



Title III: Benefits:
Chapter A: Retirement, Disability, Survivorship, and Death Benefit Program
Article TBD: Eligibility
Section TBD: Participation in CTPF When License/Certificate Is Lapsed or Pending

A. Purpose

This Rule establishes an individual's eligibility to participate in CTPF during a Fiscal Year in which the individual's license/certificate has lapsed or has not yet taken effect. In accordance with Rule [Membership and Eligibility Rule Section 1] and Section 17-106 of the Pension Code, an individual employed in a position for which an ISBE license/certificate is required is a Member of CTPF. Due to delays in the ISBE application and renewal process, some individuals may temporarily be employed in a position that would otherwise require a license/certificate prior to obtaining a license/certificate for the first time or while an application for renewal is pending. The following is permitted through the Board's administrative discretion and the IRS "lookback rule" (IRS Regulation 31.3121(b)(7)-2(d)(3)), which provides that (i) an individual may be treated as a qualified participant in a pension fund throughout a calendar year if he or she was a qualified participant in the system at the end of the plan year of the system ending in the preceding calendar year or, (ii) for the first year of participation, if it is reasonable to believe that the individual will be a qualified participant on the last day of the plan year.

B. Current Members with a Lapsed License

An individual is an Eligible Member in CTPF throughout an entire Fiscal Year -- and Contributions are owed -- if the Member was an Eligible Member in CTPF at the end of the preceding Fiscal Year. Accordingly, an Employer must verify an individual's status as of the

prior June 30th before determining whether Contributions are due to CTPF during the subsequent Fiscal Year.

Example: Assume a charter school teacher is an Eligible Member in CTPF on the last day of the Fiscal Year ending June 30, 2017. The teacher returns to work for the Fiscal Year ending June 30, 2018, but her ISBE license expires on August 1, 2017. The Member remains eligible to participate in CTPF and Contributions must be made to CTPF for the entirety of Fiscal Year 2018.

C. Newly Licensed/Certified Members

For the first year of an individual's employment in a position requiring a license or certificate, the Employer must treat an individual without a license/certificate as an eligible Member during the entire Fiscal Year if it is reasonable for the Employer to believe that the individual will be licensed/certified on the last day of the Fiscal Year. It is reasonable for an Employer to rely on the fact the individual has applied to ISBE for the appropriate license or certificate.

D. Effective Date

This Rule is effective March 15, 2018. As to payroll periods before the effective date, an Employer that did not remit Employee Contributions for the period that an individual was not licensed will not be considered delinquent if the Employer can establish it made FICA Social Security contributions for the individual for the full period that the license was not in effect.