Public School Teachers' Pension and Retirement Fund of Chicago
228 North La Salle Street, Chicago, Illinois 60601

Please Post

PENSION NEWSLETTER

TRUSTEES' ELECTION

Bulletins, notices and election materials regarding the trustees' election will be sent to the pension representative in each school. It is important for every school to have a pension representative and two judges of election. The pension representative is the person to contact regarding pension literature, forms, etc. This important person serves as the liaison to bring to the contributors the information from the Pension Office and to conduct an election in the school in accordance with the instructions of the trustees. Please report to the Pension Office any changes of pension representatives.

The Board of Trustees of the Public School Teachers' Pension and Retirement Fund is composed of nine members. Three trustees are elected by the Chicago Board of Education from their membership to serve on the pension board and six members are contributors to the Fund. During October of each year two contributors are elected to serve for a three-year term. These trustees set policy for the operation of the Fund and assume great responsibilities in relation to this service. They have your future in their hands.

Therefore, all contributors should exercise their vote and give attention to the selection of capable trustees. Be sure to read posted bulletins and vote on October 22!

WATCH FOR ELECTION BULLETINS

DESIGNATION OF BENEFICIARY

This summer the Pension Office undertook the enormous task of checking to determine if a designation of beneficiary was on file for every contributor. Each teacher will receive an annual statement in late October with information as to whether a designation is on file and the date filed. Also, a blank designation form will be in the statement envelope for use if needed.

The contributor may designate anyone of his choice as beneficiary. These benefits are paid at the time of death on written application to the Fund.

Death benefits are described on page 14 of Pension Facts.

In the event that no designation of beneficiary is furnished by the member, death benefits shall be paid to the estate of the contributor. This requires probate. By properly designating beneficiaries, the delay, inconvenience and expense of probate proceedings can be avoided.

Please check your next annual statement and follow through. Our goal is a designation of beneficiary for every contributor.

BC/BS OPEN ENROLLMENT FOR PENSIONERS

From time to time pensioners who are not presently members of Blue Cross-Blue Shield have requested to join the pensioners' group. Previous to this open enrollment membership was only transferable at the time a contributor applied for pension.

Blue Cross and Blue Shield have now provided an opportunity for open enrollment. It will be held in the month of October of each even-numbered year, starting in October 1976.

Applications received in the Pension Office between October 1 and November 1, 1976 will become effective in January 1977.

During the month of September the Pension Office will send materials for making application for Blue Cross-Blue Shield coverage to pensioners not presently covered under the plan. Also, application forms for spouses not covered at present may be requested by writing to the Pension Office.

No application received after November 1, 1976 will be processed in this enrollment period. The next enrollment will be October 1978.

1976 LEGISLATIVE PROGRAM

Pension legislation during the 1976 session was primarily confined to appropriation bills and funding.

Senate Bill 1935 appropriated $41,419,400 for the fiscal year from July 1, 1976 to June 30, 1977 for the Teachers' Retirement System of the City of Chicago. This bill was signed by Governor Walker on July 30, 1976. The appropriation was an increase over the appropriation of last year.

Senate Bill 1999 was amended to permit contributors to make contributions for the lay-off period. This bill was adopted in the House of Representatives but was defeated by 2 votes in the Senate and referred to the pension committee.

The Illinois Public Employees Pension Laws Commission has advised all pension funds to place attention on funding and paying for present benefits rather than introducing additional benefits which increase the unfunded liability. Legislators are realizing the costs involved in increased benefits.

Senate Bill 1594, known as the Pension Impact Note Act, was passed. It requires any bill introduced in either house which amends the Pension Code to be accompanied by a written pension system impact note prepared by the Pension Commission which includes an analysis of the financial impact of the bill in relation to the Commission's recommended standards.

At the September 17, 1976 meeting, the Board of Trustees will take under consideration their legislative program for 1977.

FEDERAL LEGISLATION FOR PUBLIC PENSION FUNDS

The trustees of the Public School Teachers' Pension and Retirement Fund of Chicago have been studying and reviewing the effects, consequences and requirements of pending federal legislation introduced into Congress by Rep. Dent and Rep. Erlenborn as H. R. 13040 and better known as PERISA.

The PERISA legislation deals primarily with fiscal accountability and will require few changes in our accounting and reporting procedures.

The results, if PERISA is passed, would require more actuarial studies, audits by C. P. A. firms and more reporting. Several major pension groups and organizations have expressed opposition to PERISA. It is unlikely that any action will be taken on this bill in 1976.

The Federal Employee Retirement Income Security Act of 1974, known as ERISA, omitted public employees from its mandatory vesting and funding requirements, but provided for a two-year study of the question whether and to what extent regulations should be extended to the public systems. This study is to be completed by December 1976. Our Pension Fund has participated in this study.

The Illinois Public Employees Pension Laws Commission resolved that (1) H. R. 13040 was premature in that it was not predicated upon the results of the completed study mandated by ERISA, (2) the provisions of reporting disclosure and fiduciary responsibilities are presently in effect in the State of Illinois, (3) the duplication of efforts would bring about a considerable amount of additional work and expense for public employee retirement plans and (4) any legislation should be deferred until the many problems of ERISA have been solved.

The Municipal Finance Officers Association vigorously opposes the adoption of H. R. 13040 at this time. In addition to opposing to its prematurity, the MFOA is concerned as to the legality of infringing on the state and local governments' rights to maintain and control their own retirement plans.

The Fund's trustees and professional staff are keeping informed and up to date on this issue. The contributors will be made aware of any new legislation or developments.

9/3/76