

Public School Teachers' Pension and Retirement Fund of Chicago

55 West Wacker Drive, Chicago, Illinois 60601
Telephone: (312) 641-4464 • FAX: (312) 641-7184

PENSION NEWS

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January 1994

NEW BOARD PRESIDENT IN DECEMBER

Mary Sharon Reilly, teacher-counselor at the Palmer Elementary, chaired the Trustee Board meeting for the first time on December 14, 1993. Former president John Lowery retired August 31, 1993 and Vice President Robert Konen served as president until the newly elected President Reilly took office.

Ms. Reilly cited how the defeat of further diversion of the pension fund tax occurred during Mr. Konen's short term and expressed thanks to him, former presidents, and all the Trustees who worked on this legislative victory. She said, "The Fund is back on track. Teachers and pensioners can rest easier knowing this battle has been won . . . but the war will never end. Every member must remain informed, vigilant, and vocal. You know the Trustees will, as long as I am on this Board."

NEW TRUSTEES SEATED

The pension law provides for staggered terms of office for Trustees, and although four new trustees were seated, there remains six whose experience provides important continuity to Fund operations. President Reilly welcomed Shirley Anderson, D. Sharon Grant, Louis N. Pyster, and Michael Williams, who now occupy the seats held by Judy Cheris, Dorothy Fleming, Nathaniel Jarrett, and John Lowery.

At the December 14 meeting, the Trustees agreed to increase publication of meeting dates with an eye to encourage attendance of members. Notices of meetings are now sent to all schools for posting. If you don't see them in your school, just phone the pension office for the Trustees' schedules. As in the past, the Fund will also send a speaker to your school on request. A new video tape is available as well. Phone 312.641.4464.

PENSIONER INSURANCE DEDUCTIONS

The Fund once again maintained deductions at the same level for health insurance in the current fiscal year ending August 31, 1994. Current projections indicate a full 90% of individual cost will be rebated again this year. Some pensioners will see a slight change in federal Medicare premiums with the January check. Otherwise, it is anticipated no changes will be necessary even though the various insurance plans change rates during the year. The 1992-1993 rebate catch-up checks were mailed in December to 95% of those eligible. The remainder will be sent in January due to the heavy volume of 1993.

PENSIONER TAX REMINDER

Annuitants who would like to change their federal tax withholding should write to the Pension Office to request a Tax Withholding Certificate. If you do not have enough tax withheld from your pension to "pay-as-you-go" you may be required to pay estimated taxes. Further, **you may incur federal tax penalties** if your withholding and/or estimated payments are not sufficient.

AFFORDABLE HOUSING IN CHICAGO

President Reilly signed approval forms for the sale of land adjacent to St. Ignatius on Blue Island Avenue in Chicago as one of her first official acts. The Pension Fund has held the debt on the George W. Collins Homes land since 1982 when the Trustees put pension assets into federally guaranteed mortgages to help finance inner city housing development designed for senior Chicagoans' long term housing needs. "The George W. Collins Homes have proven to be an excellent example of putting pension assets to work for the local community while earning a high (15%) interest return for the Fund," said President Reilly. She pointed out how the Collins homes are filled with elderly Chicagoans who enjoy the thoroughly modern and well kept facility. The approval needed by the Pension Fund will allow sale of a part of the real estate collateralizing the original mortgage. This part is now vacant and will be used to build homes for low income families.

OPEN ENROLLMENTS

Pensioners will have an opportunity to join or switch to three HMO's (and possibly Blue Cross) during February and March. Mailings from the health organizations should be arriving in February and March. Most pensioners will likely remain in their current plans, but this is an important opportunity for those in higher priced plans to switch to lower priced plans in anticipation of the Trustees rebate cap now in effect for the fiscal year ending 8/31/94. With some geographical exceptions where no managed care plan is available, pensioners will be limited to an annual rebate of \$5310 for the year. The plans that are now open are Chicago HMO (312-440-3350), Humana Michael Reese (312-808-3801), Rush-Prudential Health Plans (312-787-4778). Approval is pending for a Blue Cross open enrollment at the same time.

HERE WE GO AGAIN - - 5&5

Active teachers are again asked not to jam the pension office phone lines until after the Board of Education and the Fund have completed mailings to all 5&5 eligible teachers in January. The combined mailings are now slated to include full explanation and citation of the new law, computer generated pension estimates based on projections to year-end 1994, health care procedures, and final dates of meetings being scheduled for February. The 5&5 law allows members to buy up to 5 years service credit and 5 years of age enhancement in the determination of pension benefits and eligibility.

MARK YOUR CALENDAR . . . at press time tentative dates for 5&5 meetings at the Board of Education are February 5 (A to G, 9 a.m.; H to M 1 p.m.), February 12 (N to T, 9 a.m.; U to Z, 1 p.m.), and February 16 and 17 for overflow. Trustees' regular meetings are scheduled at 55 W. Wacker, 13th floor, 3:30 p.m. on 2/15/94; 4/19/94; 6/21/94; 9/20/94; and 11/15/94. Special meetings are posted as called by the President. The Illinois Open Meetings act requires that all meetings of public bodies must be open.

Board of Trustees

Shirley Anderson Barbara Caldwell Florence Cox D. Sharon Grant Robert Konen Arthur Lehne Mary Sharon Reilly
Jack Silver Michael Williams Ex. Director: James F. Ward