The Chicago Teachers’ Pension Fund Board of Trustees, pictured from left to right: Walter E. Pilditch, Recording Secretary Robert F. Bures, Jeffery Blackwell, President Jay C. Rehak, Vice President Lois W. Ashford, Tina Padilla, Mary Sharon Reilly, Financial Secretary Bernie Eshoo, Jerry Travlos, and Raymond Wohl. Not pictured, Mark F. Furlong and Gail D. Ward.

The Chicago Teachers’ Pension Fund (CTPF) is governed by a 12-member Board of Trustees. November 6, 2015, teachers and other active contributors re-elected Lois W. Ashford and Jay C. Rehak, who will serve three-year terms, November 2015-2018. Pensioners re-elected Robert F. “Bob” Bures, Walter E. Pilditch, and Mary Sharon Reilly, who will serve two-year terms, November 2015-2017.

The Trustees installed re-elected members, elected officers, and appointed standing committee chairs during their November 20, 2015, meeting.

**2015-2016 OFFICERS**

**President:** Jay C. Rehak  
**Vice President:** Lois W. Ashford  
**Financial Secretary:** Bernie Eshoo  
**Recording Secretary:** Robert F. Bures

**STANDING COMMITTEE CHAIRS**

**Investments:** Tina Padilla  
**Claims and Service Credit:** Jeffery Blackwell  
**Finance and Audit:** Bernie Eshoo  
**Pension Law and Rules:** Lois W. Ashford

Many of us look forward to winter holidays and the New Year as a time filled with family, friends, and even a few gifts. But to a pension fund director and all who are members of the Fund, “pension holidays” and “gifts” are anything but festive.

A “pension holiday” is just pleasant sounding code for employers skipping payments to fund retirements – borrowing money from their employees and pushing the costs on to future generations. The interruption in regular payments from our employer during the past 20 years has taken money owed to our members, starved our investments, and contributed to our funded ratio dropping to about 50% from 100% as recently as 2001. That’s certainly not a holiday our members want to celebrate.
The word “gift” can also take on a negative connotation, as it’s often used incorrectly in public rhetoric as a description for pensions. Few would consider a paycheck from an employer a gift – and the same is true for pensions. While our members are grateful for retirement security, pension benefits are not gifts.

The teachers who will retire in 2016 with a pension and 34 years of service began paying for their retirement in 1982, making regular contributions each and every pay period, uninterrupted.

Keeping the pension promise required action from our members in 2015, and the 6,500 e-mail messages our members sent, demanding action, accountability, and full funding for CTPF made a difference.

The 2015 fiscal year marked the second year in a row that CPS made a payment of more than $600 million to CTPF. Legislative advocacy also successfully fought the passage of SB 318, which would have included an additional $500 million in pension holidays for CTPF.

Together we fought and received full funding, and these are good forward steps. As we look ahead, we know that the pressures facing our City and State are tremendous. We will face an uphill battle for resources and funding in 2016.

As the new year begins, please make a special resolution to protect your pension. I hope you will use your talents as an educator to remind legislators about the importance of correcting, not repeating, the mistakes of the past.

Charles A. Burbridge,
CTPF executive director

Resolving to Take Action in 2016

Here are some concrete ways you can take action in 2016. Find links to all of these resources on the Education and Advocacy tab at www.ctpf.org.

1. Download a “Mistakes of the Past” flyer and educate yourself about our funding history.
2. Take time over the holidays and ask your legislators in person to reject requests for pension “holidays.” Many have regular in-district office hours and welcome visits from constituents. Not sure who represents you in Springfield? Find a legislator look up on the Education and Advocacy tab at www.ctpf.org.
3. Share the “Mistakes of the Past” with your family and/or neighbors to educate them on the importance of fully funding teacher pensions.
4. Make sure you are registered as a Pension Fund Ambassador so that you receive regular updates on advocacy issues and training opportunities. Register at www.ctpf.org.
CTPF Files Law Suit against World’s Largest Banks

November 25, 2015, the Chicago Teachers’ Pension Fund (CTPF) filed a lawsuit in federal court charging some of the world's largest investment banks with conspiring to engineer and maintain a collusive and anti-competitive stranglehold over the market for interest rate swaps (IRS) in violation of federal antitrust laws. Led by the CTPF, investors seek an injunction to put an end to this anti-competitive arrangement, and damages to compensate them for the losses they suffered.

“CTPF maintains a long history of being the initiator on issues to improve the lives of our members. We view this action as necessary to protect the long-term interests of our members and their financial security. This suit addresses this monopolistic practice on behalf of the market and institutional investors who manage assets on behalf of everyday citizens,” said Jay C. Rehak, president, CTPF Board of Trustees.

The complaint alleges that the banks used their power to stop competitors from bringing exchange trading to the IRS market – keeping prices for trades artificially high. As a result, CTPF paid more for IRS trades than they would have in a competitive market. Read more about the lawsuit at www.ctpf.org.

Open Enrollment Recap

Open Enrollment for CTPF retiree health insurance programs ended on October 31, 2015. All changes become effective January 1, 2016.

CTPF offered four seminars and two webinars which educated more than 600 members about their Open Enrollment options.

Pictured left: hundreds of CTPF members attend a seminar at the Harold Washington Library, October 8, 2015.
CTPF Presents Diversity Reports

The Chicago Teachers’ Pension Fund (CTPF) invested more than $3.6 billion in assets or more than 35.6% of total assets with Minority, Women, and Disadvantaged Business Enterprise (MWDBE) firms during fiscal year 2015.

November testimony before the Illinois Senate Committee hearing on Pensions and Investments highlighted the Fund’s exceptional performance.

“CTPF Trustees understand that the $10 billion in assets we steward helps drive economic activity, and creates jobs and opportunities for individuals and businesses in the State of Illinois. We have been leaders in making MWDBE investments and are proud of our commitments that consistently exceed our goals. As a Fund, we can clearly demonstrate the benefits in making investments in people and assets that provide opportunities that may otherwise not be available,” said Jay C. Rehak, president of the CTPF Board of Trustees.

Over the past twenty years, CTPF has seen dramatic growth in MWDBE investments. The Fund invested 7.9% of assets in MWDBE-owned funds in 1995. Investments in 2015 increased by 2.2% from 2014 with a total investment of 35.6% of the Fund’s portfolio. CTPF’s 2014 Diversity report is available at www.ctp.org.

CTPF Hosts Leadership Roundtable

CTPF hosted the third meeting of the Illinois Reciprocal Funds Leaders’ Roundtable on December 9, 2015. The group of leaders from the 13 Illinois Reciprocal Funds reconvened to discuss the economic impact pension funds have on Illinois, consider ways to work cooperatively, and discuss current legislative issues.
CTPF is a member-focused organization, and we strive throughout the year to provide exceptional customer service. Here’s a look at some highlights from Fiscal Year 2015*

- **64,410** calls answered
- **2,660** Appointments with members
- **2,584** E-Mail inquiries answered
- **1,322** Facebook “Likes”
- **275** Schools canvassed for election
- **3,078** Pension Fund Ambassadors
- **88** E-lerts and electronic communications to members
- **18** Webinars and training for members
- **1,012** Pensions granted
- **2,584** Medicare Birthday Parties and Health insurance seminars
- **12** Members served at 4 retirement seminars
- **600** Field Service workshops conducted
- **1,055** Voice mails returned
- **3,890** E-mail messages from members to legislators

*2015 fiscal year, July 1, 2014-June 30, 2015*
2016 Health Insurance Rates and Reminders

The 2016 Open Enrollment period for CTPF retiree health insurance plans closed on October 31, 2015. All plan changes and rates are effective January 1, 2016.

2016 Medicare Rates Announced

The Centers for Medicare and Medicaid Services (CMS) released the 2016 Medicare premium rates.

Part A: (Hospital Insurance) Premium

Members who have 40 quarters or more of Medicare credit receive Medicare Part A at no charge at age 65. If you do not have 40 quarters of credit, you must pay for this coverage.

Part B: (Medical Insurance) Premium

Social Security did not grant a cost of living adjustment (COLA) for 2016. Therefore, a hold-harmless provision prevents Medicare from raising Part B costs for 70% of Medicare participants who receive a Social Security benefit. The Medicare Part B premium will remain $104.90 in 2016 for these individuals.

The other 30% of Medicare participants will see an increase in their Part B premiums. If you are a member of the following groups, your rate will increase:

- Higher income beneficiaries subject to an income-adjusted Part B premium
- Beneficiaries who do not collect a Social Security benefit
- Beneficiaries who will become eligible for Part B in 2016
- Beneficiaries receiving a Social Security benefit that is not large enough to pay for the Medicare B premium

CTPF Subsidy notes

CTPF subsidizes the “base rate” for Medicare Part B and Part D premiums, and does not subsidize surcharges. You may need to provide proof of your increase to receive an adjustment in your Part B subsidy, see page 7 for more information.

Individuals who pay an income-related monthly adjustment amount (IRMAA) will pay more for their Part B and Part D costs. IRMAA adjustments are applied to individuals whose adjusted gross income was higher than $85,000 and to couples whose income was $170,000 or more in 2014. CTPF does not subsidize these additional amounts.

More Information

Find more information about changes to CTPF health insurance plans and links to providers at www.ctpf.org.

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* The 2016 Part B premium is $118.80 with a $3 government surcharge that is not eligible for a subsidy. See page 12 of the Health Insurance Handbook for more information about the subsidy.
Important Medicare Information

If your Medicare Part B Cost is going up, you may have to submit documentation to CTPF to receive an adjustment to your subsidy:

- **Is your Medicare effective date AFTER 01/01/2016?**
  - **YES**
    - No proof required. Increase will automatically be included in January.
  - **NO**
    - Submit proof of Medicare B payment.

Are you in CTPF’s MedPay Program?

Where to send proof
- Mail - CTPF, ATTN: Health Benefits
  203 North LaSalle, suite 2600
  Chicago, IL 60601-1231
- Fax – 1-312-641-7185
- E-mail – imaging@ctpf.org

Deadline
Send proof by February 29, 2016, for payment retroactive to January 1, 2016. If you submit proof after February 29, 2016, your subsidy will be adjusted going forward, but will not be retroactive.

Questions?
Call CTPF Member Services
1-312-641-4464

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Blue Cross Medicare Advantage PPO Enrollees Watch for New Cards

Members enrolled in the Blue Cross Blue Shield Medicare Advantage PPO will receive new health insurance cards for 2016. The information on the new cards will allow pharmacies to process certain Medicare Part B covered supplies. Common Part B supplies include diabetic monitoring supplies (lancets, test strips, and monitors), flu, Hepatitis B and pneumococcal shots, and a limited number of prescriptions including transplant and immunosuppressive drugs.

BCBS Enrollees will continue to use their Express Scripts insurance card for Medicare Part D drugs. When you receive a new card, make sure you update all your providers, especially your pharmacy with this information. Cards were mailed out on December 14, 2015. If you have not yet received a new card and are a BCBS Medicare Advantage PPO enrollee, contact Blue Cross at the number on the back of your current card.

“This should make accessing Part B supplies or a flu or pneumonia shot easier for our members,” explained Mary Cavallaro, chief benefits officer for CTPF. “A member can now go directly to the pharmacy for a flu shot and the claim will be billed directly through BCBS. Members will need to make sure they update their providers with the new information so that they can receive the full benefit.”

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Expression Scripts Prescription Card

Medicare Part D Drugs
- Retail prescriptions
- Mail order prescriptions

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Medicare Part B Supplies and Drugs
- Diabetic supplies including lancets, test strips, and monitors at pharmacy
- Immunizations at pharmacy
- Part B Drugs (immunosuppressants, transplant medications)

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Medicare Part B
- Physicians, specialists, physical therapists, occupational therapists

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Medical Facilities
- Hospitals
- Clinics
- Emergency rooms
- Urgent care facilities

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Physician Visits

**BCBS Medicare Card**

**Express Scripts Prescription Card**

**Express Scripts Medicare® (PDP)**

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Contact CTPF Member Services

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Deadline
Send proof by February 29, 2016, for payment retroactive to January 1, 2016. If you submit proof after February 29, 2016, your subsidy will be adjusted going forward, but will not be retroactive.

Questions?
Call CTPF Member Services
1-312-641-4464
**CTPF 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  
Bernie Eshoo, financial secretary  
Robert F. Bures, recording secretary  
Jeffery Blackwell  
Mark F. Furlong  
Tina Padilla  
Walter E. Pilditch  
Mary Sharon Reilly  
Jerry Travlos  
Gail D. Ward  
Raymond Wohl  
Charles A. Burbridge, executive director

**New Year: New Payment**

Retirees may notice a difference in their paychecks beginning with their January deposits. The 3% Automatic Annual Increase (AAI) has been implemented for members who qualify. The health insurance premium rebate remains 50%, but insurance rates have changed. See page 6 for information about health insurance. January direct deposit advice slips and check stubs detail the new amounts.

**Snowbird Alert**

If you head south for winter, remember that CTPF does not forward benefit checks. Find an address change form at [www.ctpf.org](http://www.ctpf.org).