

PENSION NEWS

REPORT FROM THE PRESIDENT OF THE BOARD OF TRUSTEES

FEBRUARY 1, 1989

Despite conferences with General Assembly personnel, including leadership, President Wilkie reports that the 85th General Assembly ended in January without passing even the most modest of liberalizing benefit laws.

Maternity leave must still be subsequent to 8/31/79 and the buyout option for Chicago teachers will sunset in 1990 if no change is forthcoming from the 86th General Assembly.

On the plus side, the Fund's state appropriation went into law as usual without any problems. Mr. Wilkie reminds members that when they write or see Illinois legislators for benefits, they should keep in mind that our entire pension package is in State Statutes and guaranteed by the Illinois Constitution. Under a system of state funding with partial local help, the Fund has not missed a pension check since its inception in 1895. He attests to the trustees ever vigilant concern on these matters of utmost importance to all pension recipients, both present and future.

The 1989 trustees legislative program is as follows:

CHANGE PENSION FORMULA TO 2.15% (2.5% if possible or 2% for years 1-30 and 3% for years 30-35) of final average salary for each year of credited service.

START AUTOMATIC ANNUAL INCREASE after 1 year on pension.

INCREASE AUTOMATIC ANNUAL INCREASE to 4%.

CALCULATE AUTOMATIC ANNUAL INCREASE on current pension instead of base pension amount.

GRANT MILITARY SERVICE CREDIT (up to 2 years) served before teaching.

INCREASE SINGLE-SUM PAYMENT on death of member to a minimum of \$5,000, maximum of \$10,000.

CHANGE NUMBER OF YEARS used in calculation of average salary from final 4 years to final 3 years.

AMEND PROVISIONS FOR CONTRIBUTIONS for leaves of absence to include study and travel leaves.

REDUCE THE NUMBER OF years of service required for service pension without discount from 35 to 30.

ALLOW TEACHERS GRANTED MATERNITY leave prior to 1979 to pay up to 1 year's pension credit.

PROVIDE EXTRA INFLATION PENSION increase when the consumer price index exceeds 10%.

SUSPEND ANNUITY PAYMENT ONLY when the member is employed full-time within the system.

NOTE: These items ARE NOT law yet. President Wilkie strongly recommends that, as the spring session of the legislature unfolds, members express their opinions to our state lawmakers.

A TAX REMINDER FOR PENSIONERS

Annuitants who would like to change the amount of federal income tax withheld from their monthly pension checks should write to the Pension Office to request a Tax Withholding Preference Certificate. Remember, if you do not have enough federal income tax withheld from your pension payment, or if you elect not to have taxes withheld from your pension check, you may be required to pay estimated income taxes. Under IRS regulation, you may incur penalties if your withholding and/or estimated tax payments do not meet federal requirements.

SUBSTITUTE TEACHERS NEEDED

It has been reported to the Pension Fund that the Board of Education is in need of substitutes. Pensioners should be reminded that they are eligible to apply for 75-day substitute positions. Applicants should contact the Substitute Center (890-8560), Chicago Board of Education, 1819 W. Pershing Road 6C(n), Chicago, Illinois 60609.

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