

**Public School Teachers' Pension and Retirement Fund
of Chicago
www.ctpf.org**

PENSION NEWS

September 2001 Issue



Legislative update. The pension Board of Trustees is extremely pleased that **HB2157** was signed by Governor George H. Ryan on August 17, 2001 to become law. Please write to Governor Ryan, 207 State House, Springfield, Illinois 62706, thanking him for signing our teacher pension HB2157.

1993 5+5 retroactive payments. Separate cash distributions for the 1993 5+5 pensioners are scheduled for *December 2001* mailing. Early October, however, there will be a mailing to explain an option to rollover the distribution to a tax-deferred account such as an Individual Retirement Account (IRA). More information about the distributions will accompany the mailing in October.

2.2 upgrade costs for pensioners who retired with 30 or more years of service. The pension Board of Trustees will be approving a timetable for staff to recalculate pensions and/or refunds to pensioners who retired with at least 30 years of service. Pensioners currently having 2.2 upgrade costs deducted from their pension checks will see those deductions stopped beginning October 1, 2001. Please be reminded that current teachers will be paid 2.2 upgrade cost refunds upon retirement, in accordance with the current state and federal laws. 2.2 deductions currently made from teacher salaries continue to be in accordance with the state and federal laws and cannot be halted until or unless the laws are changed.

The following are key components of the benefit improvements:

- Provides additional benefits to *teacher pensioners who began receiving 1993 5+5 early retirement benefits* and provides for retroactive calculation of their annuities payable in a lump sum and in an increased annuity. This provision effects more than 2,500 of our pensioners and their families.
- Increases from 100 days per year to 150 days per year the number of days a *teacher pensioner may return to work* as a substitute teacher (earning the equivalent of substitute teacher pay) before his or her pension is cancelled or suspended.
- Provides that a *teacher member who retires on or after the effective date of this law* with at least 30 years of creditable service at retirement may have such service converted to the 2.2% augmented rate without paying additional employee contributions to the pension fund. A teacher member who has previously paid or is currently paying for the 2.2 upgrade will be paid a refund of such contributions along with interest at the time of his or her retirement.
- Provides that a *pensioner member who retired on or after July 1, 1998 with at least 30 years of creditable service and who chose not to upgrade to the 2.2% augmented rate* shall be paid an increased annuity as well as a lump sum equal to the amount he or she would have received under the 2.2% augmented rate minus the amount he or she actually received under the step rate formula retroactive to the later of July 1, 1998 or his or her date of retirement.
- Provides that a *pensioner member who retired with at least 30 years of creditable service and who paid contributions in order to upgrade to the 2.2% augmented rate* will be paid a lump sum refund of such contributions.

For a complete list of all of the components of the bill, please log onto www.legis.state.il.us or write the pension fund. Also please do not forget to extend your appreciation to *all members of the General Assembly* for their efforts and support of our teacher pension issues, especially the sponsors of HB2157.

CTPF has new website. Log onto our new website at www.ctpf.org for current information about the pension fund and benefits. The website will be updated on a regular basis with news items and feature articles for both current teachers and retired teachers. The pension Board of Trustees is proud of its newest accomplishment.

CTPF approves development of integrated member database. The pension Board of Trustees passed during its August 23, 2001 meeting an initiative to develop an integrated member database that will provide improved information and service to members such as quicker benefit estimations, retirement calculations, payment of pensions and refunds, and turnaround of member requests, as well as improve the ability to react quickly to legislative changes. The Board further envisions making member information available through the website, once quality control and security measures have been developed, tested and approved.

Health insurance open enrollment. Health insurance open enrollment meetings will take place at Plumbers' Hall on October 2, 2001 and Annie Tiques Restaurant on October 3, 2001. Please read the open enrollment materials when they arrive later this month for more details. Significant changes are taking place in the Humana Gold over age 65 plan, so please make a note.

Pension fund receives award from Government Finance Officers Association. The pension fund received notification recently about its Certificate of Achievement for Excellence in Financial Reporting. This represents the highest form of recognition in public employee retirement system accounting and reporting and a significant accomplishment.

Board of Trustees

Shirley Anderson Patricia Knazze Michael N. Mayo Carole Nolan John F. O'Brill Edward A. O'Farrell
Walter Pilditch Mary Sharon Reilly Maria J. Rodriguez Gene R. Saffold Jack Silver James F. Ward
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