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PENSIONS - ILLINOIS

Village of Westmont v. Illinois Mun. Retirement Fund

Appellate Court of Illinois, Second District - May 26, 2015 - Not Reported in N.E.3d - 2015 IL App (2d) 141070

In 2013, it came to the attention of the Illinois Municipal Retirement Fund (IMRF) Staff that the Village of Westmont had not enrolled its part-time firefighters who worked 1,000-plus hours per year in IMRF and did not otherwise provide them with a local pension fund. As such, IMRF Staff reclassified Westmont's "part-time, 1000-plus" firefighters from "IMRF Authorized Agent Manual Group IV Firefighters" (said firefighters being excluded from IMRF participation, because, under IMRF's reading, their employing municipalities do provide them with a local pension fund) to "IMRF Authorized Agent Manual Group VI Firefighters" (said firefighters being required to participate in IMRF, because, under IMRF's reading, their employing municipalities do not provide them with a local pension fund). The IMRF created each of these "Group" classifications in its IMRF Authorized Agent Manual (IMRF manual or, simply, manual), which set forth the IMRF's administrative rules, and which the IMRF had drafted to explain and carry out pertinent dictates of the Illinois Pension Code.

Westmont appealed the Staff's reclassification to the the IMRF Board of Trustees. It argued that, under a plain reading of the manual, its part-time, 1000-plus firefighters fit into Group IV, and that, in any case, IMRF Staff was estopped from reclassifying its part-time, 1000-plus firefighters. The Board affirmed the Staff's reclassification from Group IV to Group VI. It stated that allowing a Group IV classification conflicted with the requirement of the Pension Code that municipalities such as Westmont, who have not employed at least one full-time firefighter, and, therefore, have not provided a local pension for its firefighters, must enroll its part-time, 1000-plus firefighters in the IMRF pension. Westmont appealed to the circuit court. The circuit court affirmed the Board. Westmont appealed.

The Appellate Court held that the IMRF Board and the circuit court correctly upheld the IMRF Staff's removal of Westmont's Group IV status, thereby requiring Westmont to enroll its part-time firefighters who worked 1,000-plus hours per year, for whom Westmont did not provide a local pension, in IMRF's pension fund. The reclassification was consistent with the Illinois Pension Code, and the prior classification, which had resulted in a coverage gap for the "part-time, 1000-plus" firefighters, had not been consistent with the Pension Code.