

*Public School Teachers' Pension and Retirement Fund
of Chicago*

PENSION NEWS

March 2000 Issue

Pension Fund Reaches \$10 Billion in December 1999. The Trustees are pleased to announce that the pension fund reached the level of \$10.2 billion in investment assets as of December 31, 1999 with an investment portfolio of 66.5% in stocks, 28.7% in bonds, and 4.8% in real estate. The five-year performance rate of return of 17.2% positioned the pension fund in the top quartile of all pension funds of its kind. These investment results have also helped the pension fund attain the level of 100% funding. Congratulations!!!!

Pensioner Frieda L. Topping Names Pension Fund as Beneficiary. The Trustees gratefully acknowledged receipt of a one-half million dollar bequest from deceased teacher-pensioner, *Frieda L. Topping*, recently of Madeira Beach, Florida. *Frieda* passed away on April 10, 1999, after a long teaching career that began at Schurz High School in 1929 and continued at Lake View High School until her retirement in 1963. *Frieda* lived a long life of 96 years, and enjoyed nearly 36 years of retirement! While all of the Trustees were very appreciative and moved by *Frieda's* thoughtfulness, it was acknowledged that pension fund assets may only be expended in accordance with statutory benefit provisions. Other funds, such as the *Jacqueline B. Vaughn Student Special Assistance Fund* of the Chicago Teachers Union and the *Aid Fund* of the Retired Teachers Association of Chicago, are permitted to use their funds to assist those in need.

Strong Hope for Pension Proposals During Upcoming Sessions. This year's legislative sessions will provide excellent opportunities for changes in pension benefits. Please feel free to obtain up-to-the-minute information on the web via www.legis.state.il.us. Following is our complete list of proposals to the Illinois Legislature. Appreciation is extended to *Senators Robert Molaro, John Cullerton, Robert Madigan and Patrick O'Malley* as well as *Representatives Kurt Granberg and Angelo Savlano* for their support of our pension legislation, to our *Pension Board of Trustees* for their leadership and support, and to *Henry Anselmo and Eugene Barnes*, our legislative liaisons, for their guidance and efforts.

Special thanks are given to *Representative Harold Murphy* for his outstanding leadership as the Chairperson of the Pensions Committee. Please call, write and e-mail your state senators, representatives and Governor thanking them for their continued support of our legislation! A toll-free number for Illinois legislative information is 1-800-252-6300.

1. Provide that all earnings under a member's employment agreement are pensionable (SB1386, Sen. Robert Molaro).
2. Provide that the automatic annual increase be extended to annuitants upon retirement rather than waiting until the age of 61 (HB3448, Rep. Harold Murphy).
3. Provide that optional service may be purchased for any official leave granted by the employer and any absence due to pregnancy of a maximum of three years (SB1378, Sen. John Cullerton).

4. Provide that the State of Illinois have greater responsibility in funding the Chicago Teachers' pension fund (to be advised).
5. Provide for an ad hoc increase for pensioners such that certain monthly pensions would increase by \$.25 times the number of full years of service times the number of full years on pension (HB3264, Rep. Angelo Saviano).
6. Provide for an increase in the rate of automatic annual increase from 3% to 4% (SB1379, Sen. John Cullerton).
7. Provide that the number of years used in the calculation of average salary for pension purposes be changed from 4 years to 3 years (SB1380, Sen. John Cullerton).
8. Provide for a reduction in the number of years of service required for early retirement without discount from 34 years to 30 years (HB3449, Rep. Harold Murphy).
9. Provide for a "5+5" early retirement incentive program for the upcoming year (HB3450, Rep. Harold Murphy).
10. Provide for additional benefits to those members who retired under the "5+5" early retirement incentive program enacted in 1993 under Public Act 88-85 (SB1423, Sen. William O'Malley).
11. Provide for changes in survivor's pensions that began prior to December 31, 1986 to the 50% minimum (HB3263, Rep. Angelo Saviano).
12. Provide for an increase of \$15,000,000 for medical insurance rebates to pensioners for an annual limit of \$40,000,000 (HB3451, Rep. Harold Murphy, SB1697, Senator Patrick O'Malley).
13. Provide that pensions shall not be suspended if a member is a full-time employee working outside the Chicago Public School system (HB3265, Rep. Angelo Saviano).
14. Provide that upon death of a pensioner his estate be paid a refund of certain employee contributions that exceed pension payments received by the pensioner (HB3266, Rep. Angelo Saviano).
15. Provide a minimum pension of \$16,000 annually for teachers retiring with a minimum of 20 years of creditable service in the pension fund. Also provides for 3% automatic annual increase each year (HB3452, Rep. Harold Murphy).
16. Provide that unused sick days at termination of service be increased to a maximum of 315 days for use in computing service time for pension purposes (SB1385, Sen. Robert Molaro).
17. Provide for elimination of the 2.2 upgrade cost to those teachers with 30 or more years of creditable service (SB1381, Sen. John Cullerton).
18. Pension omnibus bill (HB4195, Rep. Michael Madigan).

Counseling appointments now encouraged at the pension office. With the high volume of teachers desiring pension fund counseling, all teachers are now encouraged to call the pension office to arrange scheduled appointments for pension counseling. When teachers call and schedule appointments in advance, they can help the pension fund staff be best prepared to answer all of the questions related to their specific situation. Teachers that walk in without an appointment may simply be asked to wait a short period of time before a counselor becomes available. Please call first!

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