CTPF has released its 2014 Economic Impact Statement, *The Buck Stays Here*, which illustrates the important role pension benefits play in local economic development. Members can download the report from the Education and Advocacy page at www.ctpf.org.

The economic impact study found that a majority of CTPF members, including 90% of active CTPF members and beneficiaries, live in Illinois and half of those members live in Chicago. CTPF benefit payments help generate 11,655 jobs in the State of Illinois including 5,986 in the City of Chicago.

**Economic Impact by Legislator**

CTPF also created individual information sheets for each Illinois state representative and senator.

“Our teachers are required to live in the city, and many stay after retirement. CTPF members contribute a great deal to the economic well-being of Chicago and Illinois, yet, these contributions have been overlooked in the conversations about pensions,” explained Jay C. Rehak, president of the CTPF Board of Trustees and interim executive director. “Our members help to drive the economy of our city and state.”

Members can download legislators’ information, fill in contact information, and share the sheet with legislators. Find more information on our Education & Advocacy page at [www.ctpf.org](http://www.ctpf.org). Pensions Matter — tell your legislators.
As of March 31, 2014, the approximate current value of CTPF’s investments was $10.2 billion.

Rehak named Interim Executive Director

The Chicago Teachers’ Pension Fund (CTPF) Board of Trustees voted on Thursday, May 15, 2014, to authorize President Jay C. Rehak to take a leave of absence from his teaching position to provide leadership at CTPF until June 30, 2014, when Executive Director Kevin B. Huber is expected to return from a medical leave. Rehak will serve as Interim Executive Director.

“The Fund has an excellent staff in place and I look forward to joining them during this critical period,” said Rehak. “I plan to serve as a resource during this time to ensure that we continue our mission of serving our 63,000 members who depend on CTPF for retirement security.”

Trustees Speak at National Conference

Four members of the CTPF Board of Trustees led a panel discussion at the National Conference on Public Employee Retirement Systems (NCPERS) Annual Conference and Exhibition, April 30, in Chicago.

CTPF Board of Trustees President Jay C. Rehak, Vice President Lois W. Ashford, Investment Committee Chairperson Tina Padilla, and Recording Secretary Raymond Wohl led a panel discussion, “The Public Pension Funding Debate – Chicago Style.”

The trustees examined the problem of underfunded public pensions and described ways CTPF educates stakeholders and works to expand the dialogue on funding.

CTPF Featured on Chicago Newsroom

CTPF’s Board of Trustees President and Interim Executive Director Jay C. Rehak joined Ken Davis of Chicago Newsroom (CAN TV), George Schmidt, Substance News, and Dan Fabrizio, Chicago Firefighters’ Pension Fund, May 22 and discussed the history of Chicago’s municipal employee pensions and the long-standing failure of government officials to adequately fund the system.

Find a link to the program under Current News at www.ctpf.org.

Legislative Update  Continued from cover

CTPF Trustees continue to advocate for legislation focusing on stable funding and increased state support. Thank you to lawmakers who sponsored the CTPF 2014 legislative agenda:


Spring/Winter Training

CTPF conducted several successful Ambassador training programs this past winter and spring.

Webinars in January and February offered information on writing an effective letter to the editor, and a review of CTPF’s economic impact and Legislative Agenda.

Ambassador training programs held in the CTPF office on March 11 and April 15 helped members learn to communicate effectively with legislators.

Active and retired members gathered in the CTPF office on April 15, 2014, for a Pension Fund Ambassador training session.

See below for summer training dates.


Upcoming Ambassador Training

CTPF will offer Ambassador training sessions on June 26 and July 17, 1:00-3:00 p.m., in the CTPF office. Register for a training session at goo.gl/yk4DkJ (case sensitive).

Pension Payment Schedule

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.

<table>
<thead>
<tr>
<th>Month</th>
<th>Check Mailing Date</th>
<th>Direct Deposit Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2014</td>
<td>June 27, 2014</td>
<td>July 1, 2014</td>
</tr>
<tr>
<td>August 2014</td>
<td>July 30, 2014</td>
<td>August 1, 2014</td>
</tr>
<tr>
<td>September 2014</td>
<td>August 28, 2014</td>
<td>September 2, 2014</td>
</tr>
<tr>
<td>October 2014</td>
<td>September 29, 2014</td>
<td>October 1, 2014</td>
</tr>
<tr>
<td>December 2014</td>
<td>November 25, 2014</td>
<td>December 1, 2014</td>
</tr>
</tbody>
</table>

Pension Fund Ambassador Update

Active and retired members gathered in the CTPF office on April 15, 2014, for a Pension Fund Ambassador training session.

CTPF Calendar

Trustee meetings, held in the CTPF office, are open to the public. Please confirm all meeting times/dates at www.ctpf.org.

<table>
<thead>
<tr>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
</tr>
</thead>
<tbody>
<tr>
<td>19</td>
<td>4</td>
<td>21</td>
<td>1</td>
<td>13</td>
<td>11</td>
<td>27-28</td>
</tr>
<tr>
<td>1:00 p.m., Ambassador Training</td>
<td>Independence Day observed, office closed</td>
<td>9:30 a.m., Trustee meeting</td>
<td>Columbus Day, office closed</td>
<td>9:30 a.m., Trustee meeting</td>
<td>Veterans Day, office closed</td>
<td>Thanksgiving holiday, office closed</td>
</tr>
<tr>
<td>10:00 a.m., Trustee meeting</td>
<td>9:30 a.m., Investment Committee meeting, CTPF office</td>
<td>9:30 a.m., Trustee meeting</td>
<td>9:30 a.m., Trustee meeting</td>
<td>9:30 a.m., Trustee meeting</td>
<td>9:30 a.m., Trustee meeting</td>
<td>9:30 a.m., Trustee meeting</td>
</tr>
</tbody>
</table>

Office/Mailing Address

Chicago Teachers’ Pension Fund
203 North LaSalle Street, suite 2600
Chicago, Illinois 60601-1231
312.641.4464 fax: 312.641.7185
www.ctpf.org memberservices@ctpf.org

Office hours:
8:00 a.m. – 5:00 p.m. M-F
Established by the State of Illinois on July 1, 1895, CTPF manages members’ assets and administers entitlements and benefits. CTPF is governed by Illinois law, and managed by an independent, 12-member Board of Trustees. Current teachers, administrators, and pensioners elect representatives to the board, and the Chicago Board of Education appoints 2 members. CTPF Trustees have fiduciary responsibility for Fund operations, approve benefit programs, and make investment decisions.


The funded ratio, a comparison of assets to future obligations, decreased to 49.5%, from 53.9% in 2012.

The Fund invests for a “lifetime,” maintaining a diverse mix of assets with an acceptable level of risk appropriate for a large public employee retirement system. The Fund’s investment performance for the one-year period ended June 30, 2013, was 13.3%.

An annual actuarial valuation is performed to determine the amount of required contributions on behalf of the Fund. CTPF’s funded ratio fell below 90% in 2006 and the Chicago Board of Education was required by law to make contributions to bring the funded ratio up to 90% by 2045. Public Act 98-0889 enacted in 2010 limited the contributions required to be made to the Fund by the Chicago Board of Education to $187 million for fiscal 2011, $192 million for fiscal 2012, and $196 million for fiscal 2013, and extended the funding schedule by 14 years to 2059.

The employer and state paid a total of $207.7 million in fiscal year 2013 and will be required to contribute $612 million for fiscal year 2014. The employer sought a significant reduction in its required contribution through Senate Bill 1920, introduced on May 31, 2013. The measure was defeated, but traditionally, the employer has achieved significant, harmful funding reductions through legislative measures.
The two basic financial statements of the Fund are the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position.

The Statement of Fiduciary Net Position is a measure of the Fund’s assets and liabilities at the close of the fiscal year. Total assets less liabilities equal net assets held in trust for future benefits. Fiduciary net position increased to $9.7 billion in 2013 from $9.5 billion in 2012.

The Statement of Changes in Fiduciary Net Position shows revenues (additions) and expenses (deductions) for the fiscal year. The net increase (or decrease) is the change in net assets available for benefits since the end of the previous fiscal year.

Additions to fiduciary net position, which are needed to finance statutory benefit obligations, come from public sources such as state and federal appropriations, employer and employee contributions, net earnings on investments, and miscellaneous sources. For the year ended June 30, 2013, additions totaled $1.6 billion, compared to $359 million for the year ended June 30, 2012.

* These statements combine the assets of the Pension Fund and Health Insurance Fund. Readers can find complete financial statements on pages 24 and 25 of the Comprehensive Annual Financial Report, available at www.ctpf.org.
FUNDING ANALYSIS

CTPF’s funded ratio is a snapshot of the Fund’s financial health, calculated by comparing future obligations to current assets. In 2013, the funded ratio decreased to 49.5% from 53.9% in 2012.

The funded ratio has ranged from 85.9% to 49.5% during the last 10 years and was nearly 100% as recently as 2002.

The 2006 funding schedule was changed in 2010 with the passage of PA 96-0889. This law limited the required contribution from the Chicago Board of Education to $187 million for fiscal year 2011, $192 million for fiscal 2012, and $196 million for fiscal 2013 and extended the time period to reach 90% funding an additional 14 years.

PA 96-0889 will cost CTPF nearly $1.2 billion in contributions in addition to the $2.0 billion lost during the 10-year pension “holiday” from 1996-2005.

The chart below compares the employer contributions made for the past 10 years to the actuarially determined contributions that should have been made to fund pensions.
After exceptional returns of 13.6% in 2010 and 24.8% in 2011 and a modest gain of 0.6% in 2012, the Fund had an excellent 13.3% return in 2013. The Fund’s performance mirrored the stabilizing market and improving economic conditions relative to 2012.

The Fund maintained a diversified portfolio and has consistently pursued a fiscally conservative investment policy designed to maximize long-term returns while maintaining an acceptable level of risk for a large public pension fund.

CTPF is a long-term investor and returns over longer periods of time are more important. CTPF invests for a “lifetime,” and the Fund’s annualized return for the past 35 years climbed to 8.86%, exceeding its expected rate of return of 7.75%. The Fund’s three-, five-, and ten-year annualized returns, respectively, are 12.4%, 4.6%, and 7.0%.

The Fund continues to be committed to diversity and as of June 30, 2013, approximately 31% ($3.0 billion) of the Fund’s assets were managed by qualified minority, women, and disabled owned investment managers. Additionally, the Fund directed 38% of commissions to qualified minority, women, and disabled owned broker dealers.

---

**Asset Allocation as of June 30, 2013**

**IN MILLIONS OF DOLLARS**

- **Cash and Equivalents**: $539 (5.5% target 2.0%)
- **Private Equity**: $274 (2.8% target 3.0%)
- **Infrastructure**: $332 (3.4% target 2.0%)
- **Hedge Funds**: $28 (0.3% target 2.0%)
- **Real Estate**: $773 (7.9% target 6.5%)
- **Public REITs**: $270 (2.8% target 2.5%)
- **International Equity**: $2,639 (27.0% target 31.2%)
- **Domestic Equity**: $3,231 (33.0% target 31.3%)
- **Fixed Income**: $1,692 (17.3% target 19.5%)

**CTPF Annualized Rate of Return 1979-2013**

**35-year Average 8.86%**
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.

**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**

Jay C. Rehak, president
Lois W. Ashford, vice president
Mary Sharon Reilly, financial secretary
Raymond Wohl, recording secretary
Carlos M. Azcoitia
Jeffery Blackwell
Robert F. Bures
Bernie Eshoo
Tina Padilla
Walter E. Pilditch
Jerry Travlos
Andrea L. Zopp
Kevin B. Huber, executive director

**Meet Shirley T. Shechtman**

A 90th birthday is a monumental milestone, but Shirley Shechtman’s 90th birthday will truly be unique, because it will also be her retirement date. Shechtman will leave Albany Park’s Hibbard Elementary School on June 30 with 55 years of service and an extraordinary legacy. Shechtman attended Hibbard from 3d-8th grade, graduated from Chicago’s Von Steuben High School, and married Joseph, a soldier in WWII. She earned her degree from Chicago Teachers College and returned to Hibbard as a physical education teacher in 1946. After five years, she left full-time teaching to raise the couple’s three children, but returned in the late 1950s as a substitute teacher. When Joseph died of an aneurysm in 1964, Shechtman was the mother of three children ages 7-14. Gifted with incredible energy and an unrelenting positive spirit, she returned to work full time at Hibbard, earned her master’s degree from Northeastern Illinois University, and in 1973, founded Hibbard’s special education program, where she has taught ever since.

Shechtman explains, “You grow and learn from your experiences, and if you are a positive minded person, you get through it all. I loved the children and had wonderful family and friends,” she explains. “I’m not counting the days to retirement. I live and appreciate every single day.”