2023 Retirement Webinar

RETIREMENT ON THE HORIZON
AGENDA

✓ Stakeholder Introductions
✓ Important CTPF Reminders & Tips

UNDERSTANDING THE RETIREMENT PROCESS

✓ Resignation Process with Your Employer
✓ Retirement Process with CTPF
✓ Questions & Answers
STAKEHOLDER ORGANIZATIONS

Retired Teachers Association of Chicago (RTAC)
www.rtac.org

Chicago Teachers Union (CTU) Retiree Unit
www.ctulocal1.org

Chicago Principals and Administrators Association, Auxiliary 16
chicago.theschoolleader.org
The best way to send documents to CTPF is electronically:

- Fax to 312.641.7185 or
- Email with attachment to imaging@ctpf.org

We highly encourage electronic document submission.

After documents are sent via fax or e-mail please send the originals to CTPF.
REGISTER FOR myCTPF

CTPF has launched a Self-Service Portal, myCTPF. Members who register for myCTPF create their own unique User ID and password. Once an account is created, members can use myCTPF to securely access CTPF documents and information.

Registered members can:

- View and update your address (if you are not currently contributing to CTPF).
- Keep your phone number and email address up to date with CTPF.
- View your benefit status information.
- View and download your annual Member Statement if you have service credit with CTPF.
- Request an estimate of your CTPF retirement benefit (if you meet the eligibility requirements).
Chicago Public Schools

Resignation Process
RESIGNATION PROCESS WITH YOUR EMPLOYER

- Resignation Process & Your Responsibilities
- Sick Day Payout
- *COBRA

*Discussed during Post-Retirement Health Insurance Options
RESIGNATION PROCESS

Contact CTPF for pre-retirement counseling (*obtaining pension estimate*)

Complete an **Application for Resignation** before applying for your pension

✓ Resignations are irrevocable upon receipt by the CPS Talent Office

✓ Although paper submissions are still accepted, completing and submitting your resignation electronically by going to cps.edu/staff under “Frequently Used” is faster and more efficient.

✓ Due to COVID-19, submit completed resignation form electronically via email to **staffingservices@cps.edu**

✓ Employee Services mailing address is 2651 W. Washington Blvd, Chicago, IL 60612.

**NOTE:** Charter employees should contact their employer.
It is the goal of CPS to process retirees’ final payout of vacation days on the pay date which follows your last regular paycheck following your separation.

- Spring and/or winter vacation days accrued will be paid, as applicable, with the final payout.

- Be mindful, that while CTPF uses outside service time for pension purposes, CPS uses internal service time to calculate final payout of grandfather sick days.

- After the final payout, employees will receive a statement from CPS Payroll Services that will show details used to calculate the payout of grandfather sick days, such as: daily rate, years of service, age.
Key points

- Be sure to update your contact information with your Employer.
- CPS will mail check/pay advice to the last address on file.
- During these extraordinary times of COVID-19, payment distribution via direct deposit is the only way to ensure a benefit payment.
The payout of unused grandfather sick days is determined pursuant to the Board Policy on Paid Time Off, section 302.9 of board report 21-0428-PO2. This does not apply to employees in a job category listed as ‘not benefits-eligible’ which includes the substitute teacher job categories. Below are the criteria used to determine the payout if deemed eligible.

<table>
<thead>
<tr>
<th>ELIGIBILITY CRITERIA</th>
<th>CALCULATION RATE</th>
</tr>
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<tbody>
<tr>
<td>Have 33.95 years of service or more with CPS</td>
<td>100%</td>
</tr>
<tr>
<td>Have a minimum of 20 years of service with CPS but less than 33.95 years</td>
<td>90%</td>
</tr>
<tr>
<td>Have attained the age of 65 and have less than 20 years of service before the start of the following school year</td>
<td>85%</td>
</tr>
</tbody>
</table>
The payout amounts derived using the calculation rates noted will be paid as cash or deposited into an annuity.

Following are the rules for payout:

<table>
<thead>
<tr>
<th>PAYOUT AMOUNT</th>
<th>PAYOUT METHOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equal to or less than $2,000</td>
<td>Cash</td>
</tr>
<tr>
<td>Between $2,000.01 and $80,000</td>
<td>Annuity Rollover</td>
</tr>
<tr>
<td>Amounts in <em>excess</em> of $80,000</td>
<td>Cash</td>
</tr>
</tbody>
</table>

* Only sick days granted before 06/30/12, grandfather sick days, are included in the sick day payout calculation. Sick days granted after 06/30/12 are non-compensable and thus will not be included in the sick day payout calculation.
Chicago Public Schools contributes, on behalf of eligible retirees, the value of their unused sick pay to a 403(b) plan.

For A Participant **Currently Enrolled in the 403(b) Plan:**

- The contribution amount will be sent to the CPS service provider, AIG Retirement Services, within 60 days of the employee’s last check being issued to them.

- If you have an account at the time of separation, the contribution amount will be directed to a 403(b) fixed account within the new investment platform administered by AIG.

- The employee has the option to leave the funds invested in the account after retirement or to move the funds (*such as to an Individual Retirement Account*).
Rollover of Unused Sick Days into an Annuity

For an employee not currently enrolled in the 403(b) plan:

- At the time of the payout, if an employee is not enrolled in the 403(b) Plan, CPS will send the payout to AIG Retirement Services on the employee’s behalf. The payout will be issued within 60 days of the last paycheck being issued to the employee and will be placed in the Fixed Account investment option.

- The retiree may change the investment allocation and/or leave the funds in this account with the service provider after retirement, or elect to move the funds (such as to an Individual Retirement Account).

- Any benefit eligible employee may voluntarily enroll in the 403(b) Plan by contacting AIG Retirement Services to begin making tax deferred contributions from one’s paycheck.
ROLLOVER OF UNUSED SICK DAYS INTO AN ANNUITY

**Contribution Amount**

- The overall maximum contribution to rollover is $80,000.
- If a retired employee has more than $80,000 in accumulated sick pay, the excess will be paid directly to the retired employee.
- For 2023 the maximum annual contribution limit is $66,000 and up to $73,500 for ages 50 and over. If the retired employee was contributing to a 403(b) plan in 2023, the amount would be subtracted from the maximum allowed in 2023.
- Example: Using the lower maximum of $66,000, if in 2023 the retired employee had already contributed $17,000, the remaining contribution allowed from the unused grandfather sick pay would be $49,000 for the 2023 calendar year. If the sick pay were greater than $49,000, the excess payment would be made in subsequent years.
Chicago Teachers’ Pension Fund

Retirement Process
OVERVIEW

- ✓ Maximizing Your Pension
- ✓ Pension Facts
- ✓ The Retirement Process
- ✓ Pension Payment
- ✓ Eligible Refunds
- ✓ Understanding the Health Insurance Process
- ✓ Reciprocity
Understanding The 2.2 Upgrade

For service credit earned prior to July 1, 1998, the percentage used in the pension formula is determined using pension multipliers as low as 1.67%.

What is the 2.2 Upgrade?

The 2.2 upgrade refers to increasing the pension multiplier for years of service earned prior to July 1, 1998. The goal is to upgrade to the highest percentage possible which is 2.2%.

<table>
<thead>
<tr>
<th>Years of Service Credit</th>
<th>Before July 1, 1998</th>
<th>After July 1, 1998</th>
</tr>
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<tbody>
<tr>
<td>First 10 years</td>
<td>1.67% per year</td>
<td>2.2% per year</td>
</tr>
<tr>
<td>Second 10 years</td>
<td>1.9% per year</td>
<td>2.2% per year</td>
</tr>
<tr>
<td>Third 10 Years</td>
<td>2.1% per year</td>
<td>2.2% per year</td>
</tr>
<tr>
<td>Years beyond 30</td>
<td>2.3% per year</td>
<td>2.2% per year</td>
</tr>
</tbody>
</table>

Making the Most of Your Benefit

\[
\text{Service} \times \text{Pension Multiplier} \times \text{Final Average Salary} = \text{Pension Benefit (for both Tiers)}
\]
Paying for the 2.2 Formula

Cost to Upgrade

Cost: The upgrade is based on your highest annual salary in the 4 years prior to the year in which you apply for the upgrade, multiplied by 1% for each year of service. The cost to upgrade is shown on your estimate, if applicable.

Discount: Each 3 years of service after July 1, 1998, decreases the cost by 1 year.

Members with 30+ years receive the upgrade at no cost (includes reciprocal time if CTPF is final system).

Payment options from retirement app:
- Choose 24 deductions from finalized pension (recommended)
- Lump Sum
How the 2.2 Upgrade Works
Jerry is a current Tier 1 member who plans to retire at age 60 with 29 years of service credit. He earned 9 years before July 1, 1998, and 20 years after July 1, 1998. His highest salary in the previous 4 years was $90,000.

**Annual Pension without the 2.2 upgrade**
$53,127

**Annual Pension with the 2.2 upgrade**
$57,420

**Pension Increase**
If Jerry decides to purchase the 2.2 upgrade, his annual base pension will increase by $4,293.

**Cost to Upgrade**
$1\% \times $90,000 \times 3 \text{ years} = $2,700 \ (\text{In Jerry’s case, CTPF upgraded 6 years at no cost})
Purchasing Service

Service may be purchased for the following:

- Approved, unpaid leaves *(Form 645)*
- Refunded service *(Form 635)*
- Public teaching service as a certified teacher in a public school *(Form 655)*
- Military service *(Form 625)*
- Application to Purchase Private Teaching Service *(Form 685)*
- If you are purchasing service at the time you submit your retirement application, you must use Form 621 instead.
Steps for Completing the Purchase Process

1. It is your responsibility to complete an application for the specific type of service for which you wish to apply. Applications are available on the CTPF Website or contact Member Services.

2. Upon receipt of your application with required supporting documentation, CTPF will send you a bill for the service purchase. You must pay the Fund in full or indicate in writing that you do not intend to purchase service.

3. You must complete payment in order for CTPF to finalize your pension. Your pension cannot be finalized until you complete Step 2.
The provisions of the Illinois Retirement Systems Reciprocal Act (*reciprocal act or reciprocity*) allow individuals who earn service in more than one covered system to combine their service and coordinate benefits at retirement. Thirteen Illinois public pension systems are covered under the Reciprocal Act.

When you choose to retire with a reciprocal pension, each system calculates benefits based on your highest final average salary (FAS) and pays a proportion of your pension. Concurrent service will not be awarded.
ADVANTAGES OF RECIPROCITY

If you do not have enough service to retire, combining service from reciprocal systems may allow you to meet eligibility requirements and receive pensions from all systems.

- With reciprocity, your highest Final Average Salary from all systems is used to calculate benefits. In most cases, this enhances your final pension.

Who Is Eligible?
To retire under the Reciprocal Act you must meet the following conditions:
- The service you earned in each reciprocal system must equal one year or more.
- Your combined service must meet the vesting and age requirements of each system.

Each reciprocal system has different vesting requirements. The CTPF vesting requirement is 5 years of service for employees who joined CTPF or a reciprocal system before January 1, 2011, and 10 years of service for employees who joined on or after January 1, 2011.
RECIPIROCITY & CONCURRENT SERVICE

Your total service credit with all retirement systems must meet the longest vesting requirement of all the systems under which you plan to retire.

**Example:**
*If your first system requires 10 years of service credit to vest and your second system requires five years of service credit to vest and you have only eight years of combined service credit under both systems—you are not eligible to retire under the Reciprocal Act because you have not met the longest vesting period of 10 years.*

**Concurrent Service:**
Concurrent service occurs when a member earned service by more than one reciprocal fund for the same year. By law, the member can only be credited with one year of service in a 12-month period.

If a member has concurrent service, a reduction in service will be made to maintain the maximum of one year in the 12-month time frame.
To retire under the reciprocal act, you must meet the following conditions:

- Resign with all employers and *apply with each system*.

- The service you earned in each reciprocal system must be at least one year.

- Your combined service must meet the vesting and age requirements of each system before payment can begin.

**Note:** You will receive a payment from each system.
PARTICIPATING RECIPROCAL SYSTEMS

1. Chicago Teachers’ Pension Fund
2. County Employees’ Annuity and Benefit Fund of Cook County
3. Forest Preserve Employees’ Annuity and Benefit Fund of Cook County
4. General Assembly Retirement System
5. Judges’ Retirement System of Illinois
6. Illinois Municipal Retirement Fund
7. Laborers’ Annuity and Benefit Fund of Chicago
8. Metropolitan Water Reclamation District Retirement Fund
9. Municipal Employees’ Annuity and Benefit Fund of Chicago
10. Park Employees’ Annuity and Benefit Fund of Chicago
11. State Employees’ Retirement System of Illinois
12. State Universities Retirement System of Illinois
13. State Teachers’ Retirement System

Contact information for each reciprocal fund is available on ctpf.org
PENSION FACTS

- Pension effective date is the first day after resignation, **unless the resignation date falls within the last payroll period worked, then the effective date becomes the day following the close of that payroll period, or the time the person resigning or retiring attains eligibility age, or on a date elected by the teacher, whichever shall be latest**
- Paid for life
- Payable on the first business day of each month
- Pensions may be exempt from state income tax depending on state of residence *(e.g., Illinois exempt)*
- Pensions are subject to federal income tax
- The last day of work for CPS teachers in the 2022/2023 school year is currently scheduled to be **6/09/2023**. If you work up until the last day, the earliest possible effective date of your pension is **6/18/2023**.
AUTOMATIC ANNUAL INCREASE

Tier 1
3% of pension compounded annually, beginning 1 year after retirement, or at age 61, whichever occurs later.

Tier 2
Lesser of 3% or 1/2 of any increase in the CPI for the preceding year, beginning 1 year after retirement or at age 67, whichever occurs later.
“Participation in this presentation does not constitute an endorsement by the Social Security Administration (SSA) or its employees of the organizations and information and products not provided by SSA.”
Securing today and tomorrow

• Social Security 101
How to Get Help from Social Security

Social Security is here to help. We want you to know how to get the service you need and to be prepared so we can help you as quickly and safely as possible.

Go online to SSA.gov. Our website is the best way for most people to get help.

If you cannot use our website, call our National 800 Number (1-800-772-1213) or your local Social Security office for help.

We will schedule an appointment for you, if necessary, to serve you by phone or in person.

What to Know if You Must Visit an Office:
- You must have an appointment to visit an office.
- Masks are required for all office visitors and employees, regardless of vaccination status.
- Visitor capacity is limited to follow physical distancing requirements. This means you may need to wait outside, so plan for cold or bad weather.
- We ask that you come alone unless you require help with your visit. If you require help, we can only permit one person to accompany you.

We appreciate your patience and understanding.
• Please visit our Field Office Locator

Social Security Office Locator • www.ssa.gov/locator

⚠️ We are OPEN to receive your calls

On Tuesday, March 17, 2020, we suspended face-to-face service to the public in our field offices and hearings offices nationwide until further notice. However, we are still able to provide critical services via phone, fax and online.

Find the Office for this ZIP Code.

ZIP: [Enter ZIP Code]  Locate

Zip Code Look Up
Services Outside the United States

Using our online services, you can:
• Apply for most types of benefits
• Estimate your future benefits
• Do so much more

To learn more, visit What You Can Do Online

National 800 Number
Toll-Free: 1-800-772-1213

• SocialSecurity.gov
• We’re With You Through Life’s Journey

• SocialSecurity.gov
How Do You Qualify for Retirement Benefits?

- By earning “credits” when you work and pay Social Security taxes
- You need 40 credits (10 years of work) and you must be 62 or older
- Each $1,640 in earnings gives you one credit
- You can earn a maximum of 4 credits per year

**Note:** To earn 4 credits in 2023, you must earn at least $6,560.

[SocialSecurity.gov](http://SocialSecurity.gov)
What should I do if I get a call claiming there's a problem with my Social Security number or account?

Securing your **today** and **tomorrow**

**Prepare**
- Check eligibility for benefits
- Plan for retirement

**Apply**
- Apply for benefits
- Sign up for Medicare

**After you apply**
- Check application or appeal status
- Appeal application decision

Manage benefits & information

**Documents**
- Get benefit verification letter
- Get tax form (1099/1042s)

**Number & card**
- Replace card
- Request number for the first time
- Report stolen number

Social Security.gov
Create your personal *my* Social Security account today

A free and secure *my* Social Security account provides personalized tools for everyone, whether you receive benefits or not. You can use your account to request a replacement Social Security card, check the status of an application, estimate future benefits, or manage the benefits you already receive.

*Create an Account*  *Sign In*

*Finish Setting Up Your Account*

• [sssa.gov/myaccount](http://sssa.gov/myaccount)

• [SocialSecurity.gov](http://SocialSecurity.gov)
What can you do with a *my* Social Security account?

- Request a replacement Social Security card

If you are not receiving benefits:

- Get personalized retirement benefit estimates
- Get estimates for spouse’s benefits
- Get proof that you do not receive benefits
- Check your application status
- Get your Social Security Statement

If you are receiving benefits:

- Set up or change direct deposit
- Get a Social Security 1099 (SSA-1099) form
- Opt out of mailed notices for those available online
- Print a benefit verification letter
- Change your address

[Sign In or Create Your Free Account]
How To Apply
For Your Replacement Social Security Card
Beware of Social Security Phone Scams

Telephone scammers are pretending to be government employees. They may threaten you and may demand immediate payment to avoid arrest or other legal action. Do not be fooled!

If you receive a suspicious call:
1. HANG UP!
2. DO NOT GIVE THEM MONEY OR PERSONAL INFORMATION!
3. REPORT THE SCAM AT oig.ssa.gov

What to look out for

The caller says there is a problem with your Social Security number or account.

Any call asking you to pay a fine or debt with retail gift cards, cash, wire transfers, or pre-paid debit cards.

Scammers pretend they’re from Social Security or another government agency. Caller ID or documents sent by email may look official but they are not.

Callers threaten you with arrest or other legal action.

Be Alert

Social Security may call you in some situations but will never:

» Threaten you
» Suspend your Social Security number
» Demand immediate payment from you
» Require payment by cash, gift card, pre-paid debit card, or wire transfer

Be Active

Protect yourself and your friends and family!

» If you receive a questionable call, just hang up and report the call at oig.ssa.gov
» Learn more at oig.ssa.gov/scam
» Share this information with others

SocialSecurity.gov
• Follow Us on Social Media!

• @SocialSecurity

• SocialSecurity.gov
DEATH BENEFITS

- Death benefits payable to designated beneficiaries
- Must have current designation on file
- Keep designations and beneficiary contact information up to date: submit updated form at least every five years
- Check your annual member statement
SURVIVOR PENSIONS

Tier 1
50% of the retired member's retirement annuity

Tier 2
66 2/3% of the retired member’s retirement annuity

Surviving spouse must be age 50 or have surviving minor children.
**Survivor Pensions Cont.**

### Tier 1

50% of the retired member’s retirement annuity

**Example:** If members monthly benefit is $5,000 the surviving spouse pension will be $2,500

### Tier 2

66 2/3% of the retired member’s retirement annuity

**Example:** If members monthly benefit is $5,000 the surviving spouse pension will be $3,333
TEMPORARY NEW RE-EMPLOYMENT RULES

Permanent Re-Employment in the Chicago Public Schools, a charter school or contract school in Chicago on a permanent or annual basis cancels your CTPF pension on the date your re-employment begins or on the first day of the payroll period for which service credit is validated, whichever is earlier.

Temporary and Non-Annual Employment
Prior to July 1, 2022, a retiree who was re-employed as a teacher in a Chicago Public school, charter school or contract school, on a temporary or non-annual basis was subject to both employment and compensation limits. The compensation limit was eliminated on July 1, 2022.

Reminder: Working in a Subject Shortage Area
It is your responsibility to ensure you are working in a subject shortage area. You must contact your employer to confirm that the position qualifies and provide CTPF with written documentation. Failure to confirm may result in cancellation of pension benefits and health insurance subsidies.
# RE-EMPLOYMENT

Rules for Temporary and Non-Annual Employment

<table>
<thead>
<tr>
<th>Retiree Type</th>
<th>Employment Limit</th>
<th>Compensation Limit prior to July 1, 2022</th>
<th>Employment Limit for the period July 1, 2022-June 30, 2024</th>
<th>Compensation Limit beginning July 1, 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>CTPF retirees who only teach drivers education courses in the school year</td>
<td>900 hours*</td>
<td>$30,000 or The daily rate normally paid to retired multiplied by 100 for individuals who retired with at least 5 years of service as a principal.</td>
<td>900 hours</td>
<td>None</td>
</tr>
<tr>
<td>All other CTPF retirees</td>
<td>120 days (prior to July 1, 2022)</td>
<td>$30,000 or The daily rate normally paid to retired principals multiplied by 100 for individuals who retired with at least 5 years of service as a principal.</td>
<td>140 days</td>
<td>None</td>
</tr>
</tbody>
</table>

*Applies before July 1, 2022, and after June 30, 2024. The days worked limit returns to 120 days on July 1, 2024.
The Re-employment Rules are included in the retirement packet. (See Form 717)

If you are thinking about future re-employment with either CPS, a charter or contract school, you must submit CTPF Form 770 or Form 773.

If your benefit is cancelled due to re-employment and you retired under reciprocity, your benefit may also be cancelled with the reciprocal system.
RETIREMENT PROCESS YOUR TO-DO LIST

1. Resign from Board of Education and/or Charter School

2. Complete the Retirement Application in full and Submit to CTPF:
   - Form 705 Retirement Application
   - Form 717 Acknowledgement of CTPF Re-employment Rules
   - Form 720 Withholding Certificate
   - Form 730 Retiree Acknowledgement of Health Insurance Responsibility and Intent

Phone, video chat and office counseling appointments with Member Services representatives are available to review your application and answer questions.
ADDITIONAL REQUIRED FORMS

- Form 735 (If Applicable) Health Information Release
- Form 105 Designation of Beneficiary
- Form 621 (If Applicable) Optional Service Application

Reminder:
If retiring under reciprocity you must resign and submit an application to the reciprocal system as well.
Notice of Legal Name Requirement

You must provide evidence of your legal name at retirement. The documents you present as proof of identity including your Social Security card, photo identification, and Medicare card/letter (if applicable), must bear the same legal name.

All Applicants:

1. **Proof of age:** birth certificate, naturalization papers, or current passport

2. **Proof of Social Security number:** Social Security card or recent W-2

3. **Photo identification:** current (not expired) driver’s license, state identification, or current passport

4. **If 65, a copy of Medicare A & B card** or letter of entitlement from Medicare
REQUIRED DOCUMENTS

Applicants who are married or joined in a civil union, widowed, or divorced
Confirm that copies of the following additional documents are included (as applicable):

**Married or joined in a civil union**
- Spouse’s birth certificate or current passport
- Marriage or civil union license

**Widowed**
- Marriage or civil union license
- Spouse’s death certificate

**Divorced**
- Certified divorce or dissolution of marriage or civil union decree
- Court certified QILDRO (if applicable)

**Important Note:**
Only complete applications with **ALL** required documents will be accepted.
PENSION PAYMENT

Once the employer has confirmed your resignation, CTPF will process **preliminary** monthly benefits determined by the following:

- Eligibility based on age, service, and salary records as reported by your employer to CTPF
- Confirmed reciprocal service *(if applicable)*
- Verification of payment of any optional service i.e., sick, study, military leaves *(if applicable)*
- Your account will be audited once final records from your employer are received. Your benefit will be revised and reconciled at that time.
MONTHLY PENSION BENEFIT PAYMENT

- Assuming retirement in June, expect your first preliminary monthly pension benefit by September, assuming all required documents are received in a timely manner.

- Direct deposit is the preferred payment method. Please be sure to submit a voided check with your application when you elect this method.

- If your pension includes any reciprocal service, receipt of your first preliminary monthly pension benefit will depend upon when CTPF receives certification from the other system(s). This notification process can often take 3 months or more.
ELIGIBLE REFUNDS

- 2.2 Upgrade refund with interest, if you previously paid the 2.2 Upgrade cost and meet the criteria to receive the upgrade for free or at a reduced cost based on:
  - 30 or more years of service credit
  - 3 for 1 calculation
- Members with at least 37.8 years of service credit may qualify for an additional (1%) refund.
- Refund of survivor’s contributions
  - No eligible spouse or minor children at the time of retirement
- Refund of Previously Purchased Service
  - If total service is in excess of amount required to pay the maximum pension percentage
Chicago Teachers’ Pension Fund

Post-Retirement Health Insurance Options
What are Your Insurance Options?

- Up to 18 months Continuation of Coverage (COBRA) through your employer (CPS, Charter or Contract Schools) if under Age 65
- A CTPF-Sponsored Health Insurance Plan
- Other coverage *(group insurance through a spouse or private coverage on open market)*

**PLEASE NOTE:** CTPF does not offer vision, dental insurance or a FSA. Make sure you utilize all your FSA funds before you terminate coverage. You may incur claims up to the last day worked. You have until March 31 of the next year to be reimbursed for claims incurred in the previous year.

CTPF Subsidizes Health Insurance Premiums

- 2023: Currently 60% of health plan premiums, including COBRA (under age 65) and base Medicare premiums
<table>
<thead>
<tr>
<th>RETIREMENT AGE</th>
<th>RECOMMENDED ACTIONS</th>
<th>CTPF SUBSIDY OF HEALTH INSURANCE PREMIUM*</th>
</tr>
</thead>
</table>
| **Under age 65** | **PRIOR TO RETIREMENT** | • Enroll in health insurance continuation coverage (COBRA) through the CPS COBRA administrator. COBRA enrollment forms will be mailed to you if you are eligible. This is typically your least expensive health insurance option.  
• COBRA coverage generally lasts up to 18 months.  
• Spouse and dependents are also eligible for COBRA.  
**THREE MONTHS PRIOR TO COBRA COVERAGE ENDING** | • CTPF provides a partial subsidy of CPS/Charter School COBRA premium cost through your pension benefit with completion of CTPF Form 735.  
• The CTPF subsidy of COBRA premiums ends when you become Medicare eligible. |
| Age 65 or Over | **THREE MONTHS PRIOR TO RETIREMENT** | • Contact the Social Security Administration to initiate enrollment in Medicare Part A and Part B. Ask for an effective date the first month following retirement (typically July).  
• Make an appointment with CTPF to discuss your health insurance options. All CTPF plans are comprehensive and include enhanced Medicare Part D prescription coverage.  
• Obtain enrollment application(s) for the plan of your choice.  
**AT LEAST ONE MONTH PRIOR TO COBRA COVERAGE ENDING** | • When enrolled in a CTPF plan, subsidy is paid in your pension benefit. CTPF provides partial subsidy of health insurance premiums as well as Medicare Part A and Part B.  
• If you choose to enroll in a non-CTPF health plan, you can apply for a subsidy of health insurance premiums. The subsidy is paid retroactively with appropriate documentation of other coverage (CTPF mails subsidy applications annually).  
• If you do not enroll in a Part D prescription plan or equivalent at retirement, the Centers for Medicare and Medicaid Services (CMS) may assess a penalty. If you enroll in a CTPF health plan at a later date, CTPF will not subsidize this penalty. |
| Turning age 65 while on COBRA coverage | **IF UNDER AGE 65 AT RETIREMENT** | • Enroll in health insurance continuation coverage (COBRA) through the CPS COBRA administrator.  
**THREE MONTHS PRIOR TO 65TH BIRTHDAY** | • CTPF provides a partial subsidy of CPS/Charter School COBRA premium cost through your pension benefit with completion of CTPF Form 735. This CPS COBRA subsidy ends when you become Medicare eligible.  
• When you enroll in Medicare in Part A and Part B and enroll in a CTPF plan, the CTPF subsidy is paid in your pension benefit.  
• If you choose to enroll in a non-CTPF health plan, you can apply for a subsidy of your health insurance premiums. The subsidy is paid retroactively with appropriate documentation of other coverage (CTPF mails subsidy applications annually). |
| | **AT LEAST ONE MONTH PRIOR TO 65TH BIRTHDAY** | • Submit enrollment application(s) for the health insurance plan of your choice along with proof of Medicare Part A and Part B. | *Members who retire with a pension benefit effective date of July 1, 2016, or later, who must pay for Medicare Part A, do not receive a CTPF premium subsidy for this cost. |
The premium includes the individual monthly cost plus a 2% administration fee.

Once you have elected COBRA coverage, you have **45 days to make your initial premium payment**. Your initial premium payment may include several months. All CPS COBRA payments are made payable to PayFlex. Charter and Contract school members should check payment arrangements with their employer.

Remaining payments are due on the first day of each month. If payment is not received within your 30-day grace period, your coverage will be terminated.

**Terminated coverage cannot be reinstated.**
WHEN COBRA ENDS

- If you currently have insurance through your former employer’s COBRA plan and wish to join a CTPF plan when your COBRA expires, you may enroll during Open Enrollment or within 30 days of your COBRA coverage expiring (unless coverage is cancelled due to non-payment of premium). See page 9 of the 2023 Health Insurance Book.

- If you are enrolled in COBRA continuation coverage, CTPF automatically applies a premium subsidy to your pension benefit. Notify CTPF immediately if you terminate COBRA coverage to ensure CTPF ceases the premium subsidy. Any premium subsidy paid after termination of COBRA will need to be repaid to CTPF.

- Enrollment from a COBRA plan to a CTPF plan is not automatic. Contact CTPF before your COBRA coverage ends to obtain CTPF plan enrollment information.
### 2023 CPS COBRA RATES

<table>
<thead>
<tr>
<th>Plan</th>
<th>COBRA Premium</th>
<th>60% CTPF Retiree Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BCBS - BA HMO</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE Only</td>
<td>$654.99</td>
<td>$392.99</td>
</tr>
<tr>
<td>EE + 1 Dep</td>
<td>$1,309.97</td>
<td>$785.98*</td>
</tr>
<tr>
<td><strong>BCBS - PPO</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE Only</td>
<td>$790.98</td>
<td>$474.58</td>
</tr>
<tr>
<td>EE + 1 Dep</td>
<td>$1,581.93</td>
<td>$949.15*</td>
</tr>
<tr>
<td><strong>BCBS - HSA Plan</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EE Only</td>
<td>$651.29</td>
<td>$390.77</td>
</tr>
<tr>
<td>EE + 1 Dep</td>
<td>$1,302.60</td>
<td>$781.56</td>
</tr>
</tbody>
</table>

*If your dependent is also a CTPF retiree whose final teaching service was with the Chicago Public, Charter or Contract Schools, they may qualify for a CTPF subsidy. Please contact CTPF to obtain further information.
FOR MORE CPS COBRA INFORMATION

Talent Web Site - hr4u.cps.edu

Benefit Enrollment - Log on to hr4u.cps.edu, go to My Benefits, then click on Cobra, to obtain the COBRA enrollment information.

Please contact PayFlex for CPS COBRA questions at 800-359-3921.

NOTE: PayFlex is not able to process COBRA elections in advance of retirement/resignation/termination dates. They will not be equipped to answer specific questions for future participants.
ADVANTAGES OF CTPF INSURANCE PLANS

- Guaranteed enrollment
- Dependent coverage
- Comprehensive coverage with competitive premiums
- Your share of premium costs deducted monthly from pension check
- Your subsidy paid every month in your pension check
CTPF NON-MEDICARE PLANS

- BCBS PPO
- UnitedHealthcare Choice Plus PPO
- BCBS HMO Illinois
CTPF MEDICARE PLANS*

- UnitedHealthcare Medicare Advantage PPO with Express Scripts Part D Prescription Plan
- Humana Group Medicare HMO with Part D Pharmacy Prescription Plan
- UnitedHealthcare AARP Medicare Supplement Plan F with Express Scripts Part D Prescription Plan

* Must be enrolled in Medicare Parts A & B

Note: Plan F is only available to those who turned 65 before 1/1/2020.
The Centers for Medicare and Medicaid Services (CMS) has announced Medicare premium rates for 2023.

**Part A: (Hospital Insurance) Premium**
Members who have 40 quarters or more of Medicare credit receive Medicare Part A at no charge once they reach age 65. If you do not have 40 quarters of credit, you must pay for this coverage.

<table>
<thead>
<tr>
<th>Medicare Part A</th>
<th>Medicare Part A Cost</th>
<th>CTPF Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>40 quarters</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>30-39 quarters</td>
<td>$278</td>
<td>$166.80</td>
</tr>
<tr>
<td>Less than 30</td>
<td>$506.00</td>
<td>$303.60</td>
</tr>
</tbody>
</table>

**NOTE:** Members who retire with a benefit effective date of July 1, 2016 or later, are not eligible for the Medicare Part A subsidy.
Part B: (Medical Insurance) Premium

For 2023, all eligible members will receive a Medicare Part B subsidy in the amount of $97.14. This amount is based on the standard Part B premium of $164.90 (Of this amount, the included $3 Part B government surcharge is not eligible for subsidy.)

IRMAA adjustments are applied to individuals whose gross income was higher than $97,000, and to couples whose income was higher than $194,000.

Medicare Enrollment Periods

- Initial: at age 65 (3 months prior to 65th birthday)
- Special: if still working and covered as an active employee in a group health plan (3 months prior to retirement)
- General: January-March
ENROLLING IN NON-CTPF INSURANCE PLANS

- You retain the option on your own to enroll in non-CTPF sponsored insurance
- You pay all premiums and can apply for a rebate of health insurance and Medicare premiums once a year, retroactively at the applicable subsidy percentage
- CTPF mails a rebate application to those eligible. Proof of premium payment is required. CTPF reserves the right to request additional proof if needed.
- Rebate Applications are mailed in the spring. Due 08/31/2023.
- “One and done” rule:
  The CTPF Board of Trustees voted to allow eligible members to re-enroll in a CTPF health insurance plan one time without a qualified change in status. Previously, enrollment was only allowed once in a lifetime, unless the member experienced a qualifying event (marriage, birth, death, etc.). Individuals who want to rejoin a CTPF plan must do so during an open enrollment period. A member applying to re-enroll must have proof of insurance coverage (medical and prescription drug) as of the beginning of the open enrollment period (October 1) and maintain coverage through December 31 of that year. CTPF insurance coverage becomes effective the following January 1.
Consult your insurance handbook for details on CTPF health insurance plans.

You can find the *CTPF Health Insurance Handbook* at ctpf.org
KEEP IN TOUCH WITH CTPF

- Address changes
- Bank account changes
- Tax withholding changes
- Designated beneficiary updates
- Use myCTPF to securely access CTPF documents and information
CONTACT INFORMATION

CTPF Member Services
1-312-641-4464
memberservices@ctpf.org
www.ctpf.org

Chicago Public Schools:
Talent Office
1-773-553-4748
http://cps.edu/HR4U

Social Security
1-800-772-1213
www.socialsecurity.gov

Medicare
1-800-633-4227
www.medicare.gov
Questions

Office/Mailing Information:
425 S. Financial Place | Suite 1400
Chicago, IL 60605-1000
Members: 312.641.4464
Fax: 312.641.7185
MemberServices@ctpf.org | ctpf.org

2023
RETIREMENT ON THE HORIZON