

APPROVE SETTLEMENT OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO v. BOARD OF TRUSTEES OF THE PUBLIC SCHOOL TEACHERS' PENSION AND RETIREMENT FUND OF CHICAGO APPELLATE CASE NO. 11-3490

THE GENERAL COUNSEL REPORTS THE FOLLOWING SETTLEMENT:

DESCRIPTION:

The Board of Education of the City of Chicago ("Board of Education") filed a complaint asserting that from July 2000 to August 2004, the Board of Trustees of the Public School Teachers' Pension and Retirement Fund of Chicago ("Board of Trustees") calculated pensions for new retirees ("Affected Teachers") on a basis inconsistent with 40 ILCS 5/17-116, thereby increasing the Affected Teachers' pension payments by approximately 5%. The parties negotiated a settlement wherein the Board of Trustees agrees to recalculate the Affected Teachers' pension payments and discontinue cost-of-living increases until the Affected Teachers' current pension payments match their corrected pension payments. In exchange, the Board of Education agrees to dismiss the Litigation.

LSC REVIEW: LSC approval is not applicable to this report.

AFFIRMATIVE ACTION STATUS: Affirmative Action review is not applicable to this report.

FINANCIAL: None.

AUTHORIZATION: Authorize the General Counsel to execute the Settlement Agreement(s), and all ancillary documents related thereto.

GENERAL CONDITIONS:

Inspector General – Each party to the agreement shall acknowledge that, in accordance with 105 ILCS 5/34-13.1, the Inspector General of the Chicago Board of Education has the authority to conduct certain investigations and that the Inspector General shall have access to all information and personnel necessary to conduct those investigations.

Conflicts – The agreement shall not be legally binding on the Board if entered into in violation of the provisions of 105 ILCS 5/34-21.3 which restricts the employment of, or the letting of contracts to, former Board member during the one year period following expiration or other termination of their terms of office.

Indebtedness – The Board's Indebtedness Policy adopted June 26, 1996 (96-0626-PO3), as amended from time to time, shall be incorporated into and made a part of the agreement.

Ethics – The Board's Ethics Code adopted May 25, 2011 (11-0525-PO2), as amended from time to time, shall be incorporated into and made a part of the agreement.

Contingent Liability – The agreement shall contain the clause that any expenditure beyond the current fiscal year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year budget(s).

APPROVED,



JAMES L. BEBLEY
General Counsel *WAM*