The Chicago Teachers’ Pension Fund is governed by the laws of the State of Illinois, so we rely on elected officials for support. This spring, our lawmakers face a difficult financial situation as they work to balance the state’s budget.

As executive director, I have visited Springfield and have worked to make sure the needs of our members and our fund are represented in budget discussions. I have shared, repeatedly, two important messages: CTPF deserves fair funding and our health insurance spending cap needs to be raised.

We know that when it comes to making an impression, an audience may need at least 3 encounters with a message before it’s recognized and up to 11 different impressions to inspire action. We have 79 senators and 118 house members in our current Illinois General Assembly – it means we have to do a lot of talking.

Kevin B. Huber, executive director

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I have only one voice – but when we share our voices – the power of 59,000 members is hard to ignore. Together we can inspire action.

The need to speak as one voice inspired several different initiatives this spring, including our electronic communication program. We recently introduced two new publications: monthly Pension E-News and timely E-LERTS. While electronic communication can save the fund substantial financial resources, the real benefit may come in the form of immediacy. Legislative actions that directly impact our membership can occur with blinding speed. Our traditional forms of communication can take days or even a week to deliver, during which the action may already be taken. CTPF members need to be well informed and well positioned to take action, quickly. We hope you will take advantage of this opportunity to register for updates and E-LERTS at www.ctpf.org.

We saw a great example of members and retirees taking concrete action this spring when CTPF worked with the Chicago Teachers Union, the Retired Teachers Association of Chicago, and the Chicago Principals & Administrators Association on a joint educational effort. The project, Educators Reaching Legislators, sent CTPF members out to meet with lawmakers in their district offices during spring break. Armed with talking points and enthusiasm, retirees and active members took the opportunity to meet face-to-face with local lawmakers to educate them about priorities for CTPF members. Face-to-face meetings with legislators may be the most effective way to communicate our message and we look forward to continuing this type of work.

Measuring the success of our educational initiatives can be difficult. This spring, however, we had a bit of good news when Chicago Tribune columnist Eric Zorn wrote an excellent story about the inequities in pension funding. Find a link to his column on our website.

I hope you will take the time to read about our efforts to educate our legislators and lend your time, talent, and voice to support fair pension funding and affordable health insurance for our seniors. We need to reach our legislators and make sure they understand that even in difficult financial times, promises must be kept. We have much work to do, but with 59,000 members working together, we will be heard.

Kevin B. Huber, executive director

CTPF Trustees recently voted to eliminate the hard-copy distribution of the CTPF meeting minutes. This change allows the fund to realize substantial cost savings and offers a “greener,” more efficient delivery for interested individuals. A complete, searchable PDF version of the minutes will be posted online within seven days of their approval. The fund will continue to print and bind an annual volume, which will be available for public review in the CTPF office. Individuals who prefer a printed version may download and print the material as needed. Find the PDF archive at www.ctpf.org. Electronic versions of the minutes are available for the past five years.
The Public School Teachers’ Pension and Retirement Fund of Chicago, today known as the Chicago Teachers’ Pension Fund (CTPF), was established in 1895 by the Illinois State legislature. From humble beginnings with 8,000 members and $16,000 in investments, the fund has grown and evolved to become a 59,000+ member organization with more than $10 billion in assets.

The fund operates as an independent, multi-employer, defined-benefit public employee retirement system. It offers retirement, survivor, and disability benefits for certified teachers and certain employees of the Chicago Public Schools, Charter Schools, and CTPF.

The State of Illinois sets the laws that govern the fund, and a 12-member Board of Trustees ensures compliance with the law and oversees operations. Board members hold fiduciary responsibility for protecting fund assets and benefits.

Fund members elect ten representatives to serve as Trustees and the Chicago Board of Education appoints two members. Trustees do not receive pay for their service.

Teacher Trustees
Six Teacher Trustees represent active contributors other than principals or administrators. Teacher Trustees serve staggered, three-year terms. Teacher Trustees:
1. must hold an Illinois State Teaching Certificate,
2. be current contributors, and
3. have been assigned on a regular certificate in the Chicago Public or Charter Schools for a minimum of 10 years.

Elections are held in schools each fall to fill two of the six positions.

Pensioner Trustees
Three Pensioner Trustees represent the annuitants and serve concurrent two-year terms. Pensioner Trustees must be current service, reciprocal, or disability pension recipients.

Elections are conducted by mail, every two years.

Principal/Administrator Trustee
One Trustee serves a three-year term representing principals and school administrators. The Principal/Administrator Trustee:
1. must hold and be employed under a State of Illinois Type 75 Administrative Certificate,
2. must not be on the Chicago teachers’ or the Chicago charter school teachers’ salary schedule, or
3. must be paid on an administrative payroll.

Elections are conducted by mail, every three years.

Appointed Trustees
The Chicago Board of Education appoints two Trustees, who serve two-year terms.

Responsibilities of Trustees
The Trustees’ primary responsibility is to protect fund assets and benefits. Trustees also approve CTPF’s administrative budget, authorize benefit payments, select investment professionals, initiate necessary legislative changes, adopt actuarial assumptions, and appoint the CTPF actuary and legal counsel.

Meetings
The Board of Trustees holds monthly, public meetings to conduct the business of the fund. Committee and special meetings are scheduled as needed.

Education
All Trustees participate in educational programs on investing and other topics important to fund operations.

Ethics
Each Trustee must file an annual Statement of Economic Interests form in accordance with the Illinois Governmental Ethics Act. Trustees must also complete ethics training and adhere to the CTPF Code of Conduct – Ethics Policy, available at www.ctpf.org.

Committees
To facilitate the work of the fund, the board has established four standing committees to review and research various topics. These committees meet periodically and generally make recommendations for approval during regular meetings. Committees include:

Investment Committee
The Investment Committee sets investment policy, selects and monitors investment managers, and recommends action.

Finance and Audit Committee
The Finance and Audit Committee provides oversight of management’s administration of the fund’s budget, financial operations, and personnel policies.

Pension Laws and Rules Committee
The Pension Laws and Rules Committee establishes the fund’s legislative agenda. The committee also recommends the endorsement or opposition to proposed legislation and recommends statutory amendments to the Pension Code.

Claims and Service Credits Committee
The Claims and Service Committee recommends action on applications for pensions, disability applications, death benefits, and refunds.

Other Committees
Sub-committees may be established as needed. Current sub-committees include Personnel and Service Providers, Disability Claims, Health Insurance, and Communications.
The Chicago Teachers’ Pension Fund has set Friday, November 4, 2011, as the date for the 2011 Pensioner Trustee Elections.

**Pensioner Trustee**
The Pensioner Trustee Election will be conducted by mail ballot. The official date for the election is November 4, 2011. Pensioners will elect three Trustees to serve two-year terms from November 2011 to November 2013.

**Candidate Eligibility**
Candidates for a Pensioner Trustee position must be current service, reciprocal, or disability pension recipients.

**Nomination Packets**
Members interested in running for office should request a nomination packet by contacting the CTPF Election Team at 312.604.1400 ext. 132 or 169. Candidate eligibility will be verified before the packet can be issued. Nominating petitions must be returned by 5:00 p.m., Friday, September 30, 2011.

**Additional Information**
Additional information is available in the *Election Policies and Procedures Handbook*, at www.ctpf.org. Questions regarding the Election may be directed to the CTPF Election Team at 312.604.1400 ext. 132 or 169.

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**Planning to visit? Plan ahead**
Scheduled appointments with Member Services counselors are available Monday through Friday from 8:00 a.m. to 4:00 p.m.

- Walk-ins are accepted on a first-come, first-served basis, between 9:00 a.m. and 3:00 p.m., but wait times will vary and may be lengthy during busy periods. Walk-ins will not be accepted after 3:00 p.m. An appointment is always recommended. Call 312.641.4464 to schedule an appointment.

**CTPF Address**
203 North LaSalle Street, suite 2600
Chicago, Illinois 60601-1231

**Reduced Parking Vouchers Available**
The 203 North LaSalle building has a self-park garage. Reduced parking vouchers, available from the office, can be bought for $15, (check only, no cash).

**CTA Access**
The CTA’s blue, green, brown, pink, purple, and orange lines all stop at Clark and Lake with easy entry to 203 North LaSalle.
April 13, 2011, the Chicago Teachers’ Pension Fund, the Chicago Teachers Union, The Retired Teachers Association of Chicago, and the Chicago Principals & Administrators Association united in an effort to educate Illinois legislators about pension funding and affordable post-retirement health insurance for Chicago’s teachers.

The group set up appointments with legislators during spring break week and organized coordinated visits. Armed with talking points, active and retired members met with many legislators. “We think this was a great initiative by all agencies,” commented Kevin B. Huber, executive director. “Meeting directly with elected officials is the best way to help our lawmakers understand the issues facing the fund.”

Important information for members who do not participate in CTPF health insurance plans

Retirees currently enrolled in CTPF-sponsored health plans, automatically receive any available health insurance premium subsidy in their monthly pension check.

Retirees who do not participate in a CTPF-sponsored health insurance plan may apply for a subsidy for their health insurance premium. CTPF used to offer a health insurance premium subsidy based on its fiscal year, July 1 – June 30. This schedule often made documentation difficult for retirees.

In order to simplify the process, Trustees changed the subsidy period to the calendar year, January 1 to December 31. The fund will issue a special rebate for the six-month period July 1– December 31, 2010, to start the process.

Retirees who plan to apply for a reimbursement must turn in applications no later than September 30, 2011, for the period July 1 – December 31, 2010. Rebate applications were mailed to qualified retirees in April.

This premium subsidy is available to CTPF retirees whose final teaching service was with the Chicago Public or Charter School System. A surviving spouse and/or minor dependent, receiving a survivor pension, may also qualify. Rebates are paid for retiree health insurance premiums only, and do not include dependent coverage. The subsidy does not cover any other type of insurance coverage such as dental, vision, or long-term care.

The subsidy in effect for the period July 1 – December 31, 2010, was 70%. Effective January 1, 2011, the CTPF health insurance premium subsidy decreased from 70% to 60%. The subsidy is subject to change at the discretion of the Board of Trustees.

If you have questions about the subsidy, call Member Services at 312.641.4464.

Watch for your birthday party invite...

CTPF has launched a series of “birthday parties” for members turning age 65.

“Turning 65 is an important milestone for members because they become eligible for Medicare,” explained Mary Cavallaro, health benefits manager. “These ‘birthday parties’ offer important information about Medicare enrollment and offer opportunity to speak face-to-face with representatives from the Social Security Administration and our health insurance partners.”

During the seminars attendees may:

- Enroll in Medicare on-site
- Learn about CTPF Medicare health plan options
- Speak with representatives from the Social Security Administration and CTPF health insurance providers
- Receive assistance completing health insurance forms

Seminars will be held periodically during the year. Invitations will be sent to eligible individuals and reservations are required. Watch your mail for more information.
The schedule for mailing checks/direct deposit advices and the date for posting direct deposits is listed below. Please use this as a guide for budgeting.

Mail delivery usually takes two – three days. Members who receive checks by mail may not have the check in hand on the first of the month. If you have not received your check five business days after the posted mailing date, please contact CTPF. Direct deposit funds are normally available on their posting date. Find direct deposit enrollment forms at www.ctpf.org.

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**Federal Deposits Go Electronic**

The U.S. Department of the Treasury now requires all federal benefit and nontax payments to be paid electronically. Members who apply for Social Security, Veterans benefits, or other federal benefits on or after May 1, 2011, will receive their payments electronically starting with their first benefit payment. People currently receiving paper checks for their federal benefits will need to switch to an electronic payment option by March 1, 2013.

Those who do not choose an electronic payment option at the time they apply for federal benefits or those who do not switch by the deadline will receive their benefit payments via the Direct Express® Debit MasterCard® card. If you already receive benefit payments electronically, you do not need to take action. Your payment will continue as usual on the payment day.

Having federal benefits paid electronically by direct deposit or into a Direct Express® Debit MasterCard® account is safer, faster and more reliable than receiving paper benefit checks. More than 540,000 Treasury-issued checks were reported lost or stolen in 2010 and had to be reissued.
The Chicago Teachers’ Pension Fund is governed by Illinois law. Changes to the governance of the fund begin in Springfield, Ill. CTPF encourages all members to take an active role contacting legislators and advocating for the fund. Members may find additional information and a complete list of the fund’s legislative priorities for 2010-2011 at www.ctpf.org.

**CTPF Director Testifies in Springfield**

CTPF Executive Director Kevin B. Huber spent March 17 in Springfield, meeting with Speaker Madigan and President Cullerton’s key staff members to discuss options for tackling the current unfunded liability of all pensions in the state.

“We worked to educate legislators about the impact that changing benefits for current active employees has on the unfunded burden for pensions. They listened, but were noncommittal. We will keep providing legislators with information as they deliberate,” explained Huber.

**Support House Bill 3401**

CTPF encourages all members to contact legislators and ask for their support of Illinois House Bill 3401. This bill requests that CTPF be allowed to increase its spending on health insurance for retirees from $65M to $100M annually. The State set the health insurance spending cap at $65M in 2003-2004, and has not increased the amount since that time. During the same period, the number of CTPF retirees has increased almost 36%.

Unless the spending cap is raised, the amount CTPF can offer to retirees for health insurance premium subsidies will continue to decline.

**Senate Bill 1831 Passes**

CTPF, Chicago Public Schools (CPS), and Chicago Teachers Union (CTU) recently agreed to amend the payroll provisions of Article 17 of the Illinois Pension Code. April 14, 2011, the Illinois Senate passed Bill 1831, which amends the language so that teachers earn one day of pension service credit for each day of paid employment (day-for-a-day rule) and defines a year of service credit as 170 days. This new rule will apply to all teachers, full-time, part-time, half-time, or substitutes. The bill was waiting on the governor’s signature at press time.

**House Bill 1544 Defeated**

Illinois House Bill 1544 passed out of committee but was defeated on the House floor in a roll call vote on April 11. The bill provided language mandating that CTPF receive about 20% of the annual allocation made to the Teachers Retirement System (downstate teachers). This bill would provide an additional $400M annually to CTPF from the state and would help to stabilize the fund with a more equitable funding structure. CTPF will continue to work towards passage of this type of legislation.

**House Bill 3639 Passes**

House Bill 3639 passed unanimously by the Illinois House of Representatives on March 31, 2011. An amendment to this bill gives more than $2.5B in funding for the downstate Teachers Retirement System and appropriates $10M to CTPF.
**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.

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Kevin B. Huber, executive director

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**An Extraordinary Life**

Processing death benefits is a sad but important CTPF responsibility. When a recent death notice came in, the fund’s staff initially thought that a mistake had been made. The information described an active member with more than 63 years of service.

The staff began checking, and soon the explanation became clear. The individual who had passed was Dr. Catherine M. Wells, a legendary CPS educator. The principal of Farnsworth Elementary School on Chicago’s north side for the past 38 years, Dr. Wells died in active service in March 2011.

Dr. Wells will be missed greatly by her family and the Farnsworth community. Her extraordinary service is unparalleled in the memory of the fund’s staff.