

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
MINUTES OF THE  
RULES AND PERSONNEL COMMITTEE  
July 23, 2018

The Rules and Personnel Committee of the Board of Trustees of the State Employees' Retirement System of Illinois convened on Monday, July 23, 2018 at 1:00 p.m. at the System's Springfield office located at 2101 South Veterans Parkway.

The following trustees were in attendance:

Alan Latoza, Chairman  
Danny Silverthorn, Trustee  
Jeremy "Tad" Hawk, Trustee

Others in attendance were:

Tim Blair, Executive Secretary  
Jeff Houch, Assistant to the Executive Secretary  
Casey Evans, Chief Internal Auditor

The meeting was called to order at 1:00 p.m.

PUBLIC COMMENTS

There were no members of the public present.

APPROVAL OF MINUTES OF THE JUNE 1, 2018 MEETING

Trustee Silverthorn motioned to approve the minutes of the June 1, 2018 meeting of the committee, Trustee Latoza seconded the motion. The motion passed unanimously.

PERSONNEL MATTER REVIEW – CLOSED SESSION

Chairman Latoza motioned to enter a closed session of the SERS Rules and Personnel Committee to discuss employment matters pursuant to the Illinois Open Meetings Act Section 2(c)(1), and Trustee Silverthorn seconded the motion. The role was called, and the motion passed in the following manner:

Trustee Latoza – Aye  
Trustee Silverthorn – Aye  
Trustee Hawk - Aye

The committee began the closed session with discussion related to an anonymous complaint. The members discussed the information that was provided by the Chief Internal Auditor.

The committee discussed the dynamics of certain positions within the organization and how the personnel code impacts such positions. The committee discussed various office dynamics and potential policies related to such dynamics

After review of all the materials, the committee agreed that the allegation was not substantiated and decided it would recommend to the Board no further action. The committee did agree that it would submit a proposed policy on the treatment of future complaints forwarded from the Office of the Inspector General.

Chairman Hawk motioned to adjourn the closed session, which was seconded by Trustee Silverthorn and the motion passed in the following manner:

Trustee Latoza	Aye
Trustee Silverthorn	Aye
Trustee Hawk	Aye

Upon the conclusion of the executive session, the committee resumed the meeting in open session.

#### RULEMAKING AUTHORIZATION

Assistant to the Secretary Jeff Houch presented rules recommended by staff for the committee's consideration. The first proposed rule presented would codify that for purposes of calculating final average salary, compensation received for unused compensatory time shall be assigned to the month it was accrued. After some discussion, Trustee Hawk motioned to authorize staff to pursue such rulemaking. The motion was seconded by Trustee Latoza, and the motion passed unanimously.

Mr. Houch then introduced rules related to the "accelerated benefit payment program" that was recently created by *Public Act 100-587*. The related proposed rules that the committee authorized to codify are summarized in the following manner:

- Clarify that a member eligible for the AAI buyout can elect either the buyout or the level income option, but may not elect both payment options; and
- Clarify that only SERS covered service credit may be used for the purposes of determining eligibility under the vested inactive accelerated benefit payment program.

After some discussion, Trustee Hawk motioned to authorize staff to pursue such rulemaking, which was seconded by Trustee Silverthorn. The measure passed unanimously.

#### OLD BUSINESS

There was no new business.

#### NEW BUSINESS

Chairman Latoza asked the SERS staff as to how to proceed with a potential recommendation that was identified in the closed session. Mr. Houch stated that the committee can determine to

propose the policy recommended by Chief Internal Auditor Evans, recommend an alternative policy, or to recommend no policy. Mr. Evans and Mr. Blair agreed with the suggested options outlined by Mr. Houch.

#### ADJOURNMENT

There being no further business to be brought before the committee, Trustee Hawk made the motion to adjourn the meeting. Chairman Latoza seconded the motion and the meeting was adjourned at 2:15 p.m.