNITY

What kind of economic impact do CTPF pensions make on your community? More than 90% of CTPF retirees live in Illinois, and 50% live in the city of Chicago. Our members live, work, spend, and vote locally – and those dollars generate economic activity and jobs in every community in Illinois. CTPF has developed individual information sheets for each legislator in Illinois. Our legislative fact sheets can tell you the number of CTPF members in your district and the economic impact CTPF benefit payments make in your community. You can download and personalize your districts’ fact sheets and share them with your legislators. Legislators need to understand that pensions provide an economic engine for our economy. You can find a file for every senator and house member on the Education and Advocacy Page at www.ctpf.org.

Legislator’s contact information:

We’ve included mailing information to make this easy to send to your legislators.

Information Summary:

At a glance: the number of CTPF members in your district, the total benefit payments CTPF retirees receive, the economic impact of those payments, and the jobs created in your community.



Address block:

We’ve left space on the address block for you to fill in your name and contact information. Fill it in and send it to your legislator today.

Find a summary sheet for your legislative district on the education and advocacy page at www.ctpf.org.

MONEY MATTERS: PENSION IMPACT BY DISTRICT

CTPF’S TOP FIVE HOUSE DISTRICTS (BY ECONOMIC IMPACT/JOB CREATED)

District	Representative	Total Members	Active members	Retirees	Pension Payments	Total Economic Impact	Jobs Created
033	Rep. Marcus C. Evans, Jr. (D)	2,638	1,485	1,153	62,474,088	91,299,633	682
038	Rep. Al Riley (D)	1,502	586	916	50,289,609	73,493,234	549
025	Rep. Barbara Flynn Currie (D)	2,024	1,068	956	50,031,643	73,116,244	546
027	Rep. Monique D. Davis (D)	2,357	1,427	930	46,500,023	67,955,134	508
035	Rep. William Cunningham (D)	2,558	1,709	849	42,937,026	62,748,170	469

CTPF’S TOP FIVE SENATE DISTRICTS (BY ECONOMIC IMPACT/JOB CREATED)

District	Senator	Total Members	Active members	Retirees	Pension Payments	Total Economic Impact	Jobs Created
017	Sen. Donna E. Trotter (D)	4,473	2,551	1,922	105,115,227	153,615,393	1,148
013	Sen. Kwame Raoul (D)	4,060	2,374	1,686	88,771,104	129,730,092	969
018	Sen. Edward D. Maloney (D)	3,983	2,494	1,489	75,969,470	111,021,784	830
014	Sen. Emil Jones, III (D)	3,578	2,125	1,453	73,619,061	107,586,896	804
019	Sen. M. Maggie Crotty (D)	2,107	890	1,217	64,354,485	94,047,644	703



CTPF WINS \$37.5 MILLION APPEAL

October 8, 2012, CTPF won its appeal in a lawsuit that accused the Chicago Board of Education of failing to pay the fund \$37.5 million in required employer contributions for fiscal year 2010. The Illinois Appellate Court ruled the board should have contributed \$345 million to the fund for the fiscal year ending June 30, 2010. Instead, it contributed \$307.4 million.

“It is our Board of Trustees’ responsibility to make sure that our bills are paid fairly. It is also our Trustees’ fiduciary duty to recover every possible dollar owed to the fund, and we believed strongly that the Board of Education should not have held back this money,” said Executive Director Kevin Huber. “We’re glad the appellate court agreed.”

CTPF SETTLES LAWSUIT

November 14, 2012, CTPF signed a settlement agreement with the Chicago Board of Education that ended a seven-year lawsuit alleging the overstatement of pension benefits. CTPF recently notified approximately 3,600 retirees who retired between June 2000 and August 2004 that their pensions may have been overstated, and that this settlement may impact their benefits. CTPF held five information sessions in November and December to educate members affected by the settlement. “We believe that this settlement is in our members’ best interest,” explained Kevin B. Huber, executive director. “We’re relieved that this agreement ends seven years of costly litigation.” The fund is currently auditing accounts of members impacted by the settlement and calculating corrected pensions.

LIBOR RESOLUTION PASSED AND COMMITTEE ESTABLISHED

October 2, 2012, the Investment Committee meeting of the CTPF Board of Trustees, voted to adopt a resolution regarding the London Interbank Offered Rate (LIBOR) scandal and appointed Jay C. Rehak chairman of the committee to investigate the matter. At the October 18, 2012, Board of Trustees meeting, President Rehak appointed Tina Padilla and Mary Sharon Reilly to serve on the newly established LIBOR Committee.

The resolution and the committee draw attention to the fact that City and City workers’ pension funds may have lost millions of dollars as a result of the fraud perpetrated by sixteen of the world’s largest banks. The banks allegedly rigged the LIBOR index to increase their own profits. Up to \$800 trillion in financial securities and debt globally is tied to LIBOR, including derivatives and investments held by the City of Chicago and its workers’ pension funds. Funds that held investments with returns linked to LIBOR, likely lost money as a result. The CTPF LIBOR committee will explore the impact of the LIBOR scandal on the health of the Fund and determine what, if any, legal or other action is required to recover losses due to financial malfeasance.

The complete text of the resolution can be found at www.ctpf.org.

PLAN YOUR PERSONAL BENEFITS CONSULTATION

If you are considering retiring in 2013, now is the time to plan your personal benefits consultation.

Make an Appointment

Pension Resource Specialists meet with members in 45 minute, pre-scheduled retirement consultations, available Monday – Friday from 8:00 a.m. – 3:30 p.m. These personalized meetings allow you to

discuss your retirement situation in depth. Bring your questions and relevant career information.

Walk-in Visitors

CTPF strongly recommends scheduling appointments. Members without appointments may be seen on a first-come-first-serve basis, between 9:00 a.m. – 3:00 p.m. Wait times will vary and may be long.

CTPF is located at 203 North LaSalle Street, suite 2600, Chicago. The CTA’s blue, green, brown, pink, purple, and orange lines all stop at Clark and Lake. Parking is available in the building and discounted vouchers are available for \$15 (check only, no cash).

Call 312.641.4464 to schedule your appointment.



NEW EMPLOYEES



KASTHURI HENRY, CTP, PHD

A financial and performance management leader with 20 years of

corporate experience, Kasthuri Henry joined CTPF as Chief Financial Officer in October. Henry earned her BS from Bangalore University (India) majoring in math, computer science, and physics. She holds an MBA from Indiana State University with an emphasis in finance and decision sciences, and a PhD from Walden University. She is a Certified Treasury Professional (CTP) and Six Sigma Black Belt. Henry previously worked as regional CFO at Aon Risk Services, and served as a senior vice president of planning and analysis at HSBC Consumer/Mortgage Lending. Henry is a visiting professor at Southern Illinois University, Keller Graduate School of Management, and North Park University.

“I want to welcome our new staff members who have hit the ground running and are already contributing to our daily operations,” remarked Kevin B. Huber, executive director. “Kas and Jerry both bring excellent experience, energy, and new ideas to our fund, and we are glad to have them on staff.”



JERRY BAKER

A benefits professional with 18 years of experience in human resource

administration, Jerry Baker joined the CTPF staff as the health insurance manager in September. Baker’s primary responsibility is the operational oversight of the health insurance department including the eligibility and enrollment processes. Baker holds a BS in psychology with an emphasis in business from Illinois State University and a MS in industrial/organizational psychology from Radford University. He most recently worked for Hospira, Inc., as a benefits manager, and served as director of human resources for the Chicago Botanic Gardens.

NEW TITLES FOR MEMBER SERVICES COUNSELORS AND FIELD SERVICE REPS

The Member Services department has announced a change of name for Member Services Counselors and Field Service Representatives. As of December 15, 2012, these employees will be called pension resource specialists.

Job descriptions for these employees have not changed. The new titles more accurately reflect the work done by these employees. The titles will also help differentiate between CTPF Field Service staff and the Chicago Teachers Union Field Representatives, who handle grievances.

“Our staff serves active and retired members in many different ways,”

explained Member Services Manager Sharon Banks Fallis. “We connect with members on the phone, in the field, at meetings and seminars, and during individual appointments. We all provide vital information and serve as a resource for our members, and we hope this change helps to clarify our roles.”

If you have questions about your pension, or if you want to schedule a personal benefits consultation with a pension resource specialist, please call 312.641.4464.



CTPF CALENDAR

Board of Trustee meetings, held in the CTPF office are open to the public. Confirm the meeting times and dates at www.ctpf.org.

DECEMBER

25 Christmas Day, office closed

JANUARY

- 1 New Year’s Day holiday, office closed
- 17 9:30 a.m. CTPF Board of Trustees Meeting
- 21 Martin Luther King, Jr. birthday observed, office closed

FEBRUARY

- 12 Lincoln’s Birthday, office closed
- 18 Presidents’ Day, office closed
- 21 9:30 a.m. CTPF Board of Trustees Meeting

MARCH

- 4 Casimir Pulaski Day, office closed
- 21 9:30 a.m. CTPF Board of Trustees Meeting

APRIL

- 16 9:30 a.m. CTPF Board of Trustees Meeting

MAY

- 16 9:30 a.m. CTPF Board of Trustees Meeting
- 27 Memorial Day, office closed

OFFICE/MAILING ADDRESS

Chicago Teachers’ Pension Fund
203 North LaSalle Street, suite 2600
Chicago, Illinois 60601-1231

312.641.4464 p. 312.641.7185 f.

www.ctpf.org
memberservices@ctpf.org

Office hours:
8:00 a.m. – 5:00 p.m. M-F



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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.

BOARD OF TRUSTEES

- Jay C. Rehak, *president*
- Lois W. Ashford, *vice president*
- Tina Padilla, *financial secretary*
- Raymond Wohl, *recording secretary*
- Jeffery Blackwell
- Jeanne Marie Freed
- Jerry Travlos
- Walter E. Pilditch
- Mary Sharon Reilly
- Rodrigo A. Sierra
- James F. Ward
- Andrea Zopp
- Kevin B. Huber, *executive director*

INSIDE THIS ISSUE

EDUCATION AND ADVOCACY UPDATE: SPECIAL REPORT



This past fall, CTPF Trustees have put a special focus on Education and Advocacy Efforts for our members.



Read more about the results of those efforts including the launch of our new Legislative Action Center, the debut of the CTPF Pension Fund Ambassador Program, and our economic impact statement, *The Buck Stays Here*. See pages 4-5 for information.

