Public School Teachers' Pension and Retirement Fund of Chicago

228 North La Salle Street, Chicago, Illinois 60601

PENSION NEWS

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PENSION TRUSTEE ELECTION

The results of the trustee election were sent to each school on October 25 to be posted. The winning candidates were Margaret A. Olson, teacher at Kelly High School, and John N. Ryan, teacher at Cook County Jail School.

Elections are always interesting in that they reflect the concern of teachers in their selection of their representatives on the pension board of trustees which is responsible for the proper operation of the Fund.

The Canvassing Board, chaired by Mercedes E. Magnus, a teacher at the Morton Upper Grade Center, performed its duties of counting ballots and preparing a statement of votes cast for each candidate. The pension representatives serving on the Canvassing Board are to be complimented for their volunteer service during the evening of October 22. Their cheerful cooperation and tireless effort produced a working team who accomplished this tedious task.

The Canvassing Board reported no ballot boxes returned from the following schools: L. Armstrong and branches, Caldwell, Chicago Metro High, Froebel Br. of Harrison High, Garvey, Hansberry CPEC, Julian High, Manley High, Marshall UGC, McLaren Occupational Center, Oglesby, Piccolo Primary, Practical Nursing Program, Rogers, Ryder, Sbarbaro, Simeon Vocational High, Suder, Tuley Middle, Turner and Young High.

This is an improvement over the previous year and the goal for the 1977 election is 100% return from schools.

TRUSTEES ELECT OFFICERS

At the November 19 meeting of the Board of Trustees, John E. Angle, the Fund's attorney, administered the oath of office to Margaret A. Olson and John N. Ryan to serve as trustees for three more years on the pension board. Dr. Edgar G. Epps was also elected by the Board of Education to serve as a trustee for the pension board for two years.

The November trustees' meeting is the annual meeting for the purpose of organizing the Board of Trustees, electing officers and committee chairmen for the ensuing year, effective December 1.

The following officers and committee chairmen were elected:

President	John N. Ryan
Vice President	Mrs. William L. Rohter
Recording Secretary	Mrs. Eunice N. Le Cesne
Financial Secretary	Marshall F. Knox
Chairmen of Committees:	
Finance	Dr. Bernard S. Friedman
Claims and Service Credits	Margaret A. Olson
Pension Law and Rules	Robert T. Wilkie
Investments	Sheli A. Lulkin

JUST REMEMBER

1. All pension information is sent to your school pension representative for distribution.

2. School clerks and teacher aides are members of the Municipal Employees Annuity and Benefit Fund, not the Teachers' Pension Fund.

3. Pensioners' checks are mailed in advance on the first working day of the month for that month. This is 28 days earlier than the Social Security checks--not later.

RETIRE AT AGE 55 WITH 20 YEARS' SERVICE?

News has been released that school systems are encouraging early retirement to help balance school budgets. This may be fine for the school systems' budgets, but it does create additional liabilities for the pension funds.

The proposal is to permit teachers to retire at age 55 with 20 years of service without discounting the pension. This would permit teachers to retire earlier and make positions available to inexperienced new teachers.

Retirement at age 55 with 20 years of service may reduce the tax burden at the school level, but it would transfer the tax burden to the pension fund where the present liabilities far exceed the assets.

The Fund's actuary, A. A. Weinberg, has calculated the cost for the benefit to be 2.6% of the contributors' payroll, or an annual cost of $13,000,000, with an additional liability of $145,000,000. These figures are based on actuarial calculations of the probable number of contributors who would leave earlier with less service and less pension.

Pensions are basically for career employees, and the basic concepts of our present retirement formulas consider 60 years is an adequate retirement age. Government agencies do not have funds to finance these liberal early retirements.

FUNDING PENSIONS

Progress is sometimes slow, yet the nation's cities and states are beginning to face up to a major problem that threatens to undermine their financial stability, that problem being the pension debt coming due over the next quarter century.

The problem has eroded in our country due to politicians who promise public employees lavish pensions without appropriating the funds to pay the tab. Legislators in several states are placing moratoriums on additional pension benefits until it can be determined if they are able to pay for what has been already promised. In Illinois such a moratorium is being considered. Much additional funding will be needed to pay for present benefits. We anticipate our present pension payroll of $62,000,000 to be $200,000,000 by the year 2000.

Retirees as well as active members have areas where they would like to see the pension benefits improved. Probably the retirees' most pressing need is in the area of post retirement increases to help fight the battle of inflation on a fixed income.

Teachers ask "Why can't we retire with full benefits after 30 years of service regardless of age?" Our actuary indicates this could only be accomplished by increasing the contribution rate. Do we want this increase? If we want additional benefits, we must be willing to share the cost.

Fortunately, while our Fund has 38% of the assets necessary to cover all obligations, we are not facing the serious financial problems that face other systems, but contribution levels must keep pace with benefit improvements. Each year our funding is progressing toward being fully funded.

As long as the Public School Teachers' Pension and Retirement Fund of Chicago members hold fast to the proven principle of actuarial soundness, they can rest assured their retirement system will remain strong and that promised benefits will be there when needed.

THE PENSION STAFF WISHES YOU
A HAPPY HOLIDAY SEASON.