

Life Plans



MEMBER INFORMATION

Chicago Teachers' Pension Fund members participate in a retirement plan that has provided Chicago's teachers and administrators with secure retirement benefits since 1895. This booklet provides an overview of fund operations and the benefits available to members.

Life Plans

THE BASICS

The Chicago Teachers' Pension Fund (CTPF) is a public employee retirement system that



benefits teachers, educational, administrative, professional, and other certified individuals employed in the Chicago Public or approved charter school systems, and CTPF staff.

Participation in the CTPF pension plan is mandatory for these individuals.

Established by the State of Illinois on July 1, 1895, CTPF manages members' assets and administers entitlements and benefits.

The Fund currently includes 59,000 members, and provides pension and health insurance benefits to more than 24,000 beneficiaries.

CTPF is governed by Illinois law, and managed by an independent, 12-member Board of Trustees. Current teachers, administrators, and pensioners elect representatives to the board and the Chicago Board of Education appoints two members. CTPF Trustees have fiduciary responsibility for fund operations, approve benefit programs, and make investment decisions.

DEFINED BENEFIT RETIREMENT PLAN

A pension is an important financial asset. CTPF members participate in a defined-benefit retirement plan, which offers a secure retirement income for life. Once earned, a pension does not lose value or change with investment or market conditions. CTPF pensions are protected from inflation and guaranteed by Illinois law.

CTPF members do not contribute to Social Security during employment. Instead, each pay period, pension contributions are withheld by the employer and sent to CTPF. At retirement, CTPF calculates a pension based on the member's final average salary (FAS) and service credit.

Pension Benefits

Pension Benefits

Your retirement pension is:

- based on service credit and final average salary
- paid throughout your lifetime
- protected from inflation

Reciprocal Pension

Members with service in another Illinois public retirement system may combine service credit under the Retirement Systems Reciprocal Act.

Disability Pensions

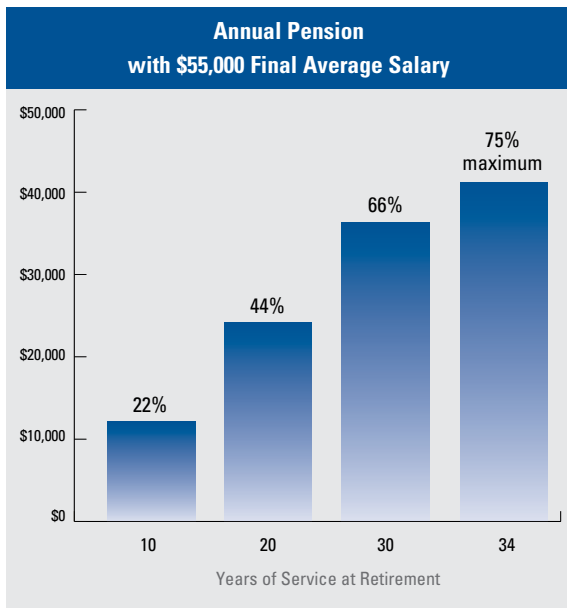
CTPF offers two types of disability benefits for members who are permanently disabled and no longer able to work.

- Duty disability benefit: for contributors under age 65 injured while performing one's duties.
- Disability retirement pension: for contributors with at least 10 year of service, unable to work.

See the brochure, *Understanding Disability Benefits*, available from Member Services or at www.ctpf.org, for more information.

YOUR PENSION OVER TIME

A CTPF pension guarantees income at retirement and grows in value over time. The following example demonstrates the value of a pension at different points in a career.



Review the brochure, *Your Retirement from Teaching*, available from Member Services or at www.ctpf.org, for more information on pension eligibility and the formulas used to calculate pensions.

SURVIVOR BENEFITS

Upon the death of a member, a surviving spouse and/or dependent minor children may qualify to receive survivor benefits which include:

- a portion of the deceased member's pension
- a lump-sum death benefit based on the member's service and status as an active or retired employee

The lump-sum death benefit is paid according to the person(s) named on the member's Designation of Beneficiary form. See page six for more information.

HEALTH INSURANCE

Retired members whose final service is with CTPF may be eligible to participate in a post-retirement health insurance plan.

- CTPF offers several group health insurance plans for retirees and their eligible dependents.
- Qualified retirees may also receive a health insurance benefit subsidy, set annually by the board of trustees. The subsidy offsets the cost of a member's health insurance premium.

CTPF FUNDING

Contributions, together with CTPF investment returns, fund pensions. CTPF revenue sources include:

- member contributions
- employer contributions
- State of Illinois contributions
- earnings on investments

Member Contributions

Pension contributions are 9% of base salary (base salary is regular pay, not including overtime or special pay). Employers deduct contributions from pay and remit them to CTPF. Employers may pay a portion of the 9% contribution.

Members may make additional contributions to:

- purchase optional service credit
- upgrade pre-July 1998 service credit
- participate in early retirement programs, if offered by an employer
- repay a refund of contributions for a prior teaching period

Employer Contributions

Employers make contributions to CTPF in accordance with actuarial standards, contractual agreements, and State of Illinois law.

State of Illinois Contributions

The State of Illinois makes an annual contribution to supplement employer contributions.

Investment Earnings

The Board of Trustees, together with the fund's professional staff, consultants, and investment managers, pursue a conservative investment strategy designed to maximize investment returns and minimize risk.

Additional information about CTPF's financial performance can be found in the *Comprehensive Annual Financial Report*, published annually, available at www.ctpf.org.

NEXT STEPS

During your teaching career, you should

- complete a CTPF Designation of Beneficiary form and update it as important life events occur (marriage, civil union, childbirth, divorce, etc.). The lump-sum death benefit is paid according to the Designation on file at CTPF at the time of a member's death. Contact Member Services to update this form.
- keep your employer and CTPF up to date with any changes in your demographic information. Complete a change of address with CTPF as well as with your employer.



- review pay stubs to ensure pension contributions are deducted. Call your employer's payroll department in case of an error.
- review the brochure, *Understanding Optional Service*, to better understand opportunities to purchase service credit.
- consider the benefits of reciprocity. If you earned service credit in another Illinois public retirement system, contact CTPF to discuss your options.
- share your voice. Vote in CTPF's Annual Trustee Elections, conducted in the fall.
- stay informed. Read *Pension News* and register for e-mail updates at www.ctpf.org.

More Information

You may access a variety of information including brochures, newsletters, and register to receive e-mail updates at www.ctpf.org. Contact Member Services, Monday to Friday from 8:00 a.m. - 5:00 p.m., at 312.641.4464.

CONTACT INFORMATION

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