

**Public School Teachers' Pension and Retirement Fund
of Chicago
www.ctpf.org**

PENSION NEWS

December 2001 Issue



Pension Fund Trustee Elections. Pension fund trustee elections and appointments took place during October and November 2001, resulting in the following seven appointments:

- Reappointment of *employer-trustee Gene R. Saffold*, October 24, 2001 by Chicago Public Schools board of trustees.
- Reelection of *teacher-trustee Patricia Knazze*, October 26, 2001.
- Election of new *teacher-trustee Rose Mary Finnegan*, October 26, 2001.
- Election of new *principal-trustee Terri Katsulis*, November 5, 2001.
- Reelection of *pensioner-trustee Carole Nolan*, November 14, 2001.
- Election of new *pensioner-trustee Zygmunt K. Sokolnicki*, November 14, 2001.
- Reelection of *pensioner-trustee James F. Ward*, November 14, 2001.

Congratulations to all of the newly elected and appointed trustees. Additionally, sincere appreciation is extended to recent trustees John F. O'Brill, who served the pension fund from November 1995 – November 2001, Edward A. O'Farrell, November 1999 – November 2001, and Walter Pilditch, November 1995 – November 2001, for their many years of dedication and service.

Thanks to Pension Representatives and Judges. Special thanks are extended to the many pension representatives and judges within the Chicago Public Schools who assisted in the pension trustee elections. Additionally, pension representatives make sure that all of the pension related information mailed to the schools, including the annual contribution statements, is delivered to the teachers. Thanks to all of the pension representatives for all of their great work! If teachers don't know the pension fund representative in their school, they should ask their principal or contact our office.

Pension Contribution Statements Coming to Teachers. Pension contribution statements will be delivered to the schools during the week prior to Winter Vacation.

Legislative Update. The pension Board of Trustees is pleased to report its legislative agenda for the upcoming year. A more detailed description of these items is available using our website at www.ctpf.org. Last year's bill numbers are indicated below.

- Begin automatic annual increase one year following retirement.
- Increase automatic annual increase (AAI) from 3% to 4% (SB513).
- Change number of years in calculation of average salary from highest consecutive four of last ten to highest three of last ten (SB515).
- Amend provision for contributions for leaves of absence to allow up to three years (HB832).
- Reduce number of years required for service retirement pension without a discount from 34 to 30 (HB836).
- Provide inflationary trigger mechanism when the Consumer Price Index (CPI) exceeds 6% in any calendar year. The automatic annual increase (AAI) in such year would then be 3% plus the difference between the CPI and 6% (SB976).
- Provide guarantee of funding by the State of Illinois (SB191).
- Provide an ad-hoc increase for pensioners (HB833).
- Provide a 5+5 early retirement incentive.
- Modify certain requirements for receiving survivor pensions (HB1993).
- Provide early retirement option (ERO) as an annual option to teachers, as it is for other Illinois teachers (HB1996).
- Provide dependent beneficiary (parent or disabled child) eligibility for a survivor pension (SB821).
- Provide all income to be pensionable (SB675).
- Increase the maximum pension percentage to 80% from 75% (SB674).
- Provide refunds of excess contributions to survivors of deceased pensioners.
- Provide a minimum pension of \$16,000 per year plus the automatic annual increase (AAI) for pensioners who retired with at least 20 or more years (SB507).
- Increase the maximum number of sick days used to compute additional pension credit from 244 to 315 (SB4425).
- Provide a service retirement pension for members with 10 or more years and minimum age of 60 years (HB2210).
- Extend the deadline to pay for 2.2 upgrade costs by pension check deductions beyond June 30, 2003 (HB1995).
- Provide a temporary disability benefit to teachers (HB2157).
- Provide the automatic annual increase (AAI) to disability and reversionary pensions (SB673).
- Provide minimum survivor benefit equal to \$400 per month per survivor.
- Pay 5% interest on all refunds of contributions (HB2212).
- Pay survivor refunds with 5% interest when survivor predeceases the teacher pensioner (SB670).
- Forgive portion of remaining upgrade costs if teacher or pensioner dies before completing payments (SB514).
- Provide pension fund benefits to domestic partners.
- Provide minimum survivor benefit payable upon death of teacher or pensioner which occurred prior to 12/31/86.
- Allow payment for creditable service through tax deferred employer payroll deductions.
- Remove teaching restrictions while collecting retirement pension.
- Amend law to allow refunds of 2.2 upgrade costs to active teachers with 30 or more years of creditable service.

1993 5+5 Retroactive Payments. Separate cash distributions and rollover distributions for the 1993 5+5 estimated lump sum payments were made in early December 2001. Due to the high volume of work to be completed, final computations and distributions are scheduled to take place from February 2002 through December 2002. Thank you for your patience.

2.2 Upgrade Costs for Pensioners who Retired with 30 or More Years of Service. With outside computer programming assistance recently approved, recalculations of pensions and/or refunds to pensioners who retired prior to the change in the law with at least 30 years of service will soon begin. Members should be patient, however, and expect to receive payments no earlier than *June 2002*. Pensioners that had 2.2 upgrade costs deducted from their pension checks saw those deductions stopped beginning *October 1, 2001*. In accordance with current state and federal laws, current teachers will be paid their 2.2 upgrade refunds only upon retirement. 2.2 deductions currently made from teacher salaries continue to be in accordance with the state and federal laws. However, refunds of 2.2 upgrade costs will include interest of 5% per year paid from the date of receipt to the date of refund. **The pension board, Chicago Teachers Union and Chicago Public Schools are working together to amend the law to allow refunds to active teachers.** Any change in the law would be effective upon the Governor's signature. Give direction to your elected leaders through the pension fund website or directly to the *legislative action center* at www.aft.org/index.html.

Turning Age 65 or Older? Please apply for Medicare Parts A and B during the months of January – March 2002 if you have not already done so. Pensioners age 65 or older without Medicare Parts A and B will *not* be eligible to purchase health insurance from the pension fund beyond June 30, 2002. Call the office or your local Social Security office for more information.

Call Congress: Full Social Security for Teachers. A congressional bill, HR 2638, would repeal the laws that reduce Social Security payments by 50% for many retired teachers. Current laws penalize Illinois teachers who earn the required number of Social Security credits with extra employment outside of school. Help make this change. Give direction to your elected leaders through the pension fund website or directly to the *legislative action center* at www.aft.org/index.html.

Keeping in Touch. When writing or emailing our office, please remember to include your name, address and telephone number if you wish to be contacted. It is also helpful to know whether your teaching status is active, former or retired, so that we may direct your request to the appropriate department. Thank you for helping us to help you!

Board of Trustees

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55 W. Wacker Drive, Chicago, Illinois 60601 www.ctpf.org • Telephone: (312) 641-4464 • Fax: (312) 641-7185

