

Public School Teachers' Pension and Retirement Fund of Chicago

228 North La Salle Street, Chicago, Illinois 60601

PENSION NEWS

April, 1982

YOUR MONEY BACK

Many teachers now ask about a refund of contributions made since September 21, 1981. That is the date the Board of Education started paying seven of every eight dollars required under Illinois law to be deducted from salaries for pension benefits.

Two months after permanent separation from service, any teacher may apply for a refund of his contributions and any made on his behalf. This includes those made by the Board of Education.

A refund includes contributions without interest, and acceptance of a refund terminates membership in the Fund and cancels all service credits previously established. In order to apply for a refund, a contributor must officially terminate service and wait two months before an application for refund may be submitted. For further details, see the pamphlet "Refund of Your Contributions". It should be available from your Pension Representative or can be obtained from the Pension Office.

FEDERAL ISSUES

President Reagan has appointed a special committee to complete an in-depth study of Social Security issues, with the report due in December. Congressional action on Social Security matters will likely be delayed until at least December, or until next year when newly-elected members of Congress will take office. Thus, we do not expect any extension of the Social Security/Government Pension Offset to be passed by the December 1982 deadline. Chicago teachers concerned with the federal offset or any other Social Security questions may need the following address:

Mr. Robert J. Myers, Executive Director
National Commission on Social Security Reform
736 Jackson Place, N.W.
Washington, D.C. 20503

On June 11, 1981, the Board of Trustees passed a resolution opposing PERISA legislation that would require federal regulation of state and local retirement plans. Such legislation has been reintroduced in the House of Representatives by Mr. Erlenborn from Illinois (H. R. 4928) and Mr. Burton from California (H. R. 4929). Comparable legislation has been introduced in the Senate (S. B. 2105 and S. B. 2106 respectively) by Sen. John Chafee of Rhode Island. There are also a number of bills in Congress that would exempt a specified amount of retirement income from federal taxes. Chicago teachers and pensioners may wish to contact their individual congressmen to express their views on these issues at this time.

ELECTION OF PENSION FUND REPRESENTATIVES & JUDGES

May is the month for in-school selection of Judges for election of Pension Fund trustees. Schools in even-numbered districts elect Judges in even-numbered years; schools in odd-numbered districts elect Judges in odd-numbered years. The Judge who receives a plurality of votes cast in each school shall serve as Pension Fund Representative for that unit. Election instructions are being prepared and will be sent to the schools shortly.

Judges elected by the contributors are responsible for conducting an efficient election of trustees in October. Our goal is 100% participation in the fall election this year.

BLUE CROSS-BLUE SHIELD OPEN ENROLLMENT INCREASE OF MEDICARE PREMIUMS

The 1982 Blue Cross-Blue Shield open enrollment for teacher-pensioners will be held September 1 through October 31, 1982. Membership will become effective January 1, 1983. Annuitants should request an application form from the Pension Office by September 15, 1982. Applications received after October 31st cannot be accepted. The base rate for Medicare (Part B) for all subscribers will be increased from \$11.00 to \$12.20 per month effective July 1, 1982. The increase will affect June 1982 checks because premiums are paid one month in advance.

FIFTY AND OUT

In April of 1932 the Fund offices were moved to the Builders Building at 228 N. La Salle Street. In April of 1982 they will move to 205 W. Wacker Drive, Chicago, Illinois, 60606.

Please remember that virtually all of your Pension Office business can be conducted through the mails or over the phone. While contributors are always welcome to visit the office, such a trip is not necessary to apply for benefits or to conduct any pension-related business.

RESULTS OF 1981 OPERATIONS

The results of operations for the 1981 fiscal year display constructive progress. Contributors will be pleased to know that the average yield on the investment account (based upon amortized cost for bonds and current rate of return for stocks and short term investments) as of August 31, 1981 was 10.7%, compared with 10.0% a year earlier. Given the Fund's objectives of safety of principal, long-term growth, and maintenance of the standards required by the Illinois Pension Code, this rate of return is considered highly successful, and compares very favorably with those of many other Illinois public employee pension plans. Total benefits paid were \$85,812,700, including monthly checks sent to 9,000 annuitants and death benefits paid to heirs of teachers and pensioners.

Complete details of the fiscal operations are available in the 86th ANNUAL REPORT, two copies of which will be sent to each school. This report contains a Summary of the Year's Operations by Robert T. Wilkie, President of the Board of Trustees, a report by the actuary, A. A. Weinberg, and the audit report of the Fund's financial position completed by Ernst & Whinney, certified public accountants.

1982 LEGISLATIVE PROPOSALS

At the February 18, 1982 meeting of the Board of Trustees, the following proposals were adopted as the 1982 Legislative Program, with the understanding that appropriation bills will take first priority.

1. Revise the Automatic Annual Increase from 3% to 4% per year.
2. Reduce the discount for retirement before age 60 to 1/4% from 1/2% for each month under age 60 beginning with retirement occurring on or after July 1, 1982.
3. Start Automatic Annual Increases at age 56 instead of 61 years of age.
4. Grant military service credit (up to 2 years) served before pension period, subject to statutory cost requirements
5. Revise the \$7,500 single payment death benefit maximum by raising it to \$10,000. Change the 1/5 per year decrease of death benefit after retirement to 1/10 per year with a minimum of \$5,000.
6. Revise the Automatic Annual Increase to include all those receiving survivor pension after age 55.
7. Change Reversionary Pension to restore original pension to pensioner when the reversionary beneficiary predeceases the pensioner.
8. Allow remarriage of surviving spouse with no loss of survivor pension after age 55.
9. Amend the early retirement provision to provide the same early retirement benefits to Chicago teachers as currently exist for other teachers in Illinois.

SUGGESTIONS?

We welcome your suggestions of topics to be covered in future editions of PENSION NEWS.

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