

PENSION NEWS

October, 1981

SOCIAL SECURITY ISSUES

For the information of all contributors to the Fund, President Reagan's recent letter to Sen. Paul Laxalt of Colorado is reprinted here.

The Honorable Paul Laxalt
United States Senate
Washington, D. C. 20510

Dear Paul:

I would like to reaffirm my position regarding the issue of mandatory enrollment of state, county, and municipal employees into the Social Security program. I share your concern that Congressional legislation to mandatorily enroll these employees would create a substantial financial hardship to the state and local governments involved. More important, a merger may jeopardize the hard-earned benefits of dedicated career public employees.

As you know, the two systems were developed to fill different needs: Social Security was designed as supplemental income in addition to a private pension or individual savings. The Federal and State retirement programs were created to cover the entire retirement needs of the participants. It would be difficult, if not impossible, to merge these two divergent systems. Therefore, I wish to assure you and the concerned members of public retirement systems throughout the Nation that I am opposed to mandatory Social Security coverage for employees of State, County, and Municipal entities.

Sincerely, (signed) Ronald Reagan

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Unless federal law is repealed, the Social Security/Government Pension Offset will go into effect in December of 1982. This change in Social Security law may reduce the amount of the Social Security check received as a spouse or as a surviving spouse by the dollar-for-dollar amount of an earned government pension. At the September 17, 1981 Board of Trustees meeting, the following resolution was passed.

WHEREAS, Public Law 95-216 of 1977 established a provision whereby the Social Security survivor's benefit for a beneficiary whose benefit begins after Dec. 1, 1982 shall be offset by the amount of benefits drawn from a public retirement system on behalf of the beneficiary, and where public employment of the beneficiary was not covered by Social Security; and

WHEREAS, This offset provision is discriminatory to recipients under public retirement systems because it does not apply to recipients under private retirement systems; and

WHEREAS, There is no legal or actuarial justification for offsetting benefits in one system based upon eligibility in another system; now, therefore be it

RESOLVED, That the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago does hereby express its strong position in favor of repeal of the Social Security offset provision; and be it

RESOLVED, In recognition that legislation to repeal the offset provision may not be accomplished prior to the effective date, Dec. 1, 1982, we strongly urge the passage of a 5-year extension of the effective date, until Nov. 30, 1987, such as proposed under H. R. 7313 by Rep. Ronald M. Mottl, Ohio, and supported by Rep. J. J. Pickle, Texas, Chairman, Committee on Social Security, Ways & Means Committee; and be it further

RESOLVED, That a copy of this resolution be forwarded to selected members of the Congress, to the Secretary of Health and Human Services, and to the Director of the Social Security Dept., and further, that a personal letter be sent to Congressmen Mottl and Pickle expressing appreciation for their interest and support.

TRUSTEE ELECTIONS UPCOMING

On October 23, 1981, elections will be held to elect two teacher-trustees to 3-year terms on the Board of Trustees of this Fund. Every contributor to the Fund is encouraged to vote in this election. Polling places will be located in each school or branch having 6 or more teachers, and also within the Board of Education offices.

Recent legislation by the Illinois General Assembly provides that retired teachers shall elect one of their members to be a trustee of this Fund. The election shall be by mail, during the first week of November in odd-numbered years. The trustee elected will serve a 2-year term. A ballot will be mailed to each pensioner on or about October 30, 1981. We ask each pensioner to mark his or her ballot for the candidate selected, and return it immediately in the postage-paid envelope provided.

NEW BENEFITS FOR TEACHERS & PENSIONERS

As a result of recently-enacted legislation, we are pleased to announce the following changes in benefits for our contributors and pensioners:

Effective July 1, 1981, survivor's benefit maximums were increased from \$300 to \$400 per month for a spouse or minor child. Family survivor's benefits were increased from \$500 to \$600 per month. These changes shall apply for all service or disability pensioners eligible for a pension as of July 1, 1981.

Effective January 1, 1982, benefits will be increased by \$1.00 per month for each year of service for members who retired before January 1, 1977. Survivors' pensions that commenced after January 1, 1971 and before January 1, 1981 will be increased by 1% per month for each full year which has elapsed from the date pension began.

Effective January 1, 1982, the waiting period for a refund of contributions will be changed from four months to two months.

During the last session of the Illinois General Assembly, \$41,092,732.00 was appropriated for the Chicago Teachers' Pension Fund, and \$700,000 was appropriated for the Retired Teachers' Supplementary Payment. Although the Illinois General Assembly originally approved a \$66,278,600.00 appropriation for the Fund, Governor Thompson reduced the payment to the \$41,092,732.00 amount, stating that this was a one-time decrease.

ON REQUESTS FOR INFORMATION ABOUT OUR MEMBERS

Recently, we have received a number of requests for the names and addresses of our contributors and/or pensioners. It has been the policy of this Fund not to supply such information in order to protect the privacy of our membership. However, if you are trying to locate an individual pensioner with whom you have lost contact, we are able to forward a letter from you to that person, provided we have the correct address on file. We would like to call attention to an alternative offered by the Retired Teachers Association of Chicago, who have offered to print notices in the "Bits and Pieces" column of their News Bulletin to help teachers locate former colleagues. Such requests can be sent to: Lois Sealing, Editor, Retired Teachers Association, 220 S. State Street, Room 1728, Chicago, Illinois, 60604

IS YOUR DESIGNATION OF BENEFICIARY ON FILE?

A Reminder--There are two benefits payable on death in service: (1) a single-sum death benefit and (2) a refund of contributions. If no valid designation is on file with the Fund at the time of death, the refund of contributions and the single-sum benefit will be paid to your estate. This usually requires probate. By properly designating beneficiaries, the delay, inconvenience and expense of probate proceedings can be avoided.

If you do not have a designation of beneficiary on file, or if your designation is not current, please write or call the Pension Office ... 641-4464.

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