

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
MINUTES OF THE
RULES AND PERSONNEL COMMITTEE
January 11, 2021

The Rules and Personnel Committee of the Board of Trustees of the State Employees' Retirement System of Illinois convened on Monday, January 11, 2021 at 3:00 p.m. at the System's Springfield office located at 2101 South Veterans Parkway. Such meeting was conducted by videoconference in accordance with the provisions of Public Act 101-640.

The following trustees were in attendance:

David Morris, Chairman
Danny Silverthorn, Trustee
Jeremy "Tad" Hawk, Trustee

Others in attendance were:

Tim Blair, Executive Secretary
Jim Stivers, General Counsel
Jeff Houch, Assistant to the Executive Secretary

The meeting was called to order at 3:00 p.m.

PUBLIC COMMENTS

There were no members of the public present.

APPROVAL OF MINUTES OF THE OCTOBER 26, 2020 MEETING

Trustee Silverthorn motioned to approve the minutes of the October 26, 2020 meeting of the committee, Trustee Hawk seconded the motion. The motion passed unanimously.

RULEMAKING AND LEGISLATION AUTHORIZATION

Mr. Houch presented legislation and proposed rules recommended by staff for the committee's consideration. He began his presentation by stating that the legislative proposal that staff is seeking to introduce legislation that would provide statutory authority to indemnify financial institutions when it comes to collecting overpaid benefits to bank accounts of deceased members.

Mr. Houch then summarized the first rule to be considered by the committee, stating that staff requests a rule that clarifies that the System may adjust benefits related to backpay without the approval of the Board. Section 14-135.04 of the Code provides that the Board is "to consider and pass on all applications for annuities, allowances and benefits". Due to such language, it might be construed that the Board is required to act upon all the benefit adjustments due to

backpay. By creating a rule that prescribes that staff may adjust accordingly without Board approval codifies current practice and allows for timely adjustments and pay outs.

The final rule for consideration dealt with trustee elections. Mr. Houch summarized that the annuitant trustee position required clarification as it relates to determining eligibility. Statute provides that to run for an elected annuitant trustee position, an annuitant must have been retired for at least 12 months. However, it is unclear on what that 12-month period is attached to. Staff has proposed a rule that clarifies that the 12-month requirement is as of the date election cycle process begins.

After a lengthy discussion, the committee decided to clarify the active members' eligibility requirements as well. Furthermore, the committee decided that the 12-month and 8-year requirements should be tied to the date that the petitions are due. The motion to approve the pursuit of legislation and rulemaking as amended was submitted by Trustee Silverthorn and seconded by Trustee Hawk.

EXECUTIVE SECRETARY EVALUATION

Secretary Blair presented a Merit Compensation Employee payment plan that would apply pay raises in line with the collective bargaining unit employee raises. After lengthy discussion, the committee decided not to act upon such payment plan.

OLD BUSINESS

There was no old business.

NEW BUSINESS

There was no new business.

ADJOURNMENT

There being no further business to be brought before the committee, Trustee Silverthorn made the motion to adjourn the meeting. Trustee Hawk seconded the motion and the meeting was adjourned at 4:40 p.m.