



Chicago Teachers' Pension Fund

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## NEW MEMBERS JOIN CTPF BOARD OF TRUSTEES

### TEACHERS ELECT REPRESENTATIVES

October 27, 2006, active CTPF members elected Reina Otero and Nancy Williams to represent teachers on the Chicago Teachers' Pension Fund Board of Trustees. Otero and Williams were sworn into office during the November 21 trustee meeting and will serve 3-year terms from November 2006 to November 2009.

Otero, an elementary teacher at Galileo Academy, has been with the



Reina Otero

Chicago Public Schools since 1979. She has served as a CTU Delegate for 15 years and is active in the American Federation of Teachers and the

Illinois Federation of Teachers, serving as a convention delegate for both organizations. She has been a member of the Chicago Teachers' Union (CTU) executive board, the elementary steering committee, political action committee, policies committee, and publicity committee.



Nancy Williams

Williams, an early childhood teacher at Sayre Language Academy, has been with the Chicago Public

*Continued on page 3*

## Executive Director's Letter



Kevin B. Huber, executive director

Recently I had occasion to sit and review some of the earliest meeting minutes from the Chicago Teachers' Pension Fund. In May 1895, the legislature for the State of Illinois passed a law, effective July 1, 1895, that established a public school teachers' pension and retirement fund. The act stated that the fund be governed by a board of trustees that included two elected teachers. The fund meeting minutes for November 27, 1895, include the first recorded elections of these individuals. Fourteen candidates ran for the positions and two individuals, T. J. Waters, chief engineer, and Ella F. Young, assistant superintendent of schools, won.

While we know little of Waters's tenure, we know that he attended meetings regularly and was reelected in 1896. Young, one of Chicago's most well-known and distinguished early educators, went on to become Chicago's first female superintendent of schools (1909–15). A leader in women's suffrage work, she became the first female president (1910–11) of the National Education Association.

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*The early board had the foresight to implement an entirely democratic process for electing trustees to ensure proper representation for its membership and to guarantee that all had the right to participate in the process.*

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When viewing these first elections in their historical context – the elections took place during an era when women did not have the right to vote – the results seem even more remarkable. The early board had the foresight to implement an entirely democratic process for electing trustees to ensure proper representation for its membership and to guarantee that all had the right to participate in the process.

While our early trustees faced challenges different than the ones we face, reading the minutes shows us that the basic business they conducted was very similar to ours. They approved pensions and benefits and oversaw investments. The first recorded applicants for pensions, 16 women and 1 man, appeared in the March 26, 1896, minutes. More than a century later we continue this legacy. In this fiscal year, since June 2006, we have processed 1,200 pensions, and we currently have nearly 22,000 pensioners on our rolls.

*Continued on page 5*

# IMPORTANT INFORMATION FOR CTPF HEALTHCARE ENROLLEES

*If you are age 65 or older and currently enrolled in a CTPF-sponsored health insurance plan, you should not enroll in a separate Medicare D prescription drug plan. All CTPF health insurance plans include the equivalent of Medicare D prescription drug coverage.*

If you are age 65 or older and currently enrolled in a CTPF-sponsored health insurance plan, you are enrolled in the Medicare Prescription Drug program. If you wish to continue your current CTPF health insurance, which includes Medicare D prescription drug coverage, you should not enroll in a separate prescription drug plan.

## A WARNING TO OUR MEMBERS

Medicare D was first effective on January 1, 2006. CTPF made repeated attempts to keep retirees informed and to assure them that coverage by our health insurance plans included the equivalent of Medicare D coverage. Despite our best efforts, many of our retirees experienced serious difficulties.

Some retirees inadvertently enrolled in additional plans and jeopardized their prescription drug coverage.

**Enrollment in two prescription drug plans results in a loss of all prescription drug coverage for extended periods of time**, because the federal agency that monitors Medicare D enrollment terminates *all* coverage when a person is enrolled in two plans. In some cases this resulted in a loss of CTPF health insurance coverage.

If you choose to enroll in a different Medicare D plan, you must disenroll from the CTPF plan before the other takes effect.

To avoid some of the frequent problems, please be aware of the following:

- Avoid signing documents that talk about Medicare D unless the documents come from your current CTPF prescription drug plan and/or you intend to change your health insurance coverage. If you are unsure whether a document came from CTPF, please call Member Services to confirm at 312.641.4464.
- Be mindful of revealing personal information. Some individuals, believing they were filling out surveys or questionnaires at their pharmacies, were actually filling out paperwork to enroll in a Medicare D plan.

“Retirees need to be extremely careful when filling out forms related to Medicare D. Some retirees inadvertently enrolled in other Medicare D plans. This may have been the result of solicitations received in the mail, or responses to questionnaires available at local pharmacies,” remarked Pat Hambrick, chief operating officer. “It is important that our retirees understand the consequences of double enrolling.”

# TAKE CHARGE WITH DIRECT DEPOSIT

The most secure and cost-effective way to receive your pension payment is through direct deposit. Direct deposit allows CTPF to electronically deposit your benefit check directly into your personal account, eliminating problems associated with mail delivery. This convenience, employed by 20,000 retirees, also means that checks are available immediately on the day of deposit and eliminates the risk of lost or stolen checks.

To elect to have your check electronically deposited, complete the direct deposit authorization form. Copies can be downloaded from our website or are available from Member Services at 312.641.4464.

Retirees who elect direct deposit currently receive a direct deposit advice each month. If you wish to cut down on the paperwork you receive, you may elect to receive an advice only when something changes with your account. Please contact Member Services if you would prefer this option. An advice will still be sent in January, December, and whenever there is a change to your account. If everyone on direct deposit chose this option, it would save the fund at least \$100,000 annually on postage and processing costs.



## PLANNING TO VISIT CTPF?



Sometimes meeting in person is the best way to ask complicated questions and receive timely answers. Scheduling an appointment with a Member Services counselor is one of the best ways to get information you need about retirement benefits, and other CTPF services.

Appointments are available Monday through Friday from 7:30 a.m. to 3:30 p.m. Scheduling an appointment with a counselor allows the counselor time to review your record and prepare any information you have requested.

Walk-in visitors may experience a long wait before seeing a counselor, and may have to schedule an appointment at a later date to allow the counselor time to research the issues raised during a meeting.

Walk-ins cannot be served after 3:30 p.m. Please call CTPF at 312.641.4464 to schedule your appointment.

## NEW MEMBERS JOIN BOARD *Continued from cover*

Schools since 1977. She has served as a CTU school delegate, district supervisor, paraprofessional leadership committee officer, and the professional problems committee chairperson. She is an active member of the American Federation of Teachers and the Illinois Federation of Teachers and teacher representative on the local school council. Other affiliations include MINT teacher mentor, GOLDEN lead mentor, and STAR Leadership Team.

### BOARD OF EDUCATION APPOINTMENTS

During the November 21 trustee meeting, Peggy A. Davis, a member of the Chicago Board of Education, was appointed to the CTPF Board of Trustees to fill the post vacated by Rufus Williams when he was elected president of the Chicago Board of Education. Davis will serve the remainder of Williams's term through November



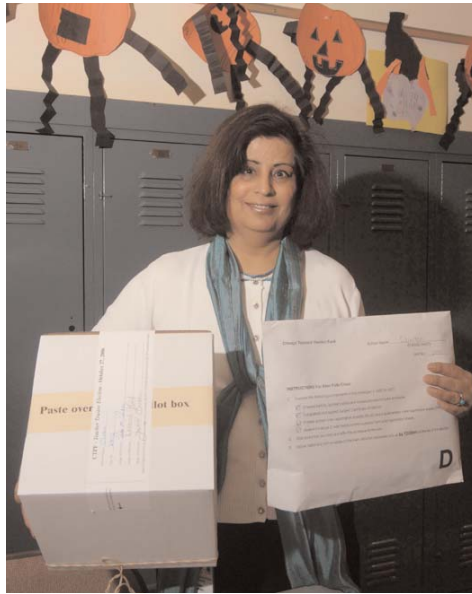
*Peggy A. Davis*

2007. Davis served as CPS Chief Executive Officer Arne Duncan's chief of staff from 2001 to 2003, during which time she was also a partner in the law firm of Winston & Strawn. As of August 1, she became vice president

for diversity at Exelon Corporation, having previously served as associate general counsel for compliance. She holds a bachelor's degree in social welfare and a J.D., both from the University of Wisconsin.

Davis is immediate past president of the Lawyers Trust Fund of Illinois board of directors, treasurer-elect of the board of directors of the National Association of Women Lawyers, and volunteer guardian *ad litem* counsel for Chicago Volunteer Legal Services.

Alberto A. Carrero, Jr., was reappointed to the CTPF Board of Trustees and will serve a 2-year term November 2006 – November 2008. Carrero, Jr., currently serves as senior vice president of the public banking division for Banco Popular North



*Pictured above, Zeba Zuberi, the pension representative from Clinton Elementary School, displays her sealed ballot box ready to be returned to CTPF. Pension representatives had busy mornings on October 27, 2006, as they conducted elections in their schools. More than 15,600 individuals at 580 schools cast ballots. The teachers elected 2 representatives to the CTPF Board of Trustees.*



*Alberto A. Carrero, Jr.*

America, the country's largest Hispanic-owned bank. His career with Banco Popular began in 1987. Prior to joining Banco Popular, Carrero, Jr., worked for the Federal Deposit Insurance Company in the New York region.

He graduated from the University of Puerto Rico with a degree in business administration and finance.

A member of the Chicago Board of Education since September 2002, in October 2002 he was appointed to serve on the CTPF board. Prior to his appointment to the Chicago Board of Education, he served for 3 years as a member of the City Colleges of Chicago Board of Trustees.

### 2006 – 2007 BOARD OF TRUSTEES

"We want to thank Rufus Williams for his service and wish him well in his new role as president of the Chicago Board of Education," remarked John F. O'Brill, president, CTPF Board of Trustees. "He's been a great asset to our organization. We also want to thank Connee R. Fitch-Blanks and Linda C. Porter for their dedicated service."

"We are also glad to welcome our new and continuing members. Reina Otero, Nancy Williams, Peggy A. Davis, and Alberto A. Carrero, Jr., are highly talented individuals with strong leadership skills. I'm looking forward to working with this talented group of individuals. They bring a wealth of knowledge and experience to CTPF," said O'Brill.

The 2006 – 2007 board consists of the following members:

#### REPRESENTING THE CONTRIBUTORS

Mary Hanson	Reina Otero
Lois Nelson	Maria J. Rodriguez
John F. O'Brill	Nancy Williams

#### REPRESENTING THE PENSIONERS

Vaughn J. Barber  
Walter E. Pilditch  
James F. Ward

#### REPRESENTING THE ADMINISTRATORS

James A. Cosme

#### REPRESENTING THE BOARD OF EDUCATION

Alberto A. Carrero, Jr.  
Peggy A. Davis

#### OFFICERS

President, John F. O'Brill  
Vice President, Lois Nelson  
Recording Secretary, Mary Hanson  
Financial Secretary, Maria J. Rodriguez

#### EXECUTIVE STAFF

Executive Director, Kevin B. Huber  
Chief Operating Officer,  
Patricia Hambrick



## PREPARING FOR RETIREMENT

Thinking about retiring in June 2007? The end of the school year may seem like a long time away, but your preparations for retirement should begin now. The staff at CTPF offers this advice to members thinking about retiring in June.

### START NOW

Retirement preparations should begin at least six months before you plan to retire.

### REVIEW, REQUEST, REGISTER

- Begin by reviewing your CTPF annual statement. Make sure your years of service are correct and your information is accurate. If there are any discrepancies, request further information from CTPF or from your employer.
- Request a Retirement Application Packet from CTPF Member Services or download one from the website.
- Contact CTPF Member Services to discuss your optimal retirement date.
- Request an estimate of your pension if you have not already done so. If you are considering an optional service purchase, ask that it be included in the estimate.
- Register for a 2007 Retirement Seminar by calling Member Services at 312.641.4464. Bring your retirement application to the seminar. Completed applications will be accepted at the seminar and additional help with the forms will be available.

### OBTAIN

Obtain copies of your vital records, including your birth certificate, your spouse's birth certificate, and your marriage certificate or a copy of a divorce decree, if applicable.



### INVESTIGATE

- Find out whether it would be to your advantage to purchase optional service for any approved leaves.
- Check on the status of any unpaid optional service or 2.2 upgrade contracts. Make sure you pay these contracts before you retire.
- Inquire with the Board of Education regarding PEP and ERO to see if it would be to your advantage to participate. The 2007 deadline to apply for either option is April 15.

### BUDGET

- Budget for the "gap period" post-retirement while your pension benefit is processed. Have at least three months of living expenses in savings before you retire.

### CONSIDER HEALTH INSURANCE

- If you are under age 65, you will need to apply for COBRA health insurance coverage with your employer.
- If you are or will be over age 65 at retirement, apply for interim coverage with your employer and apply for Medicare with the Social Security Administration.

### CONTACT

- If applying for a reciprocal pension, you must also contact the other system to apply for a reciprocal pension benefit.
- Contact your employer and resign.

## 2007 RETIREMENT SEMINARS ANNOUNCED

If you plan to retire at the end of this school year, call today to register for one of the CTPF retirement seminars. The seminars provide an overview of your retirement benefits, discuss health insurance coverage after retirement, and review the retirement process. You need only attend one session. Seminars will be: February 12, Holiday Inn Chicago Mart Plaza, 9:00 a.m. and 1:00 p.m.; February 19 and March 5, Marriott Chicago Midway, 9:00 a.m. and 1:00 p.m.

During the session, CTPF staff will help members complete the retirement application, provide notary service, and accept completed applications. The seminars will feature a presentation by CTPF and Chicago Public Schools staff, followed by a question-and-answer session. Members can also submit their completed retirement applications at the seminar.

Representatives of the Chicago Board of Education, the Social Security Administration, financial service vendors, and health care vendors will also be available to answer individual questions.

You must register to attend and space is limited. Call Member Services at 312.641.4464 to reserve your space. After you register, CTPF will send a confirmation along with a pension application and a list of required documents. The seminar is free.

*Attend CTPF's 2007  
Retirement Seminars,  
February 12 at the Holiday Inn  
Chicago Mart Plaza  
or February 19 or March 5 at the  
Marriott Chicago Midway*

We continue to be governed by a board of trustees. Our current board includes 12 members with 6 elected representatives from the contributors, 1 elected representative from the principals/administrators, 3 elected representatives from the pensioners, and 2 appointees from the Board of Education (BOE).

On October 27, 2006, our current contributors went to the polls and elected 2 representatives to serve 3-year terms. We are pleased to welcome Reina Otero and Nancy Williams, both current teachers, who will serve until November 2009. I want to thank outgoing board members Linda C. Porter and Connee R. Fitch-Blanks for their outstanding service and commitment to the fund. It has been a pleasure working with both of them.

We also want to thank Rufus Williams, a trustee since 2005, for his service and wish him well as he assumes his duties as the president of the Chicago Board of Education (BOE). We welcome his successor, attorney Peggy A. Davis, who will complete Williams's term through November 2007.

In addition, we welcome the reappointment of BOE representative Alberto A. Carrero, Jr., who has served the fund since November 2002 and will continue his service through November 2008.

These talented individuals complete a dedicated group of volunteer trustees who work several days per month. Trustees supervise money managers and carefully oversee benefits to make sure we provide high-quality services to our members and continue our strong financial position.

Because of the work of our trustees, CTPF continues to enjoy a healthy funding ratio. The funding ratio is a snapshot of our fund's health – it measures the amount of money we owe versus the amount we have. For a pension fund, a ratio above 80 percent is considered healthy. Many State of Illinois pension funds have a funding ratio between 50 and 60 percent. Our current ratio is 79 percent which means we have 79 cents in the bank for every 1 dollar we owe. One of the biggest ways to increase our funding ratio is to make sure that we receive all the revenue due to us. This past year, our mem-

bers helped prevent the BOE from taking a "pension holiday" in 2007 by writing to legislators and politicians to demonstrate their support of fully funding CTPF. Your efforts worked, as the BOE remains obligated to contribute almost \$80 million to CTPF by June 30, 2007. Our members also helped protect the annual state contribution of \$65 million, which is used to fund CTPF health insurance plans.

Some of you may have had the opportunity to see the November 7, 2006, *Chicago Tonight* story, run on PBS Channel 11, featuring the BOE and its funding crisis. I was interviewed for the story and reiterated the position of our trustees – the BOE must pay their pension bill in full every year. The BOE made an agreement in 1995 that cost the pension fund over \$2 billion between 1995 and 2005 and caused us to fall to a 79% funding level. The BOE created the crisis and is ultimately responsible for rectifying it. Please make sure that you continue to serve as our voice and write your legislators, the mayor, the governor, the Illinois speaker of the house, and the senate president to reaffirm that you expect them to protect your pension fund. The trustees appreciate your help and support.

In addition to making sure we receive all the funds due to us, the trustees worked to conserve fund resources. This past year, renegotiating investment contracts saved over \$1.3 million annually. Prudent management held our increase on healthcare costs to an average of 3% without cutting benefits or services.

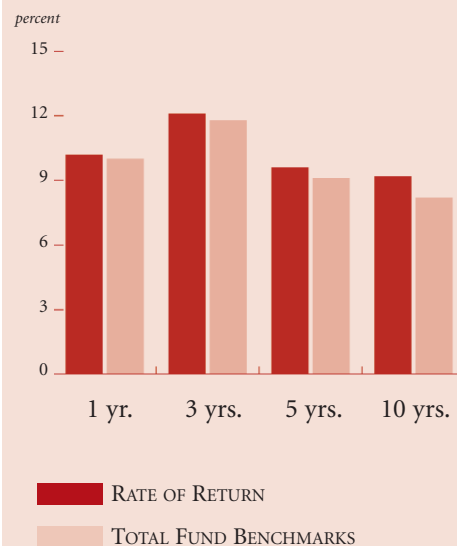
Looking back in the early meeting minutes, it's easy to draw parallels to our own era. While the early trustees struggled with different challenges (it's safe to assume that our current trustees don't have to worry about paying the Wagon Driver as the trustees of 1899 did) the work of CTPF has remained essentially the same. Investing funds and ensuring secure retirements for teachers was a priority for Illinois in 1895 and, with your help, remains a priority. We're proud to be a part of that legacy.

—Kevin B. Huber, executive director

## CTPF FINANCIAL SNAPSHOT

### CTPF RETURN ON INVESTMENTS\*

	RATE OF RETURN	TOTAL FUND BENCHMARKS
1 year	10.2	10.0
3 years	12.1	11.8
5 years	9.6	9.1
10 years	9.2	8.2



\*As of September 30, 2006. The approximate current value of the fund is \$11.5 billion. The largest single Chicago Teachers' Pension Fund holding is Exxon Mobil at approximately \$116 million.

## HEALTH FAIR OPEN ENROLLMENT SEMINARS PROVIDE ANSWERS

In October the Chicago Teachers' Pension Fund hosted two days of open enrollment seminars designed to explain the enrollment process to retirees. More than 600 guests attended the seminars, held October 3 at the Holiday Inn Chicago Mart Plaza and October 4 at the Marriott Chicago Midway. The seminars featured presentations by health insurance providers and representatives from CTPF as well as informal, one-on-one counseling sessions. Open enrollment ended on November 15. Elections made during the fall open enrollment period take effect on January 1, 2007.

At the health fair, attendees obtained provider directories and enrollment applications, learned more about health plans directly from plan representatives, and met with CTPF staff to ask questions. Attendees found the information and the format very positive.

"I found the seminar extremely helpful," commented Carl Williamson, who retired from teaching in 2005 with 27 years of service. "I'm coming off of COBRA and the opportunity to meet face to face to discuss my options was extremely helpful. I actually think I saved money and selected a better health plan."



*Above left, Marianne Schury, a CTPF Member Services supervisor, assists a member during the October 4 open enrollment health fair at the Marriott Chicago Midway.*

"I found the materials very helpful," said Sharon Lascola, who retired in 2001 with 30 years of service. "I also thought the location (Midway) was great."

"We always enjoy these opportunities to communicate directly with our members," remarked Kevin Huber, CTPF

executive director. "Bringing together the health insurance providers, our staff, and our members in a face-to-face setting really helps get complex questions answered. We are pleased with the feedback and look forward to continuing and improving this program in future years."



*Above left, Thaddeus Miedar, a 1994 retiree with 38 years of service, meets with Paula Rodriguez and Robert McGuffey, representatives of Humana Inc., during the open enrollment health fair at the Marriott Chicago Midway.*



*Kevin Huber, CTPF executive director, meets with a member during the question-and-answer session of the open enrollment health fair.*



## FIELD SERVICE REPRESENTATIVE UPDATE

In September Timothy Andrasek joined CTPF as a part-time field service representative. The unit continues to grow as requests for the field service workshops continue to grow.

The field service program, initiated last spring, is actively working with the membership to educate and improve communication. The response has been overwhelming. Field representatives have presented workshops at more than 80 schools thus far. To meet the goal of providing timely and relevant information to our active and retired teachers, field reps take advantage of every opportunity to present information to members.

The unit schedules presentations for teacher in-service and half days at individual schools. The unit is currently scheduling larger group educational sessions in part-

nership with the area cluster offices, including sessions for administrators and those contemplating retirement in the near future. Field Services has met special requests for educational sessions from the Principal's Association, and is scheduled to present information to the Illinois Federation of Teachers and Phi Delta Kappa National Education Sorority, Inc.

Special workshops are planned in the early spring for anyone anticipating retirement in 2007. To accommodate everyone, Retirement Seminars are planned for February 12, February 19, and March 5, 2007. See page 4 for more information.



Timothy Andrasek

## PENSION REPRESENTATIVE WORKSHOPS



Sharon Banks-Fallis, a CTPF field service representative, makes a presentation during the September 16, 2006, pension representative workshop held at the Holiday Inn Chicago Mart Plaza.

The CTPF held its second annual pension representative workshop on Saturday, September 16, 2006, at the Holiday Inn Chicago Mart Plaza. The workshop gave pension representatives a chance to learn more about CTPF benefits, to get an overview of the new field service program, and gave pension representatives the opportunity to review the teacher-trustee election process.

The workshop was well received by attendees. Mary Ridley, pension representative from Nettelhorst Elementary School, remarked "(Jacqueline) Umbles gave a great session with excellent information."

More than 160 current pension representatives attended the seminar. Linda Duplantis, the pension representative from Prussing Elementary School, commented "It was an excellent presentation, I learned a lot."

## CTPF CALENDAR

Trustee meetings, held in CTPF offices, are open to the public.

### December

- 21 9:30 a.m., trustee meeting
- 25 Christmas holiday, CTPF office closed

### January

- 1 New Year holiday, CTPF office closed
- 18 9:30 a.m., trustee meeting

### February

- 12 Lincoln's Birthday, CTPF office closed  
  
CTPF retirement seminars, Holiday Inn Chicago Mart Plaza, 9:00 a.m and 1:00 p.m.
- 19 Presidents' Day, CTPF office closed  
  
CTPF retirement seminars, Marriott Chicago Midway, 9:00 a.m. and 1:00 p.m.
- 20 9:30 a.m., trustee meeting

### March

- 5 C. Pulaski's Birthday, CTPF office closed  
  
CTPF retirement seminars, Marriott Chicago Midway, 9:00 a.m. and 1:00 p.m.
- 15 9:30 a.m., trustee meeting

### April

- 15 Deadline to sign up for PEP or ERO with the Board of Education
- 17 9:30 a.m., trustee meeting

### May

- 15 9:30 a.m., trustee meeting
- 28 Memorial Day, CTPF offices closed



Chicago Teachers' Pension Fund

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## CTPF BOARD OF TRUSTEES' MISSION STATEMENT

*To provide, protect, and enhance the present and future economic well being of members, pensioners and beneficiaries through efficient and effective management of benefit programs, investment practices and customer service, and to commit to earning and keeping the respect and trust of the participants through quality service and by protecting retirement benefits, in compliance with applicable laws and standards.*

### OFFICE AND MAILING ADDRESS

Chicago Teachers' Pension Fund  
203 North LaSalle Street, suite 2600  
Chicago, Illinois 60601-1210  
312.641.4464 phone  
312.641.7185 fax  
[www.ctpf.org](http://www.ctpf.org)  
[memberservices@ctpf.org](mailto:memberservices@ctpf.org)  
Office hours  
7:30 a.m. to 5:00 p.m. Monday through Friday

### BOARD OF TRUSTEES

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