Combining service earned with the Chicago Teachers’ Pension Fund and service earned in the other public retirement systems covered by the Illinois Retirement Systems Reciprocal Act can greatly enhance your pension. Understanding reciprocity and how you may benefit can influence how and when you retire.
The provisions of the Illinois Retirement Systems Reciprocal Act (reciprocal act or reciprocity) allow individuals who earn service in more than one covered system to combine their service and coordinate benefits at retirement. Thirteen Illinois public pension systems are covered under the reciprocal act (see page 10). When you choose to retire with a reciprocal pension, each system calculates benefits based on your highest final average salary (FAS) and pays a proportion of your pension.

Advantages of Reciprocity
With reciprocity, your highest FAS from all systems is used to calculate benefits. In most cases, this enhances your final pension. If you do not have enough service to retire, combining service from reciprocal systems may allow you to meet eligibility requirements and receive pensions from all systems.
Who Is Eligible?

To retire under the reciprocal act you must meet the following conditions:

- The service you earned in each reciprocal system must equal one year or more.
- Your combined service must meet the vesting and age requirements of each system.

The CTPF vesting requirement is 5 years of service for employees who joined CTPF or a reciprocal system before January 1, 2011, and 10 years of service for employees who joined CTPF on or after January 1, 2011.

How Reciprocity Works

Retirement benefits under reciprocity are based on formulas that include:

- A pension percentage
- Years of service
- Final average salary (FAS)

If you retire under reciprocity, the reciprocal systems exchange information regarding service and earnings, as well as other data. Your total combined service and highest FAS are used to calculate your pension. You receive a monthly benefit from each system.

The reciprocal act does not change or override any individual system’s rules. Reciprocity is optional. You may retire independently under each system. See the brochure Your Retirement from Teaching for more information on CTPF’s pension calculation.
Applying for Reciprocal Benefits

Pension Estimates

To determine if you will benefit from a reciprocal pension, request a pension estimate from each system where you earned service and a reciprocal estimate from your final system. If you do not qualify for a separate pension from each system, you should request a reciprocal pension estimate from your final system.

You will need to provide your approximate retirement date and name all the retirement systems in which you earned service. The systems will exchange information to estimate your benefits under reciprocity.

Requests can be made up to a year in advance and should be made no less than six months prior to your retirement date.

Reciprocal Retirement Process

When you retire under the reciprocal act, you must apply for benefits following the process required by each system. You must declare your intent to retire under reciprocity when you file your retirement applications.

Once you receive a pension, the provisions of each respective retirement system govern eligibility for and determination of survivor and death benefits and the annual pension increase.

See the brochure Your Retirement from Teaching for more information on CTPF’s retirement process.
Calculating a Reciprocal Pension

**Example 1: without reciprocity, the member does not qualify for a pension**

Judith has 8 years of service with System A and 4 years of service with System B. She plans to retire at age 62. System A requires 10 years of service and System B requires 5 years.

Judith does not have enough service to retire under either system. However, Judith’s total combined service with reciprocity equals 12 years, so she qualifies for a pension from both systems.

Judith’s final average annual salary (FAS), as determined by the reciprocal systems, is $70,000. Each system will calculate its portion of her benefit based on the $70,000 FAS.

**STEP 1**

Judith requests a reciprocal estimate from her final system.

**STEP 2**

System A and System B use the same formula to determine a retirement pension:

\[
2.2\% \times \text{years of service} \times \text{FAS} = \text{annual pension}
\]

**System A (8 years of service)**

\[
2.2\% \times 8 \times \$70,000 = \$12,320 \text{ (monthly $1,027)}
\]

**System B (4 years of service)**

\[
2.2\% \times 4 \times \$70,000 = \$6,160 \text{ (monthly $513)}
\]

**Total Pension**

\[
\$12,320 + \$6,160 = \$18,480 \text{ (monthly $1,540)}
\]

Judith will receive a monthly payment of $1,027 from System A and $513 from System B.
**STEP 3**

Judith requests retirement applications from both systems. She completes the paperwork and declares her intent to retire with reciprocity when she files her retirement applications with both systems.

---

**Example 2: pension enhanced with reciprocity**

Sam has 18 years of service with System A and 15 years of service with System B. He plans to retire at age 60. System A requires 8 years of service and System B requires 5 years of service.

Because of his age and service, Sam has two options.

1. Retire with a separate pension from each system.
2. Combine service and retire under reciprocity.

Sam’s FAS in System A was $50,000; his FAS in System B was $75,000. If he retires under reciprocity, both systems will use the higher FAS to calculate his pension benefits.

---

**STEP 1**

Sam requests pension estimates from both of his retirement systems and a reciprocal estimate from his final system.

---

**STEP 2**

System A has a step formula of 1.67% for each year of the first 15 years of service and 2% for each year over 15. System B has a flat-rate formula of 2.2% for each year of service.

The pension benefits from System A and System B are calculated as follows (numbers are rounded):
1. SEPARATE PENSIONS FROM EACH SYSTEM

System A (18 years of service)
(1.67% * 15 yrs * $50,000) + (2% * 3 yrs * $50,000) = $15,525 (monthly $1,294)

System B (15 years of service)
2.2% * 15 yrs * $75,000 = $24,750 (monthly $2,063)

Total Pension
$15,525 + $24,750 = $40,275 (monthly $3,356)

2. RECIPROCAL PENSION

System A (18 years of service)
(1.67% *15 years * $75,000) + (2% * 3 yrs * $75,000) = $23,288 (monthly $1,941)

System B (15 years of service)
2.2% * 15 yrs * $75,000 = $24,750 (monthly $2,063)

Total Pension
$23,288 + $24,750 = $48,038 (monthly $4,003)

With reciprocity, Sam’s total combined pensions are $48,038, an increase of $7,763 ($647 monthly). The increase occurs because both systems use the higher FAS in their pension calculations.

STEP 3

If Sam decides to retire with a reciprocal pension, he must fill out applications for each system and declare his intent to retire under reciprocity when he files his retirement applications.
**Important Considerations**

**Reinstatement of Service**

If you accepted a refund from a reciprocal system, you may reinstate service of one year or more by repaying the refund, with interest. Contact the retirement system that paid the refund to determine your eligibility, reinstatement cost, and allowable payment methods.

If you wish to reinstate your CTPF service, you must be a current contributor in CTPF or a reciprocal system and have earned at least two years of additional service before applying. All refunds must be repaid before retirement. See CTPF’s brochure *Understanding Optional Service* for more information.

**Concurrent Service**

Concurrent service occurs when you earn service in more than one retirement system for the same period of time.

If you plan to retire under reciprocity and have earned service in more than one system for the same period, each system will reduce the credit proportionately. This reduction will be made when reciprocal benefits are calculated.

If you have concurrent service and are considering a reciprocal retirement, contact each system to determine eligibility and how your benefit will be affected.
Post-Retirement Information

Health Insurance
As a retiree, you and your survivors have access to the health insurance program of the final retirement system with which you had service, according to the rules of that retirement system. See the brochure Understanding Your Health Insurance for more information.

Return to Employment—Suspension of Benefits
Each retirement system has specific rules that apply to a return-to-work situation, which may result in the suspension of your pension. Contact each retirement system from which you receive a benefit to determine how re-employment may affect your pension.

Updating Personal Information
You must contact each retirement system when you change your address, bank account, tax withholding information, designation of beneficiary, or other information that may affect benefits for you or your survivors.
Illinois Reciprocal Systems

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

County Employees’ Annuity and Benefit Fund of Cook County and Forest Preserve Employees’ Annuity and Benefit Fund of Cook County
33 North Dearborn Street, suite 1000
Chicago, Illinois  60602-3103
312.603.1200 phone
312.603.9760 fax
www.cookcountypension.com

General Assembly Retirement System and Judges’ Retirement System of Illinois
2101 South Veterans Parkway
P.O. Box 19255
Springfield, Illinois  62794-9255
217.782.8500 phone
217.557-5154 fax
www.state.il.us/srs/GARS/home_gars.htm
www.state.il.us/srs/Judges/home_jrs.htm

Illinois Municipal Retirement Fund
2211 South York Road, suite 500
Oak Brook, Illinois  60523-2337
630.368.1010 phone
630.368.5399 fax
www.imrf.org

Laborers’ and Retirement Board Employees’ Annuity and Benefit Fund of Chicago
321 North Clark Street, suite 500
Chicago, Illinois  60654
312.236.2065 phone
312.236.0574 fax
www.labfchicago.org

Metropolitan Water Reclamation District Retirement Fund
111 East Erie Street, suite 330
Chicago, Illinois  60611-2898
312.751.3222 phone
312.751.5699 fax
www.mwrd.org
Municipal Employees’ Annuity and Benefit Fund of Chicago
321 North Clark Street, suite 700
Chicago, Illinois  60654
312.236.4700 phone
312.236.2383 fax
www.meabf.org

Park Employees’ Annuity & Benefit Fund of Chicago
55 East Monroe, suite 2880
Chicago, Illinois  60603-5817
312.553.9265 phone
312.553.9114 fax
www.chicagoparkpension.org

State Employees’ Retirement System of Illinois
2101 South Veterans Parkway
P.O. Box 19255
Springfield, Illinois  62794-9255
217.785.7444 phone
217.524.2293 fax

Michael A. Bilandic Building
160 N. LaSalle Street, suite N725
Chicago, Illinois  60601
312-814-5853 phone
312-814-5805 fax
http://www.state.il.us/srs/sers/home_sers.htm

State Universities Retirement System of Illinois
1901 Fox Drive
P.O. Box 2710
Champaign, Illinois  61825-2710
217.378.8800 phone
217.378.9800 fax
www.surs.org

Teachers’ Retirement System
2815 West Washington Street
P.O. Box 19253
Springfield, Illinois  62794-9253
800.877.7896 phone
217.753.0394 fax

Lisle Office:
4200 Commerce Court, suite 100
Lisle, Illinois  60532-3611
630.505.0071 phone
630.505.9607 fax
www.trs.illinois.gov
Contact Information

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

Board of Trustees

Jay C. Rehak, president
Lois W. Ashford, vice president
Tina Padilla, financial secretary
James F. Ward, recording secretary
Jeffery Blackwell
Jeanne Marie Freed
Walter E. Pilditch
Mary Sharon Reilly
Rodrigo A. Sierra
Jerry Travlos
Raymond Wohl
Andrea L. Zopp

Kevin B. Huber, executive director

Visit us at www.ctpf.org
Revised on web August 2012