If you have ever read the fine print on a solicitation from an investment company, you may have also seen a disclaimer stating that “all investments involve risk. Past performance does not guarantee future returns.” Without a crystal ball to predict the future, we assume some degree of risk when we make an investment decision.

There are some general principles that help to mitigate risk. Even the most risk-averse investors understand that investing 100% of assets into a single investment rarely makes sense. Consider the hypothetical example of Jane, a CTPF teacher, nearing retirement. Jane is a self-described “conservative” investor, who doesn’t want to take risks with her money.

A review of her finances at retirement reveals that Jane has instinctively divided her assets into a variety of vehicles with different levels of risk. There are some general principles that help to mitigate risk. Even the most risk-averse investors understand that investing 100% of assets into a single investment rarely makes sense. Consider the hypothetical example of Jane, a CTPF teacher, nearing retirement. Jane is a self-described “conservative” investor, who doesn’t want to take risks with her money.

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Planning to retire in 2011? Find answers to your retirement questions at a 2011 retirement seminar. Seminars feature presentations by CTPF and CPS staff, followed by a question-and-answer session. Representatives from the Social Security Administration will also be available to answer questions.

Following the presentations, CTPF staff will assist members who wish to complete retirement applications, provide no-cost notary and copying services, and accept completed applications. To register and request a Retirement Application Packet call CTPF at 312.641.4464.

February 21 (attend one)
9:00 A.M. – 12:00 P.M.
or 1:00 P.M. – 4:00 P.M.
Renaissance Chicago O’Hare Suites Hotel
8500 West Bryn Mawr Avenue, Chicago

March 7 (attend one)
9:00 A.M. – 12:00 P.M.
or 1:00 P.M. – 4:00 P.M.
Hilton Oak Lawn
9333 South Cicero Avenue, Oak Lawn

CTPF Financial Snapshot

CTPF Return on Investments
Close of the Fiscal Year, September 30, 2010

<table>
<thead>
<tr>
<th>Rate of Return</th>
<th>Total Fund Benchmarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>10.6</td>
</tr>
<tr>
<td>3 year</td>
<td>-3.8</td>
</tr>
<tr>
<td>5 year</td>
<td>2.5</td>
</tr>
<tr>
<td>10 year</td>
<td>3.8</td>
</tr>
</tbody>
</table>

As of September 30, 2010, the approximate current value of CTPF’s investments was $9.34 billion.

Executive Director’s Letter
continued from cover

which helped her to qualify for Social Security and Medicare benefits. During her career, she also banked 320 sick days with her employer, which will be a substantial sum at retirement.

Jane’s situation demonstrates that spreading risk is instinctive and necessary – to even the most conservative investors. At CPTF we do not take risks – we manage risk. We manage risk by distributing investments in a carefully considered mix of assets, designed to ride out short-term market volatility and produce stable, long-term results. Our trustees make prudent investments based on independent advice.

Pensions have been in the news lately and the publicity has highlighted the long-term funding issues facing our fund. We want to emphasize the long-term nature of these issues. In 115 years of continuous operation, CTPF has never missed a pension payment.

We are, however, concerned about the long-term funding issues we continue to face. During the past 15 years, the Board of Education and State of Illinois deferred tax revenue earmarked for pensions and ignored their financial obligations to Chicago’s teachers. CTPF has worked vigorously to educate legislators and to advocate for adequate pension funding in Springfield. We face an uphill battle.

Funding changes come through legislation and we encourage you to contact your legislators to advocate for equitable state funding for CTPF, stable and fair health insurance reimbursements, and adequate CPS contributions. We hope you will lend your voice and help make these issues a priority for legislators.

Preparing for retirement is a partnership and this issue of Pension News illustrates steps you can take at all stages of your career to ensure your retirement security. As your retirement partners, we want to thank all of our members and trustees who work on behalf of the fund to help fulfill the promise of a secure retirement for Chicago’s teachers.

Best wishes for the new year. We look forward to hearing from you.

Kevin B. Huber, executive director

Register Today for a 2011 Retirement Seminar

Life Plans
Planning to retire in 2011? Find answers to your retirement questions at a 2011 retirement seminar. Seminars feature presentations by CTPF and CPS staff, followed by a question-and-answer session. Representatives from the Social Security Administration will also be available to answer questions.

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Hilton Oak Lawn
9333 South Cicero Avenue, Oak Lawn
“I want to thank outgoing Teacher Trustees Linda Goff and Lois Nelson for their diligence and contributions,” remarked Kevin B. Huber, executive director. “I welcome Teacher Trustees Blackwell and Freed, and welcome back Trustees Kotis and Carrero,” continued Huber. “We all look forward to a busy and productive year.”

Jeffery Blackwell and Jeanne Marie Freed Elected Teacher Trustees

October 29, 2010, active teachers held elections in schools. Four candidates ran for two open positions. Jeffery Blackwell and Jeanne Marie Freed received the most votes. More than 13,000 individuals cast ballots.

Blackwell teaches 6th grade, 7th grade, and special needs students at William King School. He holds a bachelor of science in education, a master of science in education with a concentration in special education, and a master of arts in general administration from Chicago State University, Chicago.

Freed teaches Spanish in the International Baccalaureate Program at Lincoln Park High School. She earned a bachelor of arts in Latin American studies from the University of Southern California, Los Angeles, and a master’s degree in Spanish language and literature from the University of Illinois, Chicago.

“The teacher trustee election ran smoothly and featured a good turnout,” said Frances Radencic, election coordinator.

About 50% of our members cast ballots, which is consistent with previous elections. The election was organized by Election Services Corporation and conducted by more than 500 volunteer Pension Representatives and Canvassing Board members. We want to acknowledge and thank all of our volunteers for their service in this election.”

The 2010 Canvassing Board members included: Jay Almer, Goldeen Bell, Joan Billingham, Yvonne Blackmon, Vera Bunting, Juan Cardona, Stephanie Collins, Elizabeth Edohen, Denise Forbes, Peter Grafner, Kathleen Hawkins, Myrtle Harris, Yvette Killingsworth, Dennis Kmiec, Margo Murray, Patricia Murphy, Shari Nichols-Sweat, Caprice Phillips-Mitchell, Gloria Reeves, Frances Scott, Kristin Smith, Tonisia Smith, Adjora Stevens, James Stewart, Joy Valentine, and Flora Williams.

Chris N. Kotis Re-elected Administrator Trustee

Chris N. Kotis was re-elected Principal/Administrator Trustee. Kotis will serve a three-year term, November 2010 – November 2013. Kotis was first elected to the board in 2007.

Alberto A. Carrero, Jr., Re-appointed Board of Education Representative

The Chicago Board of Education re-appointed Alberto A. Carrero, Jr., to serve a two-year term, November 2010 – November 2012. Carrero was appointed to the board in November 2002.

Plan Your Personal Benefits Consultation

If you are considering retirement, now is the time to plan your personal benefits consultation.

Make an Appointment

During a retirement consultation, counselors meet with members in 45 minute, pre-scheduled appointments, available Monday – Friday from 8:00 a.m. – 3:30 p.m. These personalized, one-on-one meetings allow you to discuss your retirement situation in depth. When you schedule your appointment, notify CTPF of the reason for your visit. Bring a list of questions, relevant career information, and arrive on time.

Walk in Visitors

CTPF strongly recommends scheduling appointments. Members without appointments may be seen on a first-come-first-served basis, between 9:00 a.m. – 3:00 p.m. Wait times will vary and may be long.

CTPF is located at 203 North LaSalle Street, suite 2600, Chicago. The CTA’s blue, green, brown, pink, purple, and orange lines all stop at Clark and Lake. Parking is available in the building.

Call 312.641.4464 to schedule your appointment.

2010-2011 CTPF Board of Trustees

During their November 23, 2010, meeting, the CTPF Board of Trustees elected officers and organized the 2010-2011 board.

2010-2011 Executive Board President

John F. O’Brill

Vice President

Maria J. Rodriguez

Financial Secretary

Walter E. Pilditch

Recording Secretary

Mary Sharon Reilly

2010-2011 Board of Trustees

Representing the Contributors
Lois W. Ashford
Jeffery Blackwell
Jeanne Marie Freed
John F. O’Brill
Jay C. Rehak
Maria J. Rodriguez

Representing the Principals/Administrators
Chris N. Kotis

Representing the Pensioners
Walter E. Pilditch
Mary Sharon Reilly
James F. Ward

Representing the Board of Education
Alberto A. Carrero, Jr.
Peggy A. Davis
Too young to think about retirement? Think again.

The good news for Americans is that life expectancy is greater than it ever has been and retirement can last 30 years or more. This also means you must find means to support yourself and your family for an extended period of time. A common rule to follow is that a retiree will need up to 80% of his/her annual income today to retire comfortably.

Planning for retirement should begin the day you start employment. Long-term strategies and goals can help ensure that you can retire with the lifestyle you want.

**How much will I need to retire?**

The answer to this question is different for every individual, but you can start by examining your financial resources. One of your greatest assets is your CTPF pension. Your pension is a defined benefit plan, which means that when you vest or qualify for a pension, you will receive a stable, guaranteed income for life. The amount of additional savings you need varies from person to person based on your expenses.

**I have a pension, why do I need to think about other savings?**

Your pension is designed to provide a stable income in retirement, but a pension should not be your only retirement asset. When you retire, some of your expenses may decrease, but the majority of your expenses may remain stable or increase. Retirees who are under age 65 and do not qualify for Medicare often pay more for health insurance at retirement than they did while they were employed.

**Prepare Now**

**Employer sponsored retirement savings plans offer advantages**

Your employer may offer retirement savings options known as a 403(b) or a 457 retirement plan. When you participate in these plans, contributions are deducted from your pay on a pre-tax basis. Investments and gains in the plan are not taxed until distributed. This provides a regular and systematic savings plan. Contact your employer to ask about your retirement savings plan options.

**Numbers Game**

At retirement you will need to find ways to reduce your overall expenses or supplement your income with other savings and income. Consider different strategies at different ages:

**20s: recent graduate, newly employed**

If you have recently joined CTPF, congratulations. You have joined a retirement system which has provided secure retirements for more than 115 years. Your pension plan ensures that you will retire with a stable and predictable pension, for life.

As a young member, you may have student loans or other debts related to establishing your household. Saving for retirement may be difficult, but now is an important time to establish good saving habits. Saving even a small amount each pay period can add up to a substantial amount at retirement.

For example, saving as little as $100 per month for 20 years can result in more than $40,000 at retirement (assuming 5% interest per year). Make it a goal to set aside a portion of your earnings towards retirement when you begin employment. Try to increase that amount each year.

**CTPF Considerations**

You may find it helpful to review the *New Member Information* brochure, which provides an overview of CTPF benefits for new employees. Other considerations:

**Designate your Beneficiaries**

It is hard to imagine, but tragedy does strike, even the young and healthy. If you die while in active CTPF service, your survivors may qualify for a pension and death benefit.

The death benefit is a set amount, paid according to the Designation on file at CTPF at the time of a member’s death. You must file a designation form with CTPF and update it as important life events occur (marriage, childbirth, divorce, etc.). This designation is separate from any designations you may have filed with a union or your employer. Contact Member Services to update this form.

**Stay Up-to-Date**

If you move, marry, or divorce, make sure you keep your employer and CTPF up to date with any changes in your demographic information. When you change your address, complete a change of address form with CTPF as well as with your employer.

Periodically review pay stubs to make sure pension contributions are being deducted. Call your employer’s payroll department if you find an error or discrepancy.
30s and 40s: Married with Children

Every year you work increases your pension benefit. You still have a long way to go, but building on the habits established in your 20s can help ensure a strong retirement.

Marriage and children bring their own set of financial considerations. You may be saving for a home, or for your children’s college education. If you own a home or have children, make sure you have basic estate planning documents in place. You may also consider purchasing life and disability insurance to help provide financial security beyond the survivor pension and death benefits offered by CTPF and your employer.

Now may also be a good time to meet with a financial advisor to set up a long-term savings and retirement plan.

CTPF Considerations
If you take an employer-approved leave for any reason: maternity, military leave, etc., consider an optional service purchase.

Purchasing Service
If you qualify, a service purchase allows you to increase your service credit and ultimately increase your retirement benefit. You may purchase service at any time before you retire, but you must complete the purchase before your retirement.

The cost of a service purchase can only be determined on an individual basis, but generally includes the contributions you would have made during the period you wish to purchase, plus interest. Interest accrues each month, so the longer you wait to make a service purchase, the more it will cost.

Find more information in the CTPF brochure, Understanding Optional Service.

50s and Beyond
Your hard work has paid off and you are nearing retirement. At age 60 with 20 years of service, you qualify for a pension. Now is a good time to begin planning for retirement. You can get started by requesting an estimate of your pension from Member Services. The estimate can give you an idea of the kind of retirement income you can expect. You may also want to schedule a personal benefits consultation with a Member Services Counselor, (see page 3).

CTPF Considerations
Health Insurance
As an employee, your employer may have paid for a portion of your health insurance premium. As a retiree, you must assume the cost of your health insurance. Consider your options and before making this important decision. See page 6 for more information.

Finalize Optional Service
Check on the status of any unpaid optional service contracts. You must complete payment of these contracts before you retire.

2.2 Upgrade
If you earned service credit prior to July 1, 1998, consider the 2.2 Upgrade Option. The upgrade increases the pension percentage used to calculate your benefit. See the brochure, Understanding the 2.2 Upgrade, for more information.

PEP Programs
Check with the Board of Education (BOE) to see if you qualify for any pension enhancement program (PEP). The PEP program is administered by the BOE.

Ready to Retire
If you plan to retire in 2011, plan now to make sure you enjoy a smooth transition.

Register and Request
Register for a 2011 Retirement Seminar (see page 2). Retirement seminars provide an overview of the retirement process and offer assistance filling out the retirement application. When you register, you will automatically receive a CTPF Retirement Application. You may also request an application from Member Services or download the packet at www.ctpf.org.

Obtain Vital Records
Obtain copies of your vital records including your birth certificate, your spouse’s birth certificate (or death certificate), and a marriage certificate or divorce decree, if applicable. Make sure you can document your identity properly (see page 7).

Reciprocity
If you plan to retire under the provisions of the Illinois Retirement Systems Reciprocal Act, you must declare your intent at retirement, meet each system’s requirements, and file applications with each system. Contact each system for the appropriate forms.

Prepare a Financial Plan
If you are eligible for a payout of your sick days at retirement, consider carefully your investment options. You may want to meet with a certified financial planner or other advisor who can help you understand your investment options and help you make informed choices.

Additional assistance
If you need additional assistance, schedule a personal benefits consultation with a Member Services counselor at 312.641.4464. Appointments are available from Monday through Friday from 8:00 a.m. – 3:30 p.m.

Member resources
All brochures referenced in this article may be obtained from school pension representatives, found online at www.ctpf.org, or requested directly from Member Services at 312.641.4464.
Planning for Post-Retirement Health Insurance

Choosing a health insurance plan for you and your eligible dependents is one of your most important retirement decisions. If you currently have health insurance coverage through your employer, coverage will end at retirement. Understanding your options for post-retirement health insurance can help you make an informed decision.

Know Your Options

There are several different ways to acquire post-retirement health insurance. Your options may include:

- Continuation coverage – the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), allows individuals to pay for the same health insurance coverage that they received when they were employed, usually for 18 months. Contact your employer for information.

- CTPF Health Insurance Plans – CTPF offers a variety of plans for retirees, their survivors, and eligible dependents. Dependents must be covered under the same insurance carrier as the retiree. The 2011 Health Insurance Open Enrollment Handbook, available at www.ctpf.org, contains detailed information about plans offered, eligibility requirements, and premium costs.

- Medicare – Medicare is the federal health insurance program for individuals who reach age 65, receive Social Security disability benefits for over 24 months, have end-stage renal disease, or receive benefits due to ALS. See www.medicare.gov for information.

- Other group insurance – you may qualify for coverage under a spouse's plan.

- Private insurance – individual insurance plan offered through private companies.

CTPF Plans

Retirees may initially enroll:
- within 30 days after COBRA continuation coverage terminates (unless termination is due to non-payment)
- within 30 days of the effective date of pension benefits
- when coverage is terminated by another group health insurance plan through no fault of your own
- when you become eligible for Medicare

It is your responsibility to contact CTPF to request the enrollment forms and to file completed forms on time to ensure continuation of coverage.

Annual Enrollment

In addition to the initial enrollment period, you may enroll in a CTPF plan or add an eligible dependent during the annual open enrollment period (each fall). Changes made during open enrollment become effective January 1.

Qualifying Event

You may enroll in a CTPF plan outside of the initial or annual enrollment period, if you experience a qualifying event. Qualifying events include: marriage, birth, adoption, legal guardianship, becoming Medicare eligible, a change in permanent address that affects availability of an HMO or Medicare Advantage plan, or termination of a Primary Care Physician for an HMO or POS plan.

Returning to Work

You are planning to retire, but your current financial situation doesn’t support the lifestyle you planned.

Many retirees who have seen their investments battered in the economic crisis find that returning to work can make the transition to retirement easier. As a CTPF retiree, there are rules to keep in mind when returning to work.

Non-CTPF Employers

You may work for any non-CTPF employer without restriction.

CTPF Employers

You may return to work for a CTPF-covered employer as long as the employment is part time, temporary, or non-contractual, without benefits. If you return to work in a full-time position, your pension will be suspended.

Each Illinois retirement system has its own rules governing the employment of annuitants. It is a retiree’s responsibility to understand the reemployment rules before accepting employment.

If you have questions contact Member Services at 312.641.4464.
You may not give a second thought to your name, but your legal name and marital status play an important role in determining your CTPF retirement and survivor benefits. There are many teachers whose name does not match the name on their birth certificate. Adequate documentation of name changes can help ensure a smooth retirement transition and timely benefit payments.

Married Members
When a member dies, CTPF pays a survivor pension (usually 50% of the member’s pension) to the spouse and eligible dependents of a married member. At retirement, a married member must provide evidence of a marriage so that a survivor pension can be paid. Survivors of members who are not legally married in the State of Illinois, even if they have lived together or shared a household for many years, do not qualify for a pension.

Occasionally, a couple has separated but has not legally divorced. In these cases, a spouse is still legally entitled to a survivor pension upon the death of a member. If a divorce decree has not been issued prior to the effective date of retirement, a refund of survivor contributions cannot be paid to a retired member and a survivor’s pension may be issued to the spouse upon the member’s death.

Non-Married Members
A non-married member may receive a refund of survivor contributions at retirement. This refund is payable only if the member can prove that s/he is not married at retirement. A previously married member must present a divorce decree or death certificate to receive a refund of survivor contributions.

If a member marries after retirement, but has already received a refund of survivor contributions, no survivor’s pension will be paid. The pension may be reinstated if the member, married at least one year, repays the refund with interest.

Other Situations
In some cases, a teacher never married, but uses a different name from the one shown on a birth certificate. Many times these are individuals who took the names of their fiancées or their step-fathers. Without proof of a legal name change, it is often difficult to provide identification documents needed at the time of retirement or to establish marital status or eligibility for a refund of survivor contributions. If CTPF believes that a member has a surviving spouse or minor child entitled to a survivor benefit, a refund of survivor contributions may not be issued at retirement.

Documentation Requirements
CTPF urges members to secure the necessary documentation of legal name changes and marital status well before the date of retirement.

If you have questions about documentation requirements, contact Member Services at 312.641.4464.
CTPF Board of Trustees’ Mission Statement

To provide, protect, and enhance the present and future economic well being of members, pensioners and beneficiaries through efficient and effective management of benefit programs, investment practices and customer service, and to commit to earning and keeping the respect and trust of the participants through quality service and by protecting retirement benefits, in compliance with applicable laws and standards.

Board of Trustees

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Chris N. Kotis
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James F. Ward
Kevin B. Huber, executive director

Inside this issue

Retirement Planning for Every Age

Retirement may be around the corner or in the distant future, but there are steps you can take at every stage in life to make sure you are well prepared for retirement. See page 4.