



Chicago Teachers' Pension Fund

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Educators Reaching Legislators

A joint effort supported by The Chicago Teachers' Pension Fund, The Chicago Teachers Union, The Retired Teachers Association of Chicago and the Chicago Principals & Administrators Association.

Talking Points

CTPF faces financial challenges due to state funding cuts and laws that restrict spending on health insurance. Support from Illinois lawmakers in Springfield will be vital if CTPF is to remain a healthy pension fund.

Members who meet with legislators should keep in mind two issues of vital importance to CTPF members.

1. The State of Illinois needs to provide fair and adequate funding for CTPF

2. Lawmakers should support HB 3401 which raises the Health Insurance Spending Cap for retirees.

1. Fair and Equitable Funding for CTPF

The State of Illinois has declared its intent to fund CTPF at a rate between 20 and 30% of the monies allocated to the downstate (TRS) system. This funding has failed to materialize.

Support Fair Funding

State funding for CTPF needs to be reasonable and equitable. The state cut CTPF funding from \$74.8 million in 2009 to \$37.5 million for 2010. Even during difficult financial times, basic financial obligations to teachers must be met. Last year, Chicago teachers received a state contribution of \$37.5 million in 2010, less than 2% of the \$2+ billion awarded to the downstate retirement system for the same period.

CTPF will continue to lobby for legislation that provides fair funding for Chicago's teachers. If lawmakers increase state funding, it would stabilize future pension funding, reduce the amount that the employer, CPS, is required to pay, and more equitably distribute state funds to Illinois teachers.

2. Affordable Retiree Health Insurance

Support Illinois House Bill 3401 which allows CTPF to increase the amount it spends on Retiree Health Insurance Premium Subsidies from \$65 million to \$100 million per year.

Support HB3401: Retiree Health Insurance

Pensions are guaranteed by Illinois law but the CTPF health insurance premium subsidy is not. Each year, the CTPF Board of Trustees determines a premium subsidy for qualified CTPF retirees and their survivors.

Illinois law determines the amount that CTPF is allowed to spend on the health insurance premiums for retirees. The subsidy was set at \$65 million in 2003-2004, and has not increased since that time. During the same period, the number of CTPF retirees has increased almost 36% and the amount CTPF paid in premium subsidies increased more than 72% from \$44.1 million in 2002 to \$75.8 million in 2009.

The cap has already impacted CTPF retirees who saw a reduction in their health insurance reimbursement from 70% to 60%, effective January 1, 2011. Unless the spending cap is raised, retirees will see steep increases in their out-of-pocket costs for health insurance.