

Life Plans



CHICAGO TEACHERS' PENSION FUND

MEMBER INFORMATION

When you join the Chicago Teachers' Pension Fund, you participate in a plan that has provided secure retirement pensions for Chicago Public School teachers for more than a century. This booklet provides an overview of your benefits.

Life Plans

THE BASICS

WHAT IS THE CHICAGO TEACHERS' PENSION FUND?



The Chicago Teachers' Pension Fund (CTPF) is a public employee retirement system that benefits teachers and certain other employees of the Chicago Public Schools, approved charter schools,

and the Chicago Teachers' Pension Fund. The CTPF, established by the State of Illinois, is administered in accordance in accordance with Chapter 40, Act 5, Articles 1, 17, and 20 of the Illinois Compiled Statutes.

The CTPF's role is to prudently manage the assets supporting the pension plan and administer the entitlements and benefits provided by the plan. The CTPF is governed by a Board of Trustees made up of 12 members, which include 6 contributing teachers, 3 pensioners, 1 contributing administrator, and 2 Chicago Board of Education members. The Board of Trustees oversees the fund's benefit programs, approves all benefits, makes investment decisions for the fund's assets, and provides general oversight to CTPF operations.

Defined Benefit Plan

The CTPF plan is a defined benefit retirement plan. This means that your retirement pension is based on a formula that uses your salary and service credit in the plan to determine your pension benefit. The value of your earned CTPF pension does not change with investment or market conditions.

CTPF Benefits

Your retirement benefits include a pension:

- based on your service credit and your average annual salary for the 4 consecutive years in your last 10 years that produce the highest average
- paid throughout your lifetime
- protected from inflation with a 3% annual increase
- with an early retirement provision so you may retire early without reduction if you qualify
- that includes survivor benefits for your eligible spouse and/or dependent(s)
- that can be combined with other Illinois public retirement systems under the Retirement Systems Reciprocal Act

Other CTPF benefits include:

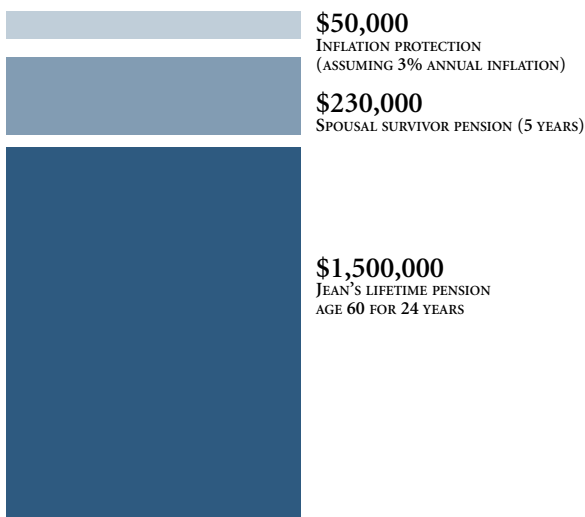
- disability benefits
- CTPF-sponsored health insurance plans and an insurance premium rebate program
- lump-sum death benefits



Example

Jean retired at age 60 with 32 years of service. Her best 4-year average annual salary used to calculate her pension was \$65,000. During her career she contributed \$27,500 and her employer contributed \$87,500 to CTPF on her behalf, for a contribution total of \$112,500. Assuming Jean collects her pension for 24 years, and her spouse outlives her by 5 years, Jean and her surviving spouse could receive up to \$1,780,000 in benefits over their lifetimes.

TOTAL PENSION PAYMENTS \$1,780,000



HOW IS CTPF FUNDED?

Funding for CTPF comes from four sources:

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

Contributions, together with CTPF investment returns, fund your pension. However, the value of your pension is not based on contributions or investment returns. Your pension value is based on a formula that takes into account your salary and service credit.

Member Contributions

Pension contributions are 9% of base salary (base salary is regular pay, not including overtime or special pay). Employers may pay a portion of the 9% contribution on an employee's behalf.

Your employer deducts contributions from your pay and remits them to CTPF. As long as you work and receive a salary for at least 5 days in a 10-day work period, pension contributions are deducted.



As provided by pension fund law, members can also make additional contributions to:

- purchase optional service credit
- upgrade pre-July 1998 service credit
- participate in early retirement programs
- repay a refund of contributions for a prior teaching period

The Life Plans series of brochures, available from CTPF's Member Services, has more information on these options.

Employer Contributions

Your employer makes contributions to CTPF in accordance with actuarial standards and State of Illinois law and in some cases bargaining agreements.

State of Illinois Contributions

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

More Information

The CTPF newsletter, *Pension News*, which provides regular updates, and the Life Plans series of brochures are available at www.ctpf.org. If you need more information, contact Member Services, Monday to Friday from 7:30 a.m. - 5:00 p.m., at 312.641.4464.

NEXT STEPS

At the start of and during your teaching career, make sure you:

- **complete a CTPF Designation of Beneficiary form** and update it as necessary. When important life events occur (marriage, childbirth, divorce, etc.) make certain to submit a new designation form.
- **keep your employer and CTPF up to date** with any changes in your demographic information.
- **review the pay stub you receive from your employer** to ensure pension contributions are deducted. If you think there is an error, call your employer payroll services department.
- **review the brochure, *Understanding Optional Service***, to determine if you qualify to purchase optional service credit.
- **contact CTPF to discuss the benefits of reciprocity** if you have service with any of the other Illinois public retirement systems.
- **read the CTPF Personal Benefit Statement** you receive each year. It provides information on contributions, earnings, and service credit. If you think there is an error, contact Member Services.
- **stay informed.** Read the CTPF's quarterly publication, *Pension News*, and vote in CTPF's Board of Trustee elections.

CONTACT INFORMATION

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