

# **Bond Case Briefs**

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## **EMPLOYMENT - ILLINOIS**

### **Barwin v. Village of Oak Park**

**United States Court of Appeals, Seventh Circuit - November 22, 2022 - F.4th - 2022 WL 17100477**

Former village manager brought diversity action against village, alleging village breached employment contract's duty of good faith and fair dealing through conduct that led to former manager's resignation.

The United States District Court for the Northern District of Illinois dismissed in part and subsequently granted summary judgment to village. Former manager appealed.

The Court of Appeals held that:

- Under Illinois law, even if village sought to procure former manager's resignation in order to prevent his pension from vesting, this was not a breach of employment contract's implied duty of good faith and fair dealing, and
- Genuine issue of material fact as to whether village had practice of allowing senior village employees to purchase out-of-state pension credits precluded summary judgment on former manager's claim under Illinois law that village's effective refusal of former manager's request to purchase such credits, when he resigned prior to reaching vesting threshold for pension rights, breached duty of good faith and fair dealing implied into employment contract.

Under Illinois law, even if village sought to procure at-will village manager's resignation in order to prevent manager's pension from vesting, this was not a breach of manager's employment contract's implied duty of good faith and fair dealing, in case involving contract which provided for manager's pension rights to vest after eight years; if contract were interpreted to provide for a minimum employment term of eight years, manager would not have been an at-will employee, manager's resignation occurred two and a half years prior to pension vesting, and manager's pension contributions during employment were not rendered worthless by failure of pension rights to vest, since manager had right to request refund of contributions.

Genuine issue of material fact as to whether village had a practice of allowing senior village employees to purchase out-of-state pension credits precluded summary judgment on former village manager's claim under Illinois law that village's effective refusal of former manager's request to purchase such credits, when he resigned prior to reaching vesting threshold for pension rights, breached duty of good faith and fair dealing implied into employment contract which granted manager benefits that "are enjoyed" by other senior employees "by practice."