



Chicago Teachers' Pension Fund

FUND FACTS

Founded in 1895, CTPF is the oldest pension system in Illinois and the second oldest in the country.

\$13.1 billion in Assets

45.4% Funded (June 2020)

Membership: CTPF serves more than 89,000 members from Chicago's public/charter/contract school teachers, administrators, certified personnel, and CTPF staff.

28,015 Annuitants

30,091 Active Members

10,024 Vested Terminated Members

21,260 Unvested Terminated Members



Understanding CTPF Benefits: Opt-in Election for Contract Schools Teachers

Defined Benefit Plan

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 members do not contribute to Social Security during employment. Instead, each pay period, a 9% pension contribution is withheld by the employer and sent to CTPF. At retirement, CTPF calculates a pension for retirees that meet eligibility requirements.

Your retirement pension is:

- based on service credit, final average salary (FAS), and the pension multiplier
- paid throughout your lifetime
- protected from inflation with an annual increase

Benefit Tiers

Tier 1 vs. Tier 2: On January 1, 2011, the Illinois legislature established two sets of pension eligibility requirements. Members who joined CTPF or a qualified reciprocal system prior to January 1, 2011, are Tier 1. Members who joined CTPF on or after January 1, 2011, are Tier 2.

The pension calculation for both tiers is the same, but the retirement age and method for calculating the final average salary are different. Additionally, the salary used in the calculation of a pension is capped for Tier 2. The Tier 2 salary cap does not limit how much can be earned; it limits the amount for which pension contributions are made.

The chart below summarizes the differences in calculating benefits for Tier 1 and Tier 2 employees.

Benefit	Tier 1 Members who joined CTPF or a qualified reciprocal	Tier 2 Members who join CTPF on or after January 1, 2011
Retirement age for a pension without a reduction	62 with 5 years of service 60 with at least 20 years of service 55 with at least 33.95 years of service	67 with 10 years of service
Retirement age for a reduced pension	55 with 20 years of service	62 with 10 years of service
Final Average Salary calculation	Average of 4 highest consecutive years in the 10 years preceding retirement	Average of 8 highest years in the 10 years preceding retirement
Pensionable Earnings Cap*	The annual salaries used in the calculation of the final average salary are capped from year-to-year at 120% of previous year's salary.	Final average salary used to calculate pensions capped at \$119,892.41 in 2022. The cap increases by 3% or one-half of the increase in Consumer Price Index (CPI) for the preceding year, whichever is lower.
Annual Pension Increase	3% of pension compounded annually, beginning 1 year after retirement, or at age 61, whichever occurs later	3% or ½ of any increase in the CPI for the preceding year, beginning 1 year after retirement or at age 67, whichever occurs later.
Survivor Pensions	50% of the retired member's retirement annuity; surviving spouse must be age 50 or have surviving minor children.	66⅔% of the retired member's pension at date of death. 66⅔% of the earned annuity of the unretired member; no age reduction.

* Applies to members who began employment on or after September 1, 1983.

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Other Benefits for CTPF Members

Survivor & Death Benefits



CTPF provides survivor and death benefits that may include:

- a survivor's pension
- a lump-sum death benefit
- a refund of contributions
- eligibility for health insurance under the CTPF program
- a reversionary pension

Disability Pensions

CTPF offers two types of disability benefits for members who are wholly and permanently disabled.

- Duty disability benefit
- Disability retirement pension

For more information, see the CTPF Member Benefits section on ctpf.org.

Reciprocal Pension

The Illinois Reciprocal Act may allow you to combine service credit earned in other Illinois reciprocal pension systems. Visit the Reciprocal Systems section on ctpf.org for more information.

Health Insurance for Retirees



CTPF sponsors comprehensive health insurance plans designed to promote wellness and provide high-quality coverage at a reasonable cost. Each year CTPF trustees vote on offering a subsidy for health insurance to help offset the cost, and the current subsidy is 60%. CTPF offers this coverage and subsidy to retiree's whose final teaching service is with the Chicago Public/Charter/Contract Schools.

Additional CTPF Information

CTPF Financial Condition & Funding

CTPF revenue comes from investment returns and contributions from the State of Illinois, a tax levy, CPS and charter school employers, and employees. CTPF received \$863.4 billion in contributions for Fiscal Year 2021. The remaining balance of \$234.4 million is expected to be paid from the property tax levy and received by December 31, 2021.

CTPF posted record investment returns for Fiscal Year 2021, with a 28.7% one-year return (net of fees). CTPF invests funds for the long-term and has achieved an average growth rate of 8.97% over the past 35 years. CTPF values diversity with 46% of our assets managed by MWDBE firms.

CTPF's funded ratio is calculated annually and is currently 45.4% Funded (June 2020).

CTPF operates transparently and provides audited Annual Comprehensive Financial Reports and a Popular Annual Financial Reports which illustrates CTPF's financial position and offers more information about its financial outlook. You can find the reports on ctpf.org.

Governance



CTPF is independent, governed by 12 Trustees: 6 elected by active members, 3 elected by pensioners, 1 elected by principals/ administrators, and 2 appointed by the Chicago Board of Education. The system dates to 1907 when legislation allowed teachers to elect representatives to self-govern.

Stay Informed

Visit ctpf.org/Opt-In for information sheets, a retirement calculator, a webinar for members considering joining the plan, and other educational resources.

Follow CTPF on social media and register your email address at ctpf.org to receive important updates and stay informed.