



## *TIER 2 Pension Benefit Overview*

---



# Agenda



- Operating Updates
- Fund Facts
- Your Relationship with CTPF
- What type of benefit plan is CTPF?
- Contributions & Pension Eligibility
- Survivor Benefits
- Maximizing Your Pension
- Understanding Post-Retirement Health Insurance
- Leaving Employment
- Information & Resources
- Questions

*Questions will be taken throughout the presentation.*

*Please enter any questions in the “Q&A” section. Member Services Representatives will respond to you during the presentation. We will have additional time at the end to answer some questions live.*



# Important Updates

## RESOURCES FOR MEMBERS



Member Services accepts calls from 8:00 a.m. until 5:00 p.m., Monday-Friday. Call Member Services with questions at 312.641.4464.



Email Member Services at [memberservices@ctpf.org](mailto:memberservices@ctpf.org) and your message will be returned.



CTPF's Member Services team offers phone, video, and in-person counseling appointments.



You can access active member resources at  
[ctpf.org/member-resources/active-members](http://ctpf.org/member-resources/active-members)

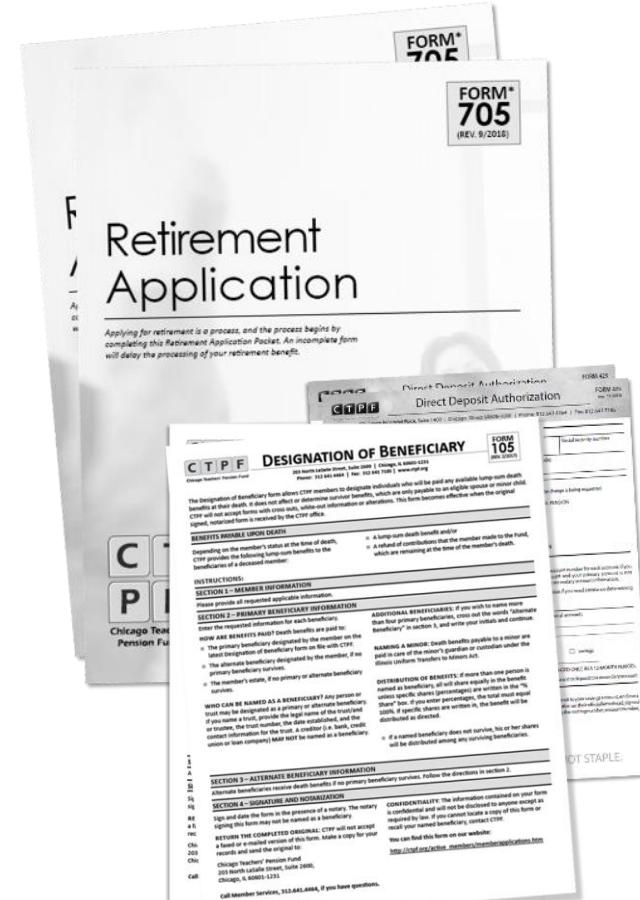
# SUBMITTING DOCUMENTS

**The best way to send documents to CTPF is electronically:**

- Fax to 312.641.7185 or
- Email with attachment to [imaging@ctpf.org](mailto:imaging@ctpf.org)

We highly encourage electronic document submission.

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



# Fund Facts



**Established in 1895**

The oldest public pension fund in Illinois



**One of 676 public pension systems in Illinois**

**\$13.7 billion in assets (June 30, 2024)**

**47.9% funded (June 30, 2025)\***

\* Calculated at the close of the fiscal year, based on the actuarial value of assets.

## CTPF Membership includes more than 98,000 members:

Serving Chicago's public/charter school teachers, administrators, certified personnel, and CTPF staff.

**27,157**  
Annuitants

**34,647**  
Active Members

**7,135**  
Vested Terminated

**29,793**  
Non-Vested Former  
Members

**Active Members**  
76% Women | 24% Men  
Average age 43.0  
Average years of service 10.8

**Retired Members**  
73% Women | 27% Men  
Average age is 76.8



### CTPF is independent, governed by 12 Trustees:

6 elected by active members, 3 elected by pensioners, 1 elected by principals/ administrators, and 2 appointed by the Chicago Board of Education. The system dates to 1907 when legislation allowed teachers to elect representatives to self-govern.



CTPF members do not contribute to Social Security during employment by CPS and other participating employers.  
**Employee contributions are 9% of pensionable earnings.**



**Making an Impact:** CTPF made **\$1.5 billion** in direct payments to annuitants in Illinois in 2024, which resulted in **\$2.1 billion** in economic impact and supported **11,818** jobs in Illinois.



In addition to investment returns, CTPF receives contributions from the State of Illinois, a tax levy, CPS, and employees. CTPF recognized approximately **\$2.7 billion** in revenue for Fiscal Year 2025. The Fund made **\$1.8 billion** in payments to annuitants for pensions and health insurance.



CTPF invests funds for the long-term and has achieved an average growth rate of **8.6%** over the past 35 years, with an investment assumption of **6.5%**



CTPF values diversity with **57%** of our assets managed by MWDBe firms. We invest close to home with **\$2.4 billion** of the portfolio managed by Illinois-based investment managers.

A classroom setting with students in the foreground raising their hands, and a teacher in the background smiling. The image is slightly blurred.

# Your Relationship with CTPF

---

# Enrollment\*

**Automatic Enrollment:** Any employee who qualifies as a Member of CTPF automatically becomes a Member as a condition of employment and is deemed to consent to deductions from his or her salary for CTPF contributions.

**Membership:** Means any licensed/certified teachers or staff regardless of their position shall presumptively be participants in the Fund.

*\*Exceptions Apply*

# Register for *myCTPF*



Protect your loved ones by providing your beneficiary information

# 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).



# What type of benefit plan is CTPF?

---

# Defined Benefit Plan

---

CTPF is an employer-sponsored retirement plan where employee benefits are computed using a formula that considers factors such as length of employment and salary history.

**This means:**



- Your pension is not based on market conditions
- Is paid throughout your lifetime
- Includes a survivor benefit
- Is calculated using a pre-determined formula

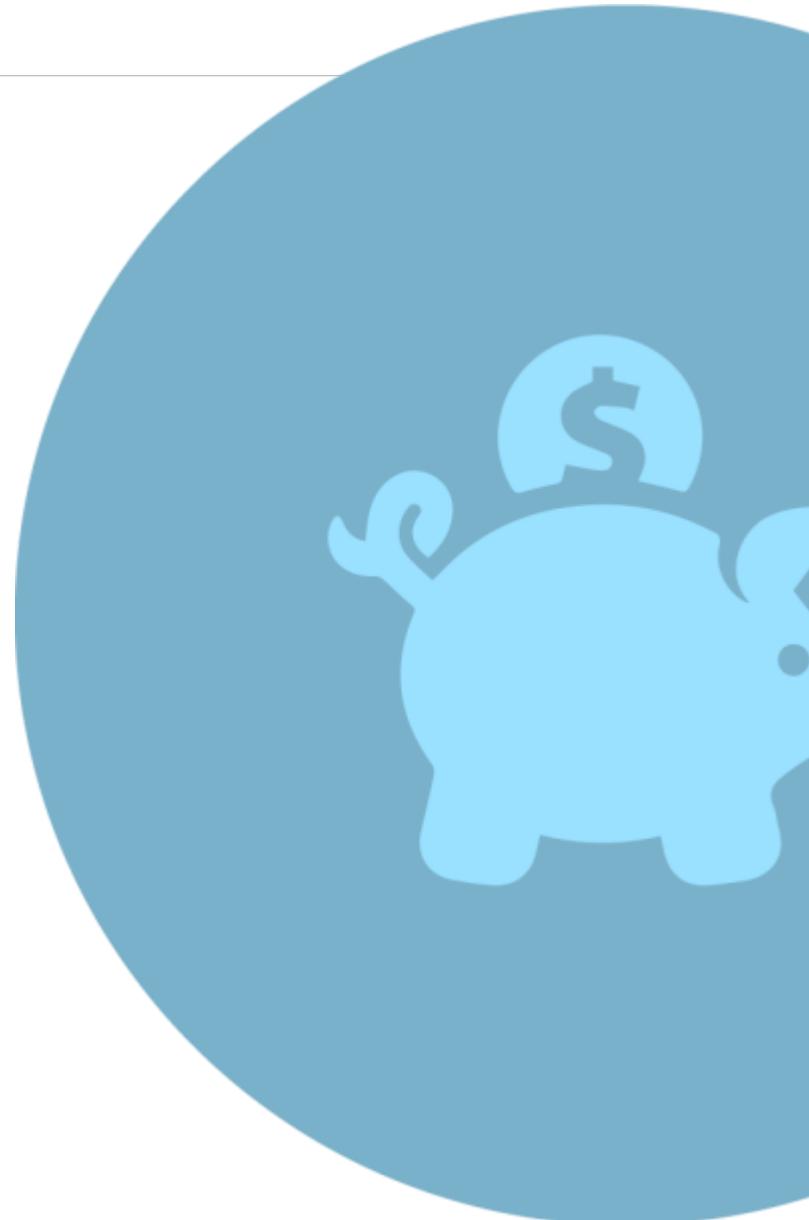
# Contributions & Pension Eligibility

---

# Contributions

---

- 1** Total 9% Contribution.  
Each employer may pick up a portion of the 9% contribution on behalf of the member. This pick up portion varies. Contact your school's HR department for further details.
- 2** Total contributions are included on your annual member statement.



# Tier 2 Pensions

Benefit	Tier 2: Members who join CTPF on or after January 1, 2011
<b>Retirement age for a pension without a reduction</b>	67 with 10 years of service
<b>Retirement age for a reduced pension</b>	62 with 10 years of service
<b>Final Average Salary calculation</b>	Average of 8 highest consecutive years in the 10 years preceding retirement
<b>Pensionable Earnings Cap</b>	Final average salary used to calculate pensions capped at \$129,192.26 in 2026. The cap increases by 3% or one-half of the increase in Consumer Price Index (CPI) for the preceding year, whichever is lower.
<b>Annual Pension Increase</b>	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.
<b>Survivor Pensions</b>	66 2/3% of the retired member's pension at date of death. 66 2/3% of the earned annuity of the unretired member; no age reduction

# Eligibility for Tier 2

## Tier 2

### Age & Service for Unreduced benefits:

Age 67 with 10 years of service

### Age and Service for Reduced Benefits:

Age 62 with 10 years of service  
Reduction of 6% per year

### Example of Tier 2

Mary Thomas has eligibility under Tier 2. She earned 12 years of service and is turning 62. Mary has decided to retire at the end of the school year, and she will have 12 years of service credit. She is eligible to retire; however, she will receive a reduced pension because she is 62. Her benefit will be reduced by 30% since she is retiring 5 years early.

# Calculating a Pension: Tier 2

**Pension Benefit = Service x Pension Multiplier (2.2% for Tier 2 members) x Final Average Salary**

## Tier 2 Final Average Salary

Average of highest 8 consecutive years of last 10 preceding retirement



### NOTE:

Tier 2 has an annual salary cap.  
The 2026 pension cap is \$129,192.26

# Calculating a Pension: Tier 2 *CONT.*

---

## Example of Pension Calculation

### PENSION MULTIPLIER



Years of Service x 2.2% x Final Average Salary

34 years x 2.2% x \$80,000 = \$60,000 Annual Pension

The example above is calculated using the maximum available pension at 75% of your FAS.

---



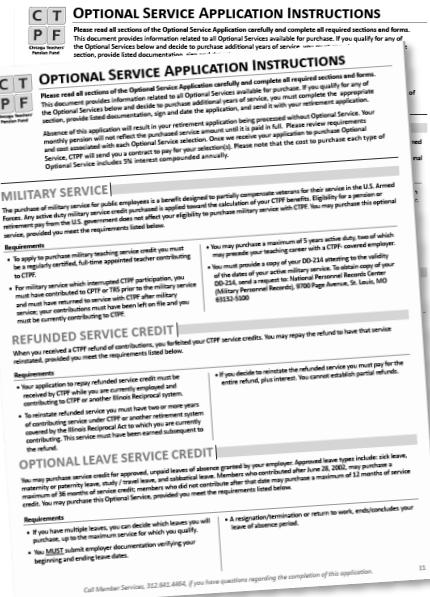


# Maximizing Your Pension

---

# 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**)
- If you are purchasing service at the time you submit your retirement application, you must use **Form 621** instead.

# How to Purchase Service

---

## 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.



# UNUSED SICK DAYS & GRANDFATHERED SICK DAYS

---

- **Conversion to Service Credit:** Unused sick days can be converted into service credit at retirement. Every 17 unused sick days equates to one month of additional service credit, with a maximum of 244 days considered. Accumulated unused sick days & grandfathered sick days are reported when you separate, regardless of any employer payout.
- **Impact on Pension:** This additional service credit can enhance your pension benefits by increasing your total service time, potentially leading to a higher monthly pension amount.
- **Employer Reporting:** It's essential that your employer accurately reports your unused sick days to CTPF to ensure proper credit is applied.
- **More Information:** [www.ctpf.org/member-resources/active-members/retirement-resources](http://www.ctpf.org/member-resources/active-members/retirement-resources)

# Understanding Reciprocity

---

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 10 years of service for employees who joined on or after January 1, 2011.

# Reciprocity and 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.

# The Reciprocal Process

---

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.
- You will receive a payment from each system.



The 13 reciprocal funds with contact information are available on [ctpf.org](http://ctpf.org)



# Survivor & Death Benefits

---

# Survivor Pensions

---

## 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 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



# Survivor Pensions

Tier 2 Members:

---

## Members that are not receiving a pension benefit:

- At least 1.5 years of service for active members and at least 10 years of CTPF service for members whose status is inactive or deferred.

## Active members and members receiving a pension benefit:

- Must have been married/in a civil union for at least one year immediately prior to the date of the member's death.
- Spousal pension is payable immediately while minor child(ren) are in spouse's custody or at age 50, for life.



# 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

**CTPF DESIGNATION OF BENEFICIARY FORM 105 (REV. 2/2017)**

Chicago Teachers' Pension Fund  
203 North LaSalle Street, Suite 2600 | Chicago, IL 60601-1231  
Phone: 312 641 4464 | Fax: 312 641 7185 | [www.ctpf.org](http://www.ctpf.org)

The Designation of Beneficiary form allows CTPF members to designate individuals who will be paid any available lump-sum death benefits at their death. It does not affect or determine survivor benefits, which are only payable to an eligible spouse or minor child. CTPF will not accept forms with cross outs, white-out information or alterations. This form becomes effective when the original signed, notarized form is received by the CTPF office.

**BENEFITS PAYABLE UPON DEATH**

Depending on the member's status at the time of death, CTPF provides the following lump-sum benefits to the beneficiaries of a deceased member:

- A lump-sum death benefit and/or
- A refund of contributions that the member made to the Fund, which are remaining at the time of the member's death.

**INSTRUCTIONS:**

**SECTION 1 – MEMBER INFORMATION**  
Please provide all requested applicable information.

**SECTION 2 – PRIMARY BENEFICIARY INFORMATION**  
Enter the requested information for each beneficiary.

**HOW ARE BENEFITS PAID?** Death benefits are paid to:

- The primary beneficiary designated by the member on the latest Designation of Beneficiary form on file with CTPF.
- The alternate beneficiary designated by the member, if no primary beneficiary survives.
- The member's estate, if no primary or alternate beneficiary survives.

**WHO CAN BE NAMED AS A BENEFICIARY?** Any person or trust may be designated as a primary or alternate beneficiary. If you name a trust, provide the legal name of the trust and/or trustee, the trust number, the date established, and the contact information for the trust. A creditor (i.e. bank, credit union or loan company) **MAY NOT** be named as a beneficiary.

**ADDITIONAL BENEFICIARIES:** If you wish to name more than four primary beneficiaries, cross out the words "Alternate Beneficiary" in section 3, and write your initials and continue.

**NAMING A MINOR:** Death benefits payable to a minor are paid in care of the minor's guardian or custodian under the Illinois Uniform Transfers to Minors Act.

**DISTRIBUTION OF BENEFITS:** If more than one person is named as beneficiary, all will share equally in the benefit unless specific shares (percentages) are written in the "% share" box. If you enter percentages, the total must equal 100%. If specific shares are written in, the benefit will be distributed as directed.

- If a named beneficiary does not survive, his or her shares will be distributed among any surviving beneficiaries.

**SECTION 3 – ALTERNATE BENEFICIARY INFORMATION**  
Alternate beneficiaries receive death benefits if the primary beneficiary survives. Follow the directions in section 2.

**SECTION 4 – SIGNATURE AND NOTARIZATION**

Sign and date the form in the presence of a notary. The notary signing this form may not be named as a beneficiary.

**RETURN THE COMPLETED ORIGINAL:** CTPF will not accept a faxed or e-mailed version of this form. Make a copy for your records and send the original to:

Chicago Teachers' Pension Fund  
203 North LaSalle Street, Suite 2600,  
Chicago, IL 60601-1231

**CONFIDENTIALITY:** The information contained on your form is confidential and will not be disclosed to anyone except as required by law. If you cannot locate a copy of this form or recall your named beneficiary, contact CTPF.

You can find this form on our website:  
[http://ctpf.org/active\\_members/memberapplications.htm](http://ctpf.org/active_members/memberapplications.htm)

Call Member Services, 312.641.4464, if you have questions.

S A  
S I  
S I  
S I  
RE  
a f  
rec  
Chi  
203  
Chic  
Call

# Your Member Statement

- Your Member Statement, sent annually, includes a summary of your benefits and contributions
- Examine your name, address, and personal data to make sure the information on file with CTPF is correct.
- Current employees: Contact your Human Resources department.
- Inactive members contact Member Services to update your record.

**EXAMPLE ONLY**

111 CTPF Annual Statement Form 00004  
Jane Williams Doe  
5000 N Adams St  
CHICAGO, IL 60605-0000

CTPF  
Chicago Teachers' Pension Fund

Your Pension Eligibility is:  
Active and Vested but not  
yet Age Eligible for a  
Pension Benefit

20XX Statement of Estimated Contributions and Benefits  
FISCAL YEAR 07/01/20XX through 06/30/20XX

PERSONAL DATA	
Member ID:	M034-B1440
Gender:	Female
Home Phone:	(773) 200-0100
Cell Phone:	Unknown
Email:	Jane.Doe@gmail.com
Tier:	1
Date of Birth:	12/04/1970
Birth Certificate on File:	No
Marital Status:	Married
Date of Marriage:	03/01/2020
Spouse Name:	John Doe

SERVICE CREDIT	
6/30/20XX	Statement Period Totals
16.55000	1.00000
Service credit as of 06/30/20XX includes:	
Regular	17.55000

**UNPAID SERVICE**  
No service credit is being purchased. Please see the Unpaid Service section in the instructions for more information.

CONTRIBUTIONS			
Contribution Type	As of 6/30/20XX	Statement Period Totals	6/30/20XX
Employee Retirement	\$85,902.06	\$7,327.05	\$93,229.11
Employee Survivor	\$11,455.01	\$977.05	\$12,432.06
Employee AAI	\$5,726.81	\$488.52	\$6,215.33
Account Balance:	\$103,085.88	\$8,792.62	\$111,876.50

Post-Tax Contributions: \$0.00

SALARY INFORMATION			
Year	Reported Earnings	Pension Eligible	Salary Service Credit
20XX	\$97,695.07	\$104,533.79	1.00000
20XX	\$92,592.71	\$99,074.17	1.00000
20XX	\$88,566.16	\$94,765.76	1.00000
20XX	\$88,390.36	\$94,577.72	1.00000

**ESTIMATED PENSION**  
Annual Service Retirement based upon service as of 06/30/20XX: \$38,096.40. Payable at age 62.  
Your actual pension may vary after receipt of final records. This estimate uses anticipated dates and amounts.

**BENEFICIARY INFORMATION**  
Beneficiary last updated with CTPF: 08/01/2008  
It has been at least five years since you submitted a Designation of Beneficiary form.  
Please submit a new Designation of Beneficiary form (Form 105) if you have any changes or updates to your  
beneficiaries. This form can be found on [www.ctpf.org](http://www.ctpf.org), under "Forms and Publications."

425 S FINANCIALPLACE, SUITE1400 • CHICAGO, IL 60605-1000 • Telephone: (312)641-4464 • Fax: (312)641-7185

# Leaving Employment

---



# What if I Leave Employment ?

---

When you leave employment, you must decide how to manage the pension assets you have accumulated with the Chicago Teachers' Pension Fund (CTPF).

The decision you make can have a significant impact on your future financial security.



# What if I Leave Employment ? *CONT.*

## Vested Member

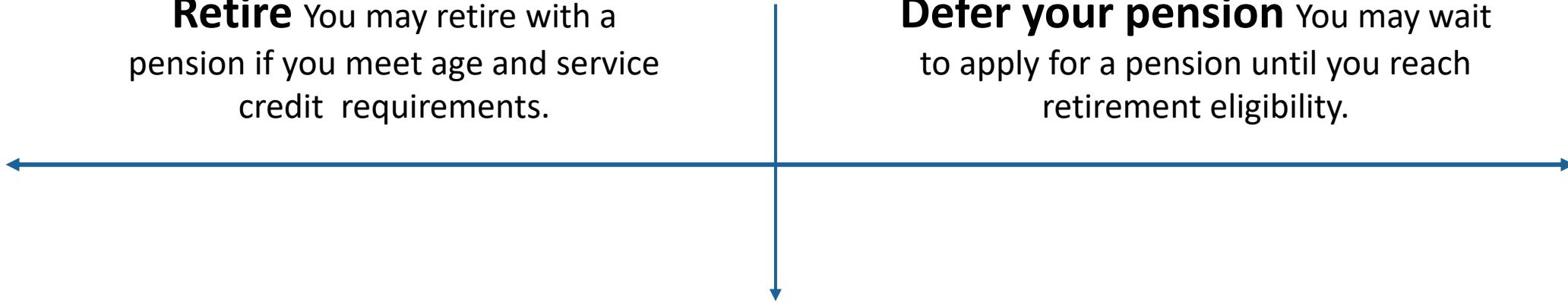
You have earned enough service credit to qualify for a pension, your options are:

**Retire** You may retire with a pension if you meet age and service credit requirements.

**Defer your pension** You may wait to apply for a pension until you reach retirement eligibility.

### Accept a refund

Take refund of contributions and forfeit all future CTPF retirement benefits (including health insurance).



# What if I Leave Employment ? *CONT.*

---

## Non-Vested Member

You can choose to leave your contributions and service credit at CTPF.

- If you return to work for a CTPF Employer or accept employment within the Illinois reciprocal systems in the future, your earnings and credit will be available.
- If you choose this option, make sure you designate a beneficiary to receive a lump-sum payment of your pension contributions upon your death

***You can take a refund of your contributions***

# What if I Leave Employment ? *CONT.*

---

## Accepting a Refund

Taking a Refund of Your CTPF Contributions Means:

- You forfeit your service retirement benefits with CTPF, including survivor, disability, and post-retirement health insurance benefits.
- If you return to a CPS/Charter or Contract school or a reciprocal system, you must earn a minimum of 2 years of active service to qualify for reinstatement/repayment of your refunded service.
- Your refund may be taxed as income unless you choose to rollover pension contributions to a qualified retirement plan.

A photograph of two women. On the left, a young woman with dark hair tied back in a ponytail, wearing a light blue button-down shirt, is smiling and looking down at an older woman. On the right, an older woman with dark, curly hair and glasses, wearing a light blue denim jacket over a white top, is also smiling and looking down. They are holding hands. The background is slightly blurred, showing what appears to be a window with a grid pattern.

# Understanding Post-Retirement Health Insurance Options

---

# Health Insurance

---

## What are Your Insurance Options?

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

## CTPF Subsidizes Health Insurance Premiums

- Currently 60% of health plan premiums, including COBRA (under age 65) and base Medicare premiums

**PLEASE NOTE:** CTPF does not offer vision, dental insurance or an FSA.

Make sure you utilize all your FSA funds before you terminate coverage. You have up to 90 days after your retirement date to submit claims incurred prior to retirement.



# Resources & Information

---

# Pension Representatives

---

Pension Representatives (*Pension Reps*) are valuable members of CTPF. They assist in building and maintaining the vital connection between teachers and CTPF and assist with Trustee elections and other duties as detailed below.

## **Who Can be a Pension Representative?**

A pension rep must be a certified, active teacher in a CPS / Charter or Contract Schools; retirees and administrators cannot serve in the role of pension rep.

A school's pension rep may be determined by a vote among the faculty, a volunteer may come forward, or the principal may select a suitable candidate.



# Pension Representatives CONT.

---

*Does your school have a  
Pension Rep vacancy?*



**If so, are you interested in filling the position?**

Contact CTPF at [pensionreps@ctpf.org](mailto:pensionreps@ctpf.org) for more information  
and to obtain a Pension Rep Credentials form.

# Pension Representatives *CONT.*

---

## Pension Representative Responsibilities:



- Distribution of pension-related materials in their school  
(i.e., newsletters, forms, Trustee election materials)
- Assisting with Trustee elections
- Coordinating field service presentations

Pension Reps can earn a stipend of up to \$100 per year.

# Thank You

---



## CTPF Member Services

**Members:** 312.641.4464 **Fax:** 312.641.7185

**Email:** [memberservices@ctpf.org](mailto:memberservices@ctpf.org)

**Documents:** [imaging@ctpf.org](mailto:imaging@ctpf.org)

**Call Center Hours:** Mon- Fri: 8AM-5PM

[ctpf.org](http://ctpf.org) |

