

Life Plans



YOUR RETIREMENT FROM TEACHING

*Depending on your stage in life, retirement may be on the horizon or may still seem remote. In either case, **careful planning** helps ensure that you and your family receive the **maximum pension benefit from the Chicago Teachers' Pension Fund.***

Life Plans YOUR RETIREMENT



The Chicago Teachers' Pension Fund (CTPF) is a defined benefit retirement plan that provides a retirement pension based on

your salary and service credit. After you accumulate five years of service, you become a vested member of CTPF and qualify for a lifetime pension once you meet minimum age requirements.

Unlike many other investments, the value of your pension does not fluctuate with investment market conditions.

This brochure provides essential information about your retirement pension – including the features of your pension, items you need to consider, and your responsibilities as a retiring member.

PENSION BENEFIT FEATURES

Your CTPF pension:

- is paid throughout your lifetime
- increases 3% annually (AAI)
- includes an early retirement provision so you may retire early without reduction, if you qualify
- may be combined with service credit from other Illinois Reciprocal Retirement Systems to increase your benefit
- offers survivor pensions and death benefits

When Can You Retire?

NORMAL RETIREMENT

You can retire with an unreduced pension at age 62 with 5 or more years of service credit.

EARLY RETIREMENT

WITH AN UNREDUCED PENSION

You may retire with an unreduced pension once you attain:

- age 60 with at least 20 years of service credit, or
- age 55 with at least 33.95 years of service credit

EARLY RETIREMENT

WITH A REDUCED PENSION

If you reach age 55 and have service credit between 20 and 33.95 years, you can retire with a reduced pension.

DISABILITY PENSION

If you suffer a permanent disability and cannot perform the duties of your job, you may qualify for a disability pension. You must have 10 or more years of service credit and your disability must be medically certified. For more information, see the brochure *Understanding Disability Benefits* or contact Member Services.

DEFERRED PENSION

If you have 5 or more years of service credit when you terminate your service with a CTPF-covered employer, but have not reached the required age for retirement, you may defer your pension.

Estimating Your Retirement Pension

Your unreduced pension will be determined with the following formula:

A x B = annual unreduced pension

A = the pension percentage*
2.2% x your service credit,
(to a maximum of 75%)

B = your final average salary (FAS) —
calculated by taking the average of the
four highest, consecutive salaries in your
last 10 years of service.

If you qualify for a reduced pension, your pension will be determined as follows:

A x B x (1 - C) = annual reduced pension

A = the pension percentage*
2.2% x your service credit,
(to a maximum of 75%)

B = your FAS

C = reduction factor equal to ½ of 1% for each
month under the age of 60

*assumes that the member has upgraded or is otherwise qualified for the 2.2 Option. See page 5 for more information.



ITEMS TO CONSIDER

2.2 Upgrade Option

The 2.2 Upgrade Option provides a way to increase your pension. For service credit earned prior to July 1998, the pension percentage used in the pension formula is determined using incremental factors beginning at 1.67%, not the 2.2% factor used for service credit earned after June 1998.

With the 2.2 Upgrade Option, the 2.2% factor is used for all your CTPF service credit, and as a result, your pension is increased. If you have more than 30 years of service credit, the 2.2% factor is applied at no cost; otherwise you must pay an upgrade cost. Members who wish to utilize the 2.2 Upgrade Option must have participated in and contributed to CTPF after July 1, 1998.

We encourage you to find out more about your upgrade options by referring to the brochure *Understanding the 2.2 Upgrade Option* or by contacting Member Services.

Maximizing Your Service Credit

There are a number of ways to increase your pension.

OPTIONAL SERVICE

You may be eligible to purchase service credit for certain periods, including employer-approved leaves of absence, the economic layoff during the 1975-1976 school year, military service with the U.S. armed forces, previous CTPF membership for which you received a refund of contributions, teaching service in a public elementary or high school in another state, or private school service in the State of Illinois. For further information and specific eligibility requirements, request the brochure *Understanding Optional Service* or contact Member Services.

RECIPROCAL SERVICE

If you have at least 1 year of service credit in another Illinois Reciprocal Retirement System, you may benefit from provisions that allow the combination of service credits from your entire Illinois public employment. These provisions may even be beneficial if you earned service credit in one of the Retirement Systems and withdrew the funds. Find out more about your options from the brochure *Reciprocity and Your Retirement* or contact Member Services.

UNUSED SICK DAYS

At retirement, members may convert their unused sick days to CTPF service credit for the purpose of calculating a pension. Eighteen sick days equal one month of service credit and a maximum of 244 sick days may be converted to service credit at retirement.



Early Retirement Option (ERO)

From time to time, an employer may offer an ERO through which eligible members can retire with an unreduced pension. Contact your employer for more information on ERO programs.

Survivor Pensions and Death Benefits

The CTPF provides survivor and death benefits which include:

- a survivor pension payable to a member's eligible spouse and/or eligible children
- a lump-sum death benefit payable to a member's designated beneficiaries or estate
- a refund of contributions payable to a member's designated beneficiaries or estate
- a reversionary pension option that provides a lifetime pension to any designated individual, upon the member's death. The reversionary pension is funded by a reduction in the member's base pension and must be established prior to the member's retirement.

Find out more about survivor and death benefits and your responsibilities regarding identifying eligible beneficiaries by referring to the brochure *Understanding Survivor and Death Benefits* or by contacting Member Services.

Health Benefits

The CTPF offers health insurance benefits to you, your spouse/domestic partner, and your dependent(s) based on your eligibility. In order to ensure you understand your options, refer to the brochure *Understanding Your Health Insurance* or contact Member Services.



HOW TO RETIRE

When to Apply

At least six months prior to your expected retirement date, contact CTPF Member Services and request a Retirement Application Packet, or download one at www.ctpf.org. Complete the packet and submit it to CTPF at least 90 days prior to your retirement date.

Once CTPF receives your application, it will be reviewed and you will be notified of any additional required documents or information.

Gather Your Documents

The Retirement Application requires the following supporting documents when applicable (photocopies acceptable):

- a birth certificate or current passport
- photo identification (driver's license, state ID, or passport)
- proof of your Social Security number
- if married, your spouse's birth certificate or current passport *and* your marriage license
- if divorced, your divorce decree
- if widowed, a copy of your spouse's death certificate
- if you or your spouse is age 65 or over, a copy of your Medicare card for parts A and B or the entitlement letter from Medicare

Whom to Inform

In addition to submitting your Retirement Application to CTPF, you must resign from your employer.

Chicago Public School teachers should contact the Chicago Public Schools Human Resources Center to begin the resignation process.

If you are retiring under the provisions of the Illinois Reciprocal Act, you must apply for retirement with each system separately.

Once your employer confirms your resignation, CTPF will process your retirement.

Where to Get Help

INDIVIDUAL COUNSELING

As a service to our members, CTPF offers one-on-one retirement counseling sessions. During a counseling appointment, a Member Services counselor will review your record and discuss your retirement options.

Schedule a counseling appointment at least six months prior to your retirement.

RETIREMENT APPLICATION SEMINARS

Members may also benefit from attending a CTPF Retirement Application Seminar. These seminars, held each spring, provide information on the retirement process and offer help completing the Retirement Application Packet. Seminar dates are announced in December. Additional information can be found on the CTPF website.

PENSION ESTIMATES

Members may request a pension estimate at any time from CTPF Member Services.

Pension Payments

Your initial payment will be a preliminary pension benefit, based on the information available to CTPF at the time your retirement is processed. When CTPF receives final wage records from your employer, your pension will be finalized and you will receive any additional payments due to you.

Pensions are paid in advance at the beginning of each month. The pension payment schedule is posted at www.ctpf.org.

AUTOMATIC ANNUAL INCREASE (AAI)

Your gross annuity amount will increase by 3% each January 1 after you reach your eligibility date. Your eligibility date is the first anniversary of your retirement or the date you turn age 61, whichever is *later*.

DIRECT DEPOSIT

The most secure and cost-effective way to receive your pension payment is through direct deposit. The CTPF strongly encourages members to choose direct deposit, which electronically deposits your monthly pension payment into a bank account and avoids problems associated with mail delivery. Over 90% of CTPF retirees take advantage of direct deposit, which assures that funds are available on the first business day of the month. You may turn in a Direct Deposit Authorization form with your Retirement Application Packet or at any time after you retire.

Additional Information

The CTPF newsletter *Pension News*, issued quarterly, includes important information about your pension benefits. The website www.ctpf.org provides current news, important forms and information, and timely updates.



CONTACT INFORMATION

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