The holiday season is a time when many of us reflect on the past, give thanks for what we have, and show our appreciation for others with gifts.

This is a year of economic hardship for many and it would be easy to look at our guaranteed pensions and conclude that our retirement benefits are a wonderful gift – but this would be a mistake. While we are grateful for our pensions that provide a steady income for life, it’s important to remember that our pensions are not gifts. Pensions reflect compensation earned and deferred until retirement. When our members retire, they apply for and receive benefits accrued throughout a productive career.

Each pay period, a member’s employer withholds a percentage of funds and remits this money to CTPF. These funds are then invested and used to pay pension benefits. Once a member qualifies for a pension it is guaranteed by Illinois law and cannot decrease. While a guaranteed monthly income at retirement is certainly something to be grateful for – it is not a gift – it is a law.

Continued on page 2
Laws in Illinois are made by the General Assembly, which includes a 59-member Senate and a 118-member House of Representatives. Our lawmakers have the power to influence our pensions and to change laws that direct how CTPF receives funding from our employers. Our membership, however, has the power to educate and influence lawmakers.

During the past year we have called upon our members to appeal to lawmakers on behalf of the fund. In 2010, action by our membership will be even more important.Lawmakers need to understand that even during difficult financial times, funding pensions makes financial sense for our state. Pensions provide modest and stable income for retirees and support the economic activity of our state. Every $1 paid out in the form of a pension supports $1.50 in economic activity in the State of Illinois.

Page 7 details additional information about the legislative process and lists state lawmakers who influence pension policy in Illinois. As the battle for state funding continues, we need to make sure our legislators understand that our pensions are contracts, guaranteed by the Illinois constitution, and financed through years of hard work. I hope you will put your skills to work and educate your legislators so they understand CTPF’s three basic priorities:

1. CTPF funding needs to be restored and increased. In 2009, the State of Illinois cut CTPF funding by 50% to $32.5 million. At a minimum, this amount needs to be restored. The amount that CTPF receives from the state is a fraction of what other state systems receive.

2. State senators and representatives should support legislation that allows CTPF to increase the amount of money it can spend on retiree health insurance. Without a change in legislation, CTPF will be forced to limit the amount it can rebate to members.

3. The Chicago Public School system needs to fulfill its obligation to CTPF. Even in difficult financial times, pension obligations need to be paid.

Our website www.ctpf.org has a link to help you locate your individual legislators. I hope that you will take the time to write, e-mail, call, or visit your legislators on behalf of CTPF.

The laws that govern our fund are established by the State of Illinois, but the fund’s operation is managed by a 12-member Board of Trustees. The board includes 10 elected members representing contributors, pensioners, and principals/administrators and 2 members appointed by the Board of Education. The trustees meet monthly to conduct the business of the fund.

This fall, teachers and pensioners went to the polls and elected two new teacher trustees and re-elected three pensioner trustees. I want to thank outgoing teacher trustees Nancy Williams and Reina Otero for their dedicated service and wise counsel during the past three years.

We welcome our new teacher trustees, Lois W. Ashford and Jay C. Rehak, who will serve three-year terms, and welcome back Board of Education appointee Peggy A. Davis and pensioner trustees Walter E. Pilditch, Mary Sharon Reilly, and James F. Ward who will serve two-year terms.

Reflecting back on 2009, I want to thank our trustees and members who have worked diligently to ensure the security of our pensions. Future generations of teachers are counting on us to fulfill the promise of a strong and secure retirement. With your help, we will. Best wishes for 2010.

Kevin B. Huber, executive director
“We are very pleased that both elections ran smoothly and that we had strong turnouts,” said Frances Radencic, election coordinator. “The election was organized by Election Services Corporation and conducted by more than 500 volunteer Pension Representatives and Canvassing Board members. We want to acknowledge and thank the Pension Representatives for their work in the field and the Canvassing Board members who provided assistance at the CTPF office. These members worked tirelessly to ensure a fair and valid election.”


**Officers Elected**

During the November 17, 2009, meeting the CTPF Board of Trustees elected officers for the 2009-2010 year. The following trustees will serve as officers through November 2010: President, John F. O’Brill; Vice President, Linda S. Goff; Financial Secretary, Lois Nelson; and Recording Secretary, Maria J. Rodriguez.

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**Medicare Part B Premium Rebate for 2010**

On January 1, 2010, monthly Medicare Part B premiums will increase from $96.40 to $110.50 for some Medicare enrollees. The increase will apply to:

- New 2010 Part B enrollees
- Current Part B enrollees who do not receive a Social Security benefit
- Part B enrollees who are subject to income-related premium adjustments

Retirees affected by the increase who are enrolled in a CTPF-sponsored Medicare plan and make payments directly to Medicare must provide CTPF with written proof of the increase. CTPF will then adjust the Part B premium subsidy. Acceptable proof includes a Center for Medicare and Medicaid Services premium notification letter or a Medicare premium bill.

If CTPF deducts a Medicare premium payment directly from your monthly benefit payment, you do not need to provide documentation. The adjustment will be made automatically.

Call Member Services at 312.641.4464 with questions regarding documentation requirements.
Planning to Retire in 2010? Start Now...

Making the decision to retire from active service requires careful thought and advance preparation. The following advice can help ensure a smooth transition:

**Get the Facts**
- If you have not already done so, request an estimate of your pension.

**Know Your Options**
- Investigate whether it is to your advantage to purchase optional service for any approved leaves, previously refunded service, or teaching time in another public school system outside Illinois. Request an optional service bill to determine if a purchase makes financial sense. The request does not obligate you to make a purchase, but it may help determine your options.
- Check on the status of any unpaid optional service or 2.2 upgrade contracts. You must complete payment of these contracts before you retire.
- Check with the Board of Education to see if you qualify for any pension enhancement programs.

**Register and Request**
- Register for a 2010 Retirement Seminar (see below). If you need additional assistance, schedule an appointment with a Member Services counselor at 312.641.4464.

**Obtain**
- Obtain copies of your vital records including your birth certificate, your spouse’s birth certificate (or death certificate), and a marriage certificate or divorce decree, if applicable.

**Consider Health Insurance**
- Consider your post-retirement health insurance options carefully. See Post-Retirement Health Insurance at right for more information.

**Reciprocity**
- If you plan to retire under the provisions of the Illinois Reciprocal Act you must declare your intent at retirement, meet the requirements and file applications with each system. Contact each system for the appropriate forms.

**Register Now for 2010 Retirement Seminars**

CTPF will host six retirement seminars in February and March 2010, to educate and inform members considering retirement. The seminars provide an overview of retirement benefits, discuss health insurance options, and review the retirement process.

Sessions are 9:30 a.m. - 12:00 p.m. and 1:30 p.m. - 4:00 p.m. Members need only attend one session. The 2010 dates are:
- **February 12:** O’Hare Marriott, 8535 West Higgins Road, Chicago
- **February 15:** Hilton Oak Lawn, 9333 South Cicero Avenue, Oak Lawn, Illinois
- **March 1:** Hilton Oak Lawn, 9333 South Cicero Avenue, Oak Lawn, Illinois

The seminars feature presentations by CTPF, CPS, and Social Security Administration staff, followed by a question-and-answer session.

After the presentation, CTPF staff will assist members completing retirement applications. Representatives from CPS, the Social Security Administration, and independent financial service vendors will also be available to answer questions.

The seminar is free but registration is required and space is limited. Call 312.641.4464 to reserve.
Retirement Health Insurance

Medicare and non-Medicare health care plans for retired teachers and their eligible dependents. Medicare-eligible retirees must be enrolled in both Medicare Parts A and B to qualify for a CTPF Medicare plan. Retirees who plan to enroll in a CTPF plan must contact CTPF to request enrollment appropriate forms.

- Medicare – Medicare is the federal health insurance program for individuals who reach age 65, receive Social Security disability benefits for over 24 months, have end-stage renal disease, or receive benefits due to ALS. Contact Medicare for more information.
- Other Group insurance – you may qualify for coverage under a spouse’s plan.
- Private insurance – you may choose to enroll in an individual insurance plan offered through a private company.

CTPF Health Insurance Plans

CTPF offers a variety of plans for retirees, survivors, and eligible dependents. Dependents must be covered under the same insurance carrier as the retiree. The 2010 Health Insurance Open Enrollment Handbook, available at www.ctpf.org or from Member Services, contains detailed information about plans offered, eligibility requirements, and premium costs.

CTPF Non-Medicare Plans

CTPF offers the following types of plans to Non-Medicare eligible retirees:
- Preferred Provider Organization
- High Deductible Health Plan with Health Savings Account
- Health Maintenance Organization

CTPF Medicare Plans

CTPF offers the following plans to Medicare-eligible retirees. You must show proof of Medicare Part A and Part B coverage prior to enrolling in one of these plans:
- Medicare Supplemental Plans fill the “gaps” in original Medicare coverage. These plans help pay some costs not covered by Medicare and include prescription drug coverage.
- Medicare Advantage Plans replace standard Medicare benefits. The plan administrator assumes the cost of services provided to you, less applicable copayments. These plans include prescription drug coverage.

How do I Enroll?

If you plan to enroll in a CTPF health insurance plan, you must contact CTPF and request the appropriate health insurance application. Retirees ending COBRA continuation coverage should submit health insurance applications to CTPF two months prior to the termination of coverage.

Who Can Join?

CTPF retirees, survivors, and their eligible dependents may qualify to enroll in a CTPF insurance plan.

When Can I Join?

You may only enroll in a CTPF health insurance program once in your lifetime. Retirees may initially enroll in CTPF coverage:
- within 30 days after COBRA continuation coverage terminates (unless termination is due to non-payment)
- within 30 days of the effective date of pension benefits
- when coverage is terminated by another group health insurance plan through no fault of your own
- when you become eligible for Medicare

It is your responsibility to contact CTPF to request the enrollment forms and to file completed forms on time to ensure continuation of coverage.

In addition to the initial enrollment period, you may enroll in a CTPF plan or add an eligible dependent during the annual open enrollment period (each fall) or within 30 days of a qualifying event. Qualifying events include: marriage, birth, adoption, legal guardianship, a change in permanent address that affects availability of an HMO or Medicare Advantage plan, or termination of a Primary Care Physician for an HMO or POS plan.

Continued on page 6

CTPF Calendar

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

December
25 Christmas, office closed

January
1 New Year’s Day, office closed
14 9:30 a.m., investment committee meeting
18 Martin Luther King, Jr., Birthday, office closed
21 9:30 a.m., trustee meeting

February
11 9:30 a.m., investment committee meeting
12 Lincoln’s Birthday, office closed
12 9:30 a.m. and 1:30 p.m. (attend one), CTPF Retirement Seminar, O’Hare Marriott, 8535 West Higgins Road, Chicago
15 President’s Day, office closed
15 9:30 a.m. and 1:30 p.m. (attend one), CTPF Retirement Seminar, Hilton Oak Lawn, 9333 S. Cicero Avenue, Oak Lawn, Illinois
18 9:30 a.m., trustee meeting

March
1 C. Pulaski Day, office closed
1 9:30 a.m. and 1:30 p.m. (attend one), CTPF Retirement Seminar, Hilton Oak Lawn, 9333 S. Cicero Avenue, Oak Lawn, Illinois
11 9:30 a.m., investment committee meeting
18 9:30 a.m., trustee meeting

April
8 9:30 a.m., investment committee meeting
15 9:30 a.m., trustee meeting

May
13 9:30 a.m., investment committee meeting
20 9:30 a.m., trustee meeting
31 Memorial Day, office closed

Office/Mailing Address
Chicago Teachers’ Pension Fund
203 North LaSalle Street, suite 2600
Chicago, Illinois 60601-1231
312.641.4464 p. 312.641.7185 f.
www.ctpf.org memberservices@ctpf.org

Office hours: 8:00 a.m. – 5:00 p.m. M-F
The Chicago Public School system implemented a new payroll management system in March 2007. CTPF has not received complete and accurate payroll data from CPS since that time. The lack of accurate data has impacted all CTPF members.

**Recent Retirees**

Since June 2007, new retirees have been issued preliminary pensions that fund between 90 and 95% of the final pension amount. Preliminary pensions are based on the information available to CTPF at the time of retirement. Once CTPF receives final payroll data from CPS, preliminary pensions are converted to final pensions and retirees receive a retroactive adjustment.

All 2007 retiree pensions have been finalized and records for 2008 and 2009 retirees are currently being processed.

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**Active Teachers**

**Member Statements**

The lack of individual payroll data has delayed the issue of both 2008 and 2009 Member Statements.

**Pension Estimates**

Active teachers who request pension estimates may receive a low estimate. The estimates being processed have to be understated due to the lack of current data.

**Refunds and Service Purchases**

Teachers who are terminated or resign are experiencing delays in processing refunds. Some 2007 refund applicants, as well as 2008 and 2009 applicants, are waiting for all or a portion of their contribution refunds. In addition, some requests for optional service bills cannot be processed without current salary information.

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**CPS Payroll Data Update**

The Chicago Public School system implemented a new payroll management system in March 2007. CTPF has not received complete and accurate payroll data from CPS since that time. The lack of accurate data has impacted all CTPF members.

**Post-Retirement Health Insurance**

*continued from page 5*

**Cost**

Health insurance costs vary according to each type or program. The costs for CTPF plans can be found in the 2010 Open Enrollment Handbook. CTPF offers a health insurance rebate program which pays a percentage of health insurance and Medicare premium costs for eligible CTPF retirees. The CTPF Board of Trustees has authorized a 70% subsidy of health insurance premiums through June 2010. See page 18 of the Handbook for more information.

**Dental Insurance**

CTPF does not offer dental insurance to retirees. The American Federation of Teachers (202.879.4400), the Chicago Teachers Union (312.329.9100), and the Retired Teachers Association of Chicago (312.939.3327) may offer dental insurance plans to CTPF retirees.

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**Annual Report**

CTPF's auditor finalized the necessary data and finished the 2007-2008 fiscal year audit. The 2007-2008 Comprehensive Annual Financial Report was mailed to all schools on CD-Rom and is available online at www.ctpf.org.

**Updates**

CTPF understands that these are important issues for our membership and will provide updated information at www.ctpf.org and in Pension News, as developments occur.
Illinois’ Legislative Process

Illinois legislative power is vested in a General Assembly consisting of a 59-member Senate and a 118-member House of Representatives. Either branch may initiate legislation but all legislation must pass both houses before it becomes law.

The General Assembly convenes on the second Wednesday in January each year and adjourns at the end of May. Any bill passed after May 31 cannot take effect until June 1 of the following year unless the bill passes both the house and senate by a three-fifths majority. The assembly normally reconvenes in October or November for two weeks to consider the Governor’s vetoes.

Legislation and CTPF

Legislation has become increasingly important to CTPF and its members. Budget cuts have reduced the amount of money CTPF receives from the State of Illinois from $65 million to $32.5 million. Illinois law also limits the amount CTPF is allowed to spend on health care for its retirees. Understanding the legislative process in Illinois, getting to know individual legislators, and educating legislators about issues of importance to CTPF members can help to ensure that CTPF’s needs are met now and in the future.

Talking points and additional information about topics of interest to CTPF members are available at www.ctpf.org.

Contacting Legislators

Locate your local legislators through the “locate your legislator” link at www.ctpf.org. You may also want to contact House and Senate pension committee members who play an important role in determining pension legislation.
Chicago Teachers’ Pension Fund
203 North LaSalle Street, suite 2600
Chicago, Illinois  60601-1231

C T P F
Chicago Teachers’ Pension Fund

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.

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Thinking of retiring in 2010? Register Now for a 2010 Retirement Seminar. CTPF will host six retirement seminars in February and March to educate and inform members considering retirement. See page 4 for information on registration.