



Chicago Teachers' Pension Fund

203 North La Salle Street, suite 2600 | Chicago, Illinois 60601-1231

June 24, 2010

## CTPF Changes Health Insurance Subsidies Effective January 1, 2011

June 22, 2010, the Board of Trustees of the Chicago Teachers' Pension Fund voted to continue subsidizing health insurance coverage for recipients of retirement, disability, and survivor pensions, but will reduce the subsidy to 60%, effective January 1, 2011. The current subsidy is 70%.

In addition, **beginning on January 1, 2011**, retirees, disability pensioners, and surviving spouses enrolled in **non-CTPF** health insurance plans (except Chicago Public or Charter School COBRA) will no longer qualify for the subsidy. These members will have the opportunity to enroll in a qualifying, CTPF health insurance plan, during the upcoming Open Enrollment Period, October 1 - November 12, 2010.

Recipients of retirement, disability, and survivor's pensions receive a partial, annual subsidy of their health insurance premium coverage. This subsidy is not guaranteed, and the amount CTPF can spend is limited by Illinois law. The current limit is \$65 million per year, plus any amount carried over from a previous year. CTPF subsidized nearly \$80 million in health insurance expenses in 2010 (\$65 million plus carryover funds). However, with carryover funds being depleted, CTPF must reduce future subsidies.

"This was a difficult decision for our trustees, but the amount we can spend on health insurance for retirees is limited by Illinois law," remarked Kevin B. Huber, executive director. "The subsidy was capped at \$65 million in 2003-2004 when CTPF supported 18,500 pensioners. Today, CTPF supports more than 24,000 pensioners. We lobbied for an increase in the spending cap, but without passage, we cannot sustain a 70% subsidy. We hope the state will respond to our members' requests, and increase the spending cap during the next legislative session."

CTPF will provide additional information to all members affected by these changes, along with open enrollment information, during the next six weeks. Please register for e-mail updates at [www.ctpf.org](http://www.ctpf.org), to stay current.

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