



## **Title IV: Employer Responsibilities**

### **Chapter A: Reports to the Fund**

#### **Article 1: Purpose**

**Sec. 1**      **Importance of the Employer's Records.** The Employer's payroll records provide the information necessary to establish and record validated service, annual rate of salary, creditable earnings, and contributions for Members. The integrity of each Member's retirement record depends upon the accuracy of these payroll records. When a claim for benefits (retirement, disability, death) or refund is initiated prior to the date CTPF completes its audit of the Member's records, the Employer must provide any additional information necessary for CTPF to complete the audit.

#### **Article 2: Reporting**

**Sec. 1**      **Prepayment of Salary.** If a Member is paid in advance for future assignments, only salary the Member earns during the school year can be reported. Payments made under an extended pay plan or similar arrangement providing for payment during summer months are considered earned during the school year. Payments for future services should be reported in the year in which the services are rendered. Service occurring after retirement that does not violate post-retirement employment restrictions is not reportable.

**Sec. 2**      **Bona-Fide Retirement.** A Member is not eligible to retire under the Internal Revenue Code unless the Member experiences a bona-fide separation of employment. A Member who prearranges post-retirement employment with an Employer is not considered to have experienced a bona-fide separation of employment.

**Sec. 3**      **Pension Pickup Reporting.** An Employer must report to CTPF the amount of any contributions picked up on behalf of Members in its employ. An Employer must provide a copy of any resolution or other affirmative action taken to authorize such payment and must notify the Fund if such authorization changes or is revoked.

**Sec. 4**      **Certification of Teacher License.** A charter school shall require each teacher (which shall also include each certified or licensed staff member and administrator) to certify to CTPF, on or before the start of the teacher's first

payroll of the school year, the teacher's status as a certified or licensed teacher. A teacher shall attest that: 1) the teacher's ISBE certificate or license will be valid for the entire school year; 2) the teacher intends to become certified or licensed by ISBE or provides a copy of a filed Records Check that satisfies the requirements of 105 ILCS 5/34-18.5; or 3) the teacher intends to renew the teacher's certificate or license if the certificate expires at any time during the school year. Each teacher shall represent that he or she will act in a reasonably diligent manner to obtain or to renew the required ISBE certificate or license.

A charter school shall certify on the ERS system that all teachers have filed with the charter school the required CTPF certification. The charter school must maintain a record of each CTPF certification and such CTPF certifications may be audited by the Fund. Upon the filing of the CTPF certificate with the charter school, the teacher shall be considered eligible to participate as a teacher or administrator in accordance with Sections 17-106 and 17-106.1.

### Article 3: ACH and NSF Rules

- Sec. 1**      **Electronic Debit.** Effective January 1, 2018, an Employer other than CPS shall be required to submit contributions due to the Fund through electronic debit to the Employer's bank account (ACH) and shall comply with all other requirements of the ERS implemented by the Fund. The submission of data (by clicking "approve" on the ERS) shall authorize the Fund to debit the Employer's bank account for the reported contribution amount.
- Sec. 2**      **Declined Payments.** In the event an Employer's payment is declined due to any reason, including for insufficient funds, the calculation of the days a payment is delinquent shall include the days until the Employer's obligation is actually paid. In addition, the Employer will be required to pay any bank fee associated with returned transactions.
- Sec. 3**      **Non-sequential payroll submissions.** Effective no later than July 1, 2018, an Employer may submit payroll information and contributions for any payroll period notwithstanding the Employer's failure to submit payroll information and contributions for an earlier payroll period.
- Sec. 4**      **Surety bond.** The Fund may require a charter school to obtain a pension contribution surety bond if the Employer is delinquent for more than 3 months or for more than \$25,000 in Member contributions.

**Sec. 5**        **Single Site/Multi-Site.** A charter holder shall be treated as single employer regardless of the number of attendance centers or campuses operated under the charter.

**Sec. 6**        **Notice of Intent to Close.** An Employer must copy the Fund on any notice to the Illinois State Board of Education or to the Chicago Board of Education of its intent not to operate in the following school year any or all attendance centers under its charter.

**Sec. 7**        **Notice of Termination of a Charter School.** At the same time it notifies the Charter School, the Chicago Board of Education shall notify CTPF of any internal CPS staff recommendation to revoke a charter and shall copy CTPF on any notice issued to a Charter School that a charter has been revoked.

**Sec. 8**        **Annual Salary Cap.** For the purpose of Final Average Salary, the annual earnings, salary, or wages of a Member who joined CTPF or a qualified reciprocal system on or after January 1, 2011 (“Tier II Members”) may not exceed a designated “capped” amount identified by the Public Pension Division of the Department of Insurance.

The Tier II Member salary caps are as follows:

- FY 11 (1/1/11-6/30/11) salary cap is \$106,800.00
- FY 12 (7/1/11-6/30/12) salary cap is \$108,882.60
- FY 13 (7/1/12-6/30/13) salary cap is \$109,971.43
- FY 14 (7/1/13-6/30/14) salary cap is \$110,631.26
- FY 15 (7/1/14-6/30/15) salary cap is \$111,571.63
- FY 16 (7/1/15-6/30/16) salary cap is \$111,571.63
- FY 17 (7/1/16-6/30/17) salary cap is \$112,408.42

For each Fiscal Year after FY 2017, the Fund shall obtain the amount of the salary cap from the Public Pension Division of the Department of Insurance.

**Sec. 9**        **Identification of Pension Officer.** An Employer must identify a pension officer to the Fund no later than 30 days before the date on which the Employer’s first submission to the Fund is due. The Pension Officer shall be responsible for providing the Fund with any information required by the Pension Code or these Rules.