Each time I speak in front of a CTPF group, I like to turn the tables and offer a little pop quiz. I ask the audience to raise their hands if they can answer yes to these questions:

**Question 1.** Do you care about your pension? (All hands go up for this one).

**Question 2.** Can you name your Illinois state legislators? (About 15-20% get this).

**Question 3.** Does your Illinois state senator or representative know you by name? (1-2 people raise their hands).

Many of our members simply do not understand the important role that Illinois legislators play in the health of our pension fund. We are governed by Illinois law and changes to our fund begin in Springfield. The most important step you can take to protect the pension...
you currently receive, or the future benefit you deserve, is to make sure that you know your Illinois legislators personally.

This fall our CTPF Board of Trustees developed several programs designed to help educate our members so that they can advocate for our pension fund. These programs are helping CTPF share the message that a lack of funding created the pension crisis, and that guaranteed funding from our employer and contributions from the State of Illinois will restore our fund.

We want to help our members communicate with legislators, and that process starts with knowing your local elected representatives. Our new Legislative Action Center, launched in October at www.ctpf.org, offers a one-stop shop where you can look up legislators, send e-mails, and track current legislation.

October also saw the launch of our Pension Fund Ambassador program. The Ambassador program has already attracted nearly 500 enthusiastic members who have agreed to reach out and communicate with Illinois legislators – and we’re already seeing results. You can find more information about the program on page 4, and we hope you will join the effort.

We followed up October’s efforts with the November release of our new report, *The Buck Stays Here: understanding the economic impact of CTPF benefit payments on the State of Illinois and the City of Chicago*. Pensions generate more than $1 billion in direct payments to Illinois residents. These payments generate $1.48 billion in economic stimulus and create more than 11,000 jobs – more than Sears Headquarters and the CME Group combined.

We’ve also examined the economic impact that pensions make by district and created a fact sheet for every Illinois senator and representative. It’s one thing to walk into your senator’s office and tell her that your pension matters – it’s another to tell her that CTPF benefit payments create more than 500 jobs in her district. You can find the reports on our education and advocacy page at www.ctpf.org.

Our work this fall has helped to prepare us for the uncertain road we face this winter. I encourage you to face the uncertainty with action. Walk into an office and meet your representative in person. Bring an individual fact sheet and share your story. You can find more information and tools to support your efforts on the education and advocacy page at www.ctpf.org.

The small steps you take now can make a big difference later. We hope you will like us on Facebook, register for e-mail updates, visit the Legislative Action Center at www.ctpf.org, and become an Ambassador. Changes can happen quickly, and electronic communication is the fastest way to reach our members. Our fund has one director, five lobbyists, and twelve trustees who are working non-stop to make our voices heard – but there are only 18 of us. When our 60,000 members stand up and speak with one voice, we’ll make an impact.

Your pension matters – it’s time to meet your legislators.

Kevin B. Huber

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**CTPF Financial Snapshot**

**CTPF Return on Investments**

*September 30, 2012*

<table>
<thead>
<tr>
<th>Rate of Return</th>
<th>Total Fund Benchmarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 year</td>
<td>17.8</td>
</tr>
<tr>
<td>3 year</td>
<td>9.7</td>
</tr>
<tr>
<td>5 year</td>
<td>1.2</td>
</tr>
<tr>
<td>10 year</td>
<td>7.3</td>
</tr>
</tbody>
</table>

As of September 30, 2012, the approximate current value of CTPF’s investments was $9.6 billion.

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**Visit our new Legislative Action Center at www.ctpf.org.**
The 2013 Open Enrollment period for CTPF health insurance plans closed on October 31, 2012. All plan changes and rates become effective on January 1, 2013.

**2013 Medicare Rates Announced**
The Centers for Medicare and Medicaid Services (CMS) has released the 2013 Medicare premium rates.

**Part A: (Hospital Insurance) Premium**
Members who have 40 quarters or more of Medicare credit receive premium-free Medicare Part A at age 65. If you do not have 40 quarters of credit, you must pay a premium for this coverage. The monthly Part A premium for members with 30-39 quarters of Medicare will be $243. Individuals with less than 30 quarters of Medicare-covered employment pay $441 monthly. CTPF helps pay for Medicare Part A premiums by subsidizing 60% of your premium cost for 2013.

- Medicare Part A with 40+ quarters = 0
- Medicare Part A with 30-39 quarters = $97.20 after CTPF subsidy
- Medicare Part A with 0-29 quarters = $176.40 after CTPF subsidy

**Part B: (Medical Insurance) Premium**
The standard Medicare Part B premium will be $104.90 for 2013. CTPF helps pay for Part B premiums by subsidizing 60% of your premium cost.

- Standard Medicare Part B cost = $41.96 after CTPF subsidy

**Medicare Premiums for Higher-Income Individuals**
The Social Security Administration requires that individuals with higher incomes pay an income related Medicare adjustment amount (IRMAA) in addition to their standard Medicare premiums. These IRMAA premiums apply to Part B as well as prescription coverage. CTPF does not subsidize any part of the IRMAA premium. IRMAA adjustments are applied to individuals whose adjusted gross income was higher than $85,000 in 2011 and to couples whose income was $170,000 or more. You can find more information about IRMAA rates online at www.ctpf.org.

**Questions**
If you have additional questions about how CTPF subsidizes insurance premiums, review the CTPF 2013 Health Insurance Handbook and Open Enrollment Guide available at www.ctpf.org or call a pension resource specialist at 312.641.4464.

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**2012 Health Insurance Seminars**
Members ask questions during the October 8, 2012, Health Insurance Open Enrollment seminar held at the Renaissance Chicago O’Hare. CTPF held four open enrollment seminars and posted a slide presentation to help members make informed choices for 2013. More than 400 retirees attended the Open Enrollment seminars.
Education and Advocacy
Update: Special Report

CTPF Trustees put a special focus on Member Education and Advocacy efforts during the fall. Here’s a review of recent work:

Legislative Action Center Launched

Quick! Who represents you in Springfield? Which legislative district are you in? How can you reach your elected representatives? Find answers to these questions in a simple-to-use format at our new Legislative Action Center at www.ctpf.org. When you visit the CTPF website, click the Education and Advocacy tab and then follow the link to the Legislative Action Center.

When you visit the Legislative Action Center, you can type in your address and look up your elected representatives, send an e-mail to your legislators, and find out more about CTPF legislative efforts. If you register at the Legislative Action Center, you will automatically be enrolled in our new CTPF Pension Fund Ambassador program.

Pension Fund Ambassador Program Debuts

CTPF developed the Pension Fund Ambassador program to encourage our members to educate lawmakers and decision makers about the Chicago Teachers’ Pension Fund and our legislative priorities. We want legislators to understand the people behind the pensions, and to hear the facts about the fund straight from our members. Nearly 500 CTPF members have signed up as Ambassadors.

Ambassador Actions....

Ambassadors are working to protect pensions. They are sending hundreds of e-mail messages to their local elected officials through the Legislative Action Center’s “Letter of the Week Program;” visiting local offices to meet with legislators in person to share our new report, The Buck Stays Here, legislative fact sheets, and other materials (see page 5); and sharing the message of fair funding with family and colleagues.

Join Today

CTPF encourages you to join the program. Register at the Legislative Action Center to automatically be enrolled, or send an e-mail with your contact information to ambassadors@ctpf.org.

Representative Golar Hosts Caucus at CTPF

October 24, 2012, the Illinois Black Caucus gathered at CTPF for a Pension Information and Education (PIE) seminar and spent the day learning about the facts, issues, and challenges facing pension funds.

“CTPF made history today with our legislators,” said Representative Esther Golar who hosted the conference together with CTPF. “This was an excellent learning opportunity for our members.”

“This seminar was the first of its kind, and we were excited to be a part of it,” commented Kevin B. Huber, executive director. “We would like to thank Representative Golar for her organizational efforts and all the legislators who attended.”
Making an Impact—Pension Dollars Create Jobs in Your Community

What kind of economic impact do CTPF pensions make on your community? More than 90% of CTPF retirees live in Illinois, and 50% live in the city of Chicago. Our members live, work, spend, and vote locally—and those dollars generate economic activity and jobs in every community in Illinois. CTPF has developed individual information sheets for each legislator in Illinois. Our legislative fact sheets can tell you the number of CTPF members in your district and the economic impact CTPF benefit payments make in your community. You can download and personalize your districts’ fact sheets and share them with your legislators. Legislators need to understand that pensions provide an economic engine for our economy. You can find a file for every senator and house member on the Education and Advocacy Page at www.ctpf.org.

Pensions matter—not just to CTPF members—but to the State of Illinois and City of Chicago. CTPF has quantified the economic benefit of pensions in our new report, *The Buck Stays Here*, understanding the economic impact of pensions. Pension benefits provide more than $1.48 billion in economic stimulus to Illinois and help generate more than 11,000 jobs (more than Sears headquarters and the CME Group combined). Download the report to learn more and share it with your legislators.

Legislator’s contact information: We’ve included mailing information to make this easy to send to your legislators.

Information Summary: At a glance: the number of CTPF members in your district, the total benefit payments CTPF retirees receive, the economic impact of those payments, and the jobs created in your community.

Money Matters: Pension Impact by District

### CTPF’s Top Five House Districts (by Economic Impact/Jobs Created)

<table>
<thead>
<tr>
<th>District</th>
<th>Representative</th>
<th>Total Members</th>
<th>Active members</th>
<th>Retirees</th>
<th>Pension Payments</th>
<th>Total Economic Impact</th>
<th>Jobs Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>033</td>
<td>Rep. Marcus C. Evans, Jr. (D)</td>
<td>2,638</td>
<td>1,485</td>
<td>1,153</td>
<td>62,474,088</td>
<td>91,299,633</td>
<td>682</td>
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<tr>
<td>038</td>
<td>Rep. Al Riley (D)</td>
<td>1,502</td>
<td>586</td>
<td>916</td>
<td>50,289,609</td>
<td>73,493,234</td>
<td>549</td>
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<tr>
<td>025</td>
<td>Rep. Barbara Flynn Currie (D)</td>
<td>2,024</td>
<td>1,068</td>
<td>956</td>
<td>50,031,643</td>
<td>73,116,244</td>
<td>546</td>
</tr>
<tr>
<td>027</td>
<td>Rep. Monique D. Davis (D)</td>
<td>2,357</td>
<td>1,427</td>
<td>930</td>
<td>46,500,023</td>
<td>67,955,134</td>
<td>508</td>
</tr>
<tr>
<td>035</td>
<td>Rep. William Cunningham (D)</td>
<td>2,558</td>
<td>1,709</td>
<td>849</td>
<td>42,937,026</td>
<td>62,748,170</td>
<td>469</td>
</tr>
</tbody>
</table>

### CTPF’s Top Five Senate Districts (by Economic Impact/Jobs Created)

<table>
<thead>
<tr>
<th>District</th>
<th>Senator</th>
<th>Total Members</th>
<th>Active members</th>
<th>Retirees</th>
<th>Pension Payments</th>
<th>Total Economic Impact</th>
<th>Jobs Created</th>
</tr>
</thead>
<tbody>
<tr>
<td>017</td>
<td>Sen. Donne E. Trotter (D)</td>
<td>4,473</td>
<td>2,551</td>
<td>1,922</td>
<td>105,115,227</td>
<td>153,615,393</td>
<td>1,148</td>
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<tr>
<td>013</td>
<td>Sen. Kwame Raoul (D)</td>
<td>4,060</td>
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<td>1,686</td>
<td>88,771,104</td>
<td>129,730,092</td>
<td>969</td>
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<tr>
<td>018</td>
<td>Sen. Edward D. Maloney (D)</td>
<td>3,983</td>
<td>2,494</td>
<td>1,489</td>
<td>75,969,470</td>
<td>111,021,784</td>
<td>830</td>
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<tr>
<td>014</td>
<td>Sen. Emil Jones, III (D)</td>
<td>3,578</td>
<td>2,125</td>
<td>1,453</td>
<td>73,619,061</td>
<td>107,586,896</td>
<td>804</td>
</tr>
<tr>
<td>019</td>
<td>Sen. M. Maggie Crotty (D)</td>
<td>2,107</td>
<td>890</td>
<td>1,217</td>
<td>64,354,485</td>
<td>94,047,644</td>
<td>703</td>
</tr>
</tbody>
</table>
**LIBOR Resolution Passed and Committee Established**

October 2, 2012, the Investment Committee of the CTPF Board of Trustees, voted to adopt a resolution regarding the London Interbank Offered Rate (LIBOR) scandal, and appointed Jay C. Rehak chairman of the committee to investigate the matter. At the October 18, 2012, Board of Trustees meeting, President Rehak appointed Tina Padilla and Mary Sharon Reilly to serve on the newly established LIBOR Committee.

The resolution and the committee draw attention to the fact that City and City workers’ pension funds may have lost millions of dollars as a result of the fraud perpetrated by sixteen of the world’s largest banks. The banks allegedly rigged the LIBOR index to increase their own profits. Up to $800 trillion in financial securities and debt globally is tied to LIBOR, including derivatives and investments held by the City of Chicago and its workers’ pension funds. Funds that held investments with returns linked to LIBOR, likely lost money as a result. The CTPF LIBOR committee will explore the impact of the LIBOR scandal on the health of the Fund and determine what, if any, legal or other action is required to recover losses due to financial malfeasance.

The complete text of the resolution can be found at www.ctpf.org.

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**CTPF Wins $37.5 Million Appeal**

October 8, 2012, CTPF won its appeal in a lawsuit that accused the Chicago Board of Education of failing to pay the fund $37.5 million in required employer contributions for fiscal year 2010. The Illinois Appellate Court ruled the board should have contributed $345 million to the fund for the fiscal year ending June 30, 2010. Instead, it contributed $307.4 million.

“It is our Board of Trustees’ responsibility to make sure that our bills are paid fairly. It is also our Trustees’ fiduciary duty to recover every possible dollar owed to the fund, and we believe strongly that the Board of Education should not have held back this money,” said Executive Director Kevin Huber. “We’re glad the appellate court agreed.”

**CTPF Settles Lawsuit**

November 14, 2012, CTPF signed a settlement agreement with the Chicago Board of Education that ended a seven-year lawsuit alleging the overstatement of pension benefits. CTPF recently notified approximately 3,600 retirees who retired between June 2000 and August 2004 that their pensions may have been overstated, and that this settlement may impact their benefits. CTPF held five information sessions in November and December to educate members affected by the settlement. “We believe that this settlement is in our members’ best interest,” explained Kevin B. Huber, executive director. “We’re relieved that this agreement ends seven years of costly litigation.” The fund is currently auditing accounts of members impacted by the settlement and calculating corrected pensions.

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**Federal Benefit Payments Go Direct**

The U.S. Department of the Treasury now requires all federal benefit and nontax payments to be paid electronically. If you currently receive a paper check for a federal benefit payment (social security or veterans benefits), you must switch to an electronic option by March 1, 2013. If you do not switch to an electronic deposit, your payment will be made to a Direct Express Debit MasterCard.®

If you already receive benefit payments electronically, you do not need to take action. Your payment will continue as usual.

If you have not yet switched to an electronic payment for federal payments, contact Go Direct at 1-800-333-1795.
Kasthuri Henry, CTP, PhD
A financial and performance management leader with 20 years of corporate experience, Kasthuri Henry joined CTPF as Chief Financial Officer in October. Henry earned her BS from Bangalore University (India) majoring in math, computer science, and physics. She holds an MBA from Indiana State University with an emphasis in finance and decision sciences, and a PhD from Walden University. She is a Certified Treasury Professional (CTP) and a Six Sigma Black Belt. Henry previously worked as regional CFO at Aon Risk Services, and served as a senior vice president of planning and analysis at HSBC Consumer/Mortgage Lending. Henry is a visiting professor at Southern Illinois University, Keller Graduate School of Management, and North Park University.

“I want to welcome our new staff members who have hit the ground running and are already contributing to our daily operations,” remarked Kevin B. Huber, executive director. “Kas and Jerry both bring excellent experience, energy, and new ideas to our fund, and we are glad to have them on staff.”

Jerry Baker
A benefits professional with 18 years of experience in human resource administration, Jerry Baker joined the CTPF staff as the health insurance manager in September. Baker’s primary responsibility is the operational oversight of the health insurance department including the eligibility and enrollment processes. Baker holds a BS in psychology with an emphasis in business from Illinois State University and an MS in industrial/organizational psychology from Radford University. He most recently worked for Hospira, Inc., as a benefits manager, and served as director of human resources for the Chicago Botanic Gardens.

New Titles for Member Services Counselors and Field Service Reps
The Member Services department has announced a change of name for Member Services Counselors and Field Service Representatives. As of December 15, 2012, these employees will be called pension resource specialists.

Job descriptions for these employees have not changed. The new titles more accurately reflect the work done by these employees. The titles will also help differentiate between CTPF Field Service staff and the Chicago Teachers Union Field Representatives, who handle grievances.

“Our staff serves active and retired members in many different ways,” explained Member Services Manager Sheron Banks Fallis. “We connect with members on the phone, in the field, at meetings and seminars, and during individual appointments. We all provide vital information and serve as a resource for our members, and we hope this change helps to clarify our roles.”

If you have questions about your pension, or if you want to schedule a personal benefits consultation with a pension resource specialist, please call 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.

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Jeanne Marie Freed
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Andrea Zopp
Kevin B. Huber, executive director

Inside this issue

Education and Advocacy Update: Special Report

This past fall, CTPF Trustees have put a special focus on Education and Advocacy Efforts for our members. Read more about the results of those efforts including the launch of our new Legislative Action Center, the debut of the CTPF Pension Fund Ambassador program, and our economic impact statement, The Buck Stays Here. See pages 4-5 for information.