

December 31, 2019

Jay Linksman
Executive Director
Vista Learning, NFP
2705 McDonough St.
Joliet, Illinois 60436

Sent via email: jlinksman@vistalearning.org

Re: Retirement Benefits for Vista Learning Employees through Illinois Municipal Retirement Fund

Dear Jay,

Per your request, I am writing to provide legal guidance regarding retirement plan participation eligibility for people who perform extensive work for Vista Learning but are employees of Professional Development Alliance.

I understand that Vista Learning has entered into a "Service Agreement" with Professional Development Alliance (PDA), which has long been effective. This Service Agreement has continued to date and is anticipated to continue indefinitely. Pursuant to the Service Agreement, PDA provides technical and administrative services to Vista Learning related to educational services for schools, related training, and programming and development of software, websites, email and applications. PDA also provides related payroll and administrative support services to Vista Learning, as part of this Service Agreement. The workers under this Service Agreement are employees of PDA ("PDA Employees"), although they perform significant work for Vista Learning (ranging from 50% to 90% of their total work time). Vista Learning pays PDA a monthly amount for such services, pursuant to monthly invoicing.

Based on this Service Agreement and accompanying arrangements consistent therewith, the PDA Employees participate in the Illinois Municipal Retirement Fund (IMRF), which is an Illinois public pension system. PDA is a qualified IMRF employer. The question has arisen whether all PDA Employees, who perform substantial work for Vista Learning, must also perform substantial work for PDA, or if their employment status with PDA is legally sufficient for their IMRF retirement plan participation.

The IMRF has issued a "Manual for Authorized Agents" (Manual) which I have reviewed. According to its "General Information" section, this Manual is "designed to serve as a guide for Authorized Agents and other employees involved in the local administration" of the IMRF. Among other things, the Manual addresses "[r]ules for determining IMRF qualified pensions (which employees should be enrolled in IMRF." Section 1.10 states that "[w]hen an employee joins IMRF, he or she is referred to as an IMRF member." A "member" (also known as an "active member" or a "participating member") is defined as a person "currently working in an IMRF qualified position and making contributions to IMRF." In turn, the term "qualified position" is defined as "one which will equal or exceed an employer's annual

hourly standard." Further, "[a]n employee is required to participate in IMRF if he or she works in an IMRF qualified position."

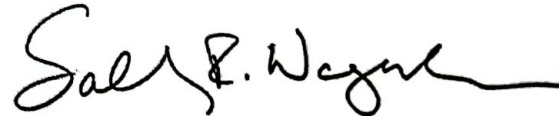
Based on this definitional language, the PDA Employees are all "members" for purposes of participating in the IMRF, as holding such "qualified positions." There is no requirement that the PDA Employees perform any specific or substantial amount of work for PDA, apart from the contracted work through the Service Agreement.

Consequently, so long as Vista Learning and PDA continue operating consistently under the Service Agreement, with PDA acting properly as the PDA Employees' employer, the PDA Employees are properly qualified to participate in the IMRF system. PDA's proper responsibilities as employer include hiring and firing the workers as appropriate, disciplining and supervising them, handling payroll matters and benefits, providing for workers' compensation and unemployment insurance taxes, and addressing other aspects of employer-employee status.

Please note that such employer responsibilities are consistent with the Illinois Pension Code's definition of the word "employee," which specifies that the "usual common law rules" apply for determining the employer-employer relationship. (See 40 ILCS 5/7-109)(1)(a)). Such responsibilities are set forth in the Service Agreement, consistent with our law firm's customary guidance regarding employer-employer status within Vista Learning's and PDA's worker context.

I hope this guidance is helpful for you and your fellow Vista Learning leaders. Please let me know if you have any questions or would like to address such matter further.

Sincerely,



Sally Wagenmaker

Attorney at Law