

STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
MINUTES OF THE
RULES AND PERSONNEL COMMITTEE
JULY 27, 2020

The Rules and Personnel Committee of the Board of Trustees of the State Employees' Retirement System of Illinois convened on Monday, July 27, 2020 at 2:10 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:

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 2:10 p.m.

PUBLIC COMMENTS

There were no members of the public present.

APPROVAL OF MINUTES OF THE JANUARY 13, 2020 MEETING

Trustee Silverthorn motioned to approve the minutes of the January 13, 2020 meeting of the committee, Trustee Hawk seconded the motion. The motion passed unanimously.

RULEMAKING AUTHORIZATION

Mr. Houch presented proposed rules recommended by staff for the committee's consideration. The first rule requires a mandatory direct deposit of any recurring SERS benefit that first becomes payable on or after January 1, 2021. Such requirement may be waived if the payee lives outside the United States, demonstrates that payment by direct deposit creates a hardship, or it is determined that good cause otherwise exists for the payment of the benefit by means other than direct deposit.

The second proposed rule would also amend the Board bylaws and provides that the Executive Secretary and Board Chairperson may each designate an alternate designee to the Executive Committee.

The third proposed rule provides that the system may utilize a 3rd party vendor to assist in the process of verifying the student status of eligible student survivors.

The fourth rule provides that if a participant of the Early Retirement Incentive (ERI) program elects the total buyout payment, then such total buyout payment shall exclude the age and service enhancement components of such program unless the member has paid the necessary costs associated with the ERI program before his or her election.

The fifth rule clarifies that if a member's spouse dies after the member irrevocably elects an accelerated pension benefit payment, then the amount to be paid as an Accelerated Pension Benefit Payment shall not be recalculated, reduced, or otherwise adjusted on account of the death of the member's spouse.

The final rule corrects a technical drafting error that was made during a recent rulemaking. The date that was drafted into the rules was January 1, 2019 when the intent was to be January 1, 2020. This rulemaking corrects that oversight.

In addition to rules and bylaws, Mr. Houch presented a Board policy amendment for approval. Such proposed amendment would change in the System's small purchase procurement policy to reflect a recent change that has been made to the "small purchase" limit in the Illinois Procurement Code. Recently, Public Act 100-43 increased the threshold for the non-competitive procurement of supplies or services, construction, or professional or artistic services to \$100,000. Said differently, any procurements of those types of good or services are not required to be competitively bid if the total cost is less than \$100,000.

EXECUTIVE SECRETARY EVALUATION

Executive Secretary Blair reminded the committee that his evaluation is due and offered to answer any questions. No questions were offered.

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 2:45 p.m.