

February 22, 2006

RESOLUTION AUTHORIZING 2006-2007 EARLY RETIREMENT WITHOUT DISCOUNT PROGRAM FOR MEMBERS OF THE PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO FOR THE PERIOD BEGINNING JULY 1, 2006 AND ENDING JUNE 30, 2007

WHEREAS, the Illinois Pension Code (40 ILCS 5/17-116.1, as amended June 1, 2005) authorizes the Chicago Board of Education ("the Board") to create an early retirement without discount program ("ERO Program") for Public School Teachers Pension and Retirement Fund of Chicago ("the Fund") members employed by the Board ("Fund members") for the period of July 1, 2006 to June 30, 2007; and

WHEREAS, the authorized ERO Program allows a Fund member, who retires from Board employment during the period of July 1, 2006 and June 30, 2007 and within six (6) months of the last day of teaching for which retirement contributions were required, to elect at the time of their application to the Fund for retirement benefits to make a one-time employee contribution to the Fund and thereby avoid the early retirement reduction provided for in 40 ILCS 5/17-116(4); and,

WHEREAS, a Fund member's exercise of the election by making a one time employee contribution obligates the last Employer to also make a one-time nonrefundable contribution to the Fund; and

WHEREAS, the benefits provided to Fund members pursuant to Section 17-116(b) of the Illinois Pension Code are available only to Fund members who retire from during a specified period from employment with an Employer that has adopted and filed with the Fund's Board a resolution expressly providing for the creation of an early retirement without discount program pursuant to Section 17-116.1 of the Illinois Pension Code for that period; and

WHEREAS, the Board of Education of the City of Chicago has determined that an early retirement without discount program ("ERO Program") is in its best interest and that it will provide such a program to its eligible employees for the period beginning July 1, 2006 and ending June 30, 2007, in accordance with Section 17-116.1 of the Illinois Pension Code; and

WHEREAS, in accordance with the Section 17-116.1 of the Illinois Pension Code, the Board's Chief Executive Officer and representatives of the Chicago Teachers Union bargained over the maximum number of Fund members who may retire pursuant to the 2006-2007 ERO Program and have reached agreement that that number shall not exceed two hundred (200) members during the time period between July 1, 2006 and June 30, 2007; and

WHEREAS, the Section 17-116.1 requires that, in the event there are more applicants for the ERO Program than the maximum agreed upon, that participation in the ERO Program shall be allocated among those members applying on the basis of seniority in the service of the Employer or on such other basis for allocation as the Employer and the collective bargaining agent for members agree, in which case, such other basis may be employed among other eligible employees as well; and

WHEREAS, in the event the number of applicants exceeds two hundred (200) members, representatives of the Chief Executive Officer and the Chicago Teachers Union shall bargain over whether another basis for allocating participation in the ERO Program shall be applied.

NOW, THEREFORE BE IT HEREBY RESOLVED BY THE BOARD OF EDUCATION OF THE CITY OF CHICAGO:

1. That the Board of Education of the City of Chicago ("Board") does hereby authorize and create an early retirement without discount program ("2006-2007 ERO Program") for the period of July 1, 2006 through June 30, 2007, which shall take effect July 1, 2006; and

2. That pursuant to the agreement reached between the Board's Chief Executive Officer and the Chicago Teachers Union, the number of members who may retire under the Board's 2006-2007 ERO Program shall not exceed two hundred (200) Fund members during the time period between July 1, 2006 and June 30, 2007; and
3. That the period for application for participation in the program shall commence on July 1, 2006 and end on April 15, 2007; and
4. That the Secretary of the Board is hereby authorized and directed to file a certified copy of this Resolution with the Board of the Public School Teachers' Pension and Retirement Fund of Chicago no later than ten (10) days after its passage.