

Bond Case Briefs

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PENSIONS - ILLINOIS

Prazen v. Shoop

Supreme Court of Illinois - October 18, 2013 - N.E.2d - 2013 IL 115035

Pensioner sought judicial review of decision of the Illinois Municipal Retirement Fund (IMRF) Board of Trustees finding that he violated early retirement incentive (ERI) return to work prohibitions and was required to forfeit his early retirement and repay the IMRF the portion of his annuity attributable to his early retirement incentive.

The Supreme Court of Illinois held that:

- Pensioner was not an employee of city;
- Pensioner did not enter into personal services contract with city; and
- IMRF Board lacked authority to order forfeiture on basis that corporate contract was a “guise.”

Contract between corporation formed by pensioner, who had retired from his position as superintendent of the electrical department of city, and city for management and supervision of electrical department following pensioner’s retirement did not constitute employment with city within meaning of Pension Code’s ERI return-to-work prohibitions, where pensioner was employed by corporation, a separate legal entity, and the city hired and paid corporation, not pensioner.