

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
April 12, 2012

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, April 12, 2012, at 8:30 A.M. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee members present:

Loren Iglarsh, Chairman
Lori Laidlaw, Vice Chairperson
Timothy Blair, Executive Secretary

Others Present:

Steve Bochenek, Attorney
Kathy Yemm, Manager, Claims Division
Joseph Maggio, Manager, Service & Refunds Division
Chris Silver, Supervisor, Disability Section
Michael Noblet, Supervisor, Pensions & Deaths Section
Dawn Blakeman, Recording Secretary
David Sharp, Hearing
Carl Draper, Attorney
Owen Dratler, Hearing

Minutes of the Previous Meeting

The minutes of the March 15, 2012 meeting of the Executive Committee were presented by Chairman Iglarsh for approval. Copies of the minutes were previously mailed to Committee members for review. There being no additions or corrections, on motion by Vice Chairperson Laidlaw seconded by Executive Secretary Blair and by unanimous vote, the minutes were approved as submitted.

Routine Claims & Denial Report

The Routine Claims and Denials Report for the month of March, 2012 were presented for approval. Following review and discussion, Chairman Iglarsh moved acceptance of the Routine Claims and Denials Report for the period of March, 2012. On motion by Executive Secretary Blair seconded by Chairman Iglarsh and by unanimous vote, the minutes were approved as submitted.

Old Business

Robert Ruiz Pension

Robert Ruiz requested a personal hearing with the Executive Committee in a letter dated November 19, 2009, regarding the reciprocal agreement be cancelled so he can still collect his pension benefits from the County Employees' Annuity & Benefit Fund of Chicago pension fund.

Mr. Ruiz through a telephone conversation in December, 2011 with Michael Noblet, Supervisor of the Pension and Death Division has requested another hearing continuance.

Accordingly, this case continues to be deferred.

Diane Pignato

Non-Occupational Disability

Diane Pignato works for a state agency. She was granted a medical leave of absence. Ms. Pignato's application for disability benefits was denied based upon the results of a review of medical information in her file.

Medical information on file was reviewed by the System's medical consultant on July 8, 2011 and again on September 22, 2011. Based upon this review, a disability was not documented. Based upon a review of the file and information submitted, the Executive Committee finds the employee's job description and work location are as stated and that she was granted a medical leave of absence.

Ms. Pignato's claim for non-occupational disability benefits was denied due to medical information failing to substantiate a disability. Ms. Pignato requested a written appeal pursuant to the denial of disability benefits.

During the October 6, 2011 meeting, the Committee agreed to defer Ms. Pignato's appeal so that additional medical records could be provided.

Additional medical information was received. The entire file was again reviewed by the System's medical consultant. The medical information failed to substantiate a disabling condition for the entire period she was off work.

Following a review of the file and some discussion, Executive Secretary Blair moved to deny the appeal of Diane Pignato for non-occupational disability benefits based on all the information in file. Vice Chairperson Laidlaw seconded the motion, and all were in favor.

Nikki Malley

Non-Occupational Disability

The System's attorney submitted a recommendation based on the facts and findings on file in this case for the Committee's review. Following discussion, on motion by Chairman Iglarsh, seconded by Executive Secretary Blair, and by unanimous vote, the Committee accepted Recommendation No. 2012-2 in the matter of Nikki Malley.

A copy of this recommendation has been made a part of this member's file.

Barbara A. Carnduff-Curtner /Carl Curtner (deceased member) Survivor Benefit

The System's attorney submitted a recommendation based on the facts and findings on file in this case for the Committee's review. Following discussion, on motion

by Executive Secretary Blair, seconded by Chairman Iglarsh, and by unanimous vote, the Committee accepted Recommendation No. 2012-3 in the matter of Carl Curtner. A copy of this recommendation has been made a part of this member's file.

New Business

David Sharp Pension

David Sharp retired on March 31, 2011.

Mr. Sharp contacted SERS and requested an estimate.

The estimate included 15 years and 10 months of alternative formula service and 7 years 10.50 months under the regular formula with a total of 23 years 8.50 months of state service. In order to qualify for the alternative formula, you need 20 years of service in that formula. Mr. Sharp did not qualify for the alternative formula.

Upon receiving his estimate Mr. Sharp contacted the SERS office and began the pension application process for April 1, 2011.

During an internal audit it was discovered Mr. Sharp was being paid incorrectly. His pension was computed using the alternative formula (3.0%) instead of the regular formula (2.2%).

As a result of this error Mr. Sharp has an overpayment.

David Sharp is appealing his denial to participate in the alternative formula.

Mr. Sharp and his attorney Carl Draper attended the April 12, 2012 Executive Committee meeting and is requesting the alternative formula be given to Mr. Sharp.

After discussion the Committee recommended referring Mr. Sharp's appeal for a retirement annuity under the alternative formula in accordance with 40 ILCS 5/14-109 to SERS attorney.

Fascia Edwards Nonoccupational Disability

Fascia Edwards works for a state agency and a medical leave of absence was granted.

Ms. Edwards' disability benefit was suspended based on the results of an orthopedic independent medical evaluation and medical data from treating sources listed in file.

Based upon a review of the file and information submitted, the Committee finds Fascia Edwards works for a state agency, and was granted a medical leave of absence.

Ms. Edwards is requesting a re-re-appeal of her suspended non-occupational disability.

Following a review of the file and some discussion, Executive Secretary Blair moved to deny the re-appeal of Fascia Edwards. Chairman Iglarsh seconded the motion, and all were in favor.

Larry Hall Non-Occupational Disability

Mr. Larry Hall works for a state agency and was granted a medical leave of absence.

Mr. Hall received a retroactive disability benefit from the Social Security Administration (SSA) which created an overpayment of non-occupational disability benefits being paid by SERS.

Based upon a review of the file and information submitted, the Executive Committee finds the employee's work location is as stated and he was granted a medical leave of absence.

Upon receipt of the information regarding Mr. Hall's SSA disability benefits award, he was contacted regarding the overpayment of non-occupational disability benefits. This overpayment was in accordance with 40 ILCS 5/14-125 and Section 1540.90 of the Illinois Administrative Code which indicate non-occupational disability benefits paid by the System are reduced by the SSA disability benefit.

Larry Hall requested in a written appeal that the monthly overpayment of non-occupational disability benefits be reduced to \$250.00.

Following a review of the file and some discussion, Chairman Iglarsh moved that the appeal of Larry Hall be approved. Vice Chairperson Laidlaw seconded the motion, and all were in favor.

Ronald Partak Pension/Reciprocal

Ronald Partak is currently receiving a retirement annuity from the System.

During the application process for his retirement annuity, Mr. Partak had elected to retire using the reciprocal provisions of the law..

Based upon a review of the file and information submitted, the Executive Committee finds Mr. Partak is receiving a retirement annuity under the reciprocal act.

During the application process for his retirement annuity, he indicated he wanted to retire reciprocally with SERS and IMRF. However, after receiving and cashing his first pension check it was determined that because IMRF was using a money purchase option instead of their formula, Mr. Partak would receive a higher benefit if he retired independently with both systems

Following a review of the file and some discussion, Chairman Iglarsh moved to approve the request of Mr. Ronald Partak to be allowed to retire independently instead of reciprocally. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Wanda Shorty Disability Halftime/Pension

Wanda Shorty is currently receiving non-occupational disability benefits.

Ms. Shorty is requesting the Executive Committee extend her disability benefits.

Based upon a review of the file and information submitted, the Committee finds the employee's work location is as stated and she was granted a medical leave of absence.

Ms. Shorty contacted our office after receiving a letter dated March 1, 2012 that her non-occupational disability was maxing out as of April 30, 2012. She has contacted our office on several occasions stating her service time was not correct. She received an account statement but did not understand it.

After completion of an audit on Wanda Shorty's account Mr. Noblet, supervisor of the Pension & Death Benefit Claims Division found there was an error made. Ms. Shorty's disability should have stopped July 31, 2011 due to her half time ceasing. Ms. Shorty has been overpaid since July 31, 2011.

Ms. Shorty has requested in a written appeal to the Executive Committee for approval to extend her disability from July 31, 2011 thru April 30, 2012 due to the error by SERS.

Following a review of the file and some discussion, Executive Secretary Blair moved to deny the written appeal of Wanda Shorty. Chairman Iglarsh seconded the motion and all were in favor.

Ralph Hahn/Joey Lewis Proof of Paternity

SERS member Ralph Hahn passed on June 20, 2010.

Joey Lewis submitted a written request to the Executive Committee asking them to approve payment of a monthly survivor benefit to him on Ralph Hahn's account.

Based upon a review of the file and information submitted, the Executive Committee finds Mr. Hahn is deceased as of June 20, 2010.

Joey Lewis indicated his parents reached an informal agreement on child support and visitation rights. So, it was never settled legally, no paternity was proven. Mr. Lewis sent in a copy of his birth record, and a notarized letter from his grandfather (Mr. Hahn's father), Mr. Henry F. Hahn, Jr. which states his son and Ms. Lewis chose not to use Ralph Hahn's last name. A copy of Ralph's insurance papers showing he carried 2 sons on his medical insurance and named them as his beneficiaries.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved that the written request of Joey Lewis be approved. Executive Secretary Blair seconded the motion, and all were in favor.

Edward Smith Widow/Survivor Refund

Edward Smith began receiving his retirement annuity effective November 1, 2011.

Based on a review of the file and information submitted, the Committee finds Mr. Smith worked for a state agency and has retired.

Upon completion of his pension application Mr. Smith listed he has a surviving daughter under the age of 22, so he did not receive the refund he had been expecting.

He has sent in a written appeal letter stating his daughter is not a full time student and would like to request a refund of the widow/survivor contributions.

Based on the facts of this case and information submitted and after some discussion the committee has agreed to approve payment of the widow/survivor contributions to Edward Smith, Chairman Iglarsh moved for approval. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Owen Dratler

Proof of Marriage

Mr. Owen Dratler is appealing to the Executive Committee to approve the use of a license application from New York and a signed affidavit from the best man in lieu of a marriage certificate which was recently discovered that "no valid marriage certificate exists".

Following a review of the file and some discussion, Chairman Iglarsh noted Mr. Dratler is not retiring at this time so he cannot appeal at this time. Vice Chairperson Laidlaw seconded the motion, and all were in favor.

Christopher Hedges

Survivor Disabled Adult Earnings Limitation

Christopher Hedges has been receiving Survivor benefits as a disabled adult child on his father Rocky Hedges.

Survivor disabled adult benefits were suspended due to earnings which exceeded the System's calendar quarterly earnings limitations.

Based upon a review of the file and information submitted, the Committee finds Christopher Hedges is receiving benefits as a Survivor disabled adult.

Information was received that Mr. Hedges works part time and that his earnings have exceeded the System's calendar quarterly earnings limitations; therefore, disabled adult benefits were suspended.

Mr. Hedges' Guardian and Conservator Mr. James C. Clark sent in a written appeal on the suspension of his benefits due to the earnings limitation.

The overpayment created by the survivor exceeding the calendar quarterly earnings limitations is consistent with the System's Regulations (80 Ill. Admin. Code 1540.80(e)).

Based on the facts of this case and information submitted and after some discussion the Committee recommends Christopher Hedges' appeal regarding the violation of the System's quarterly calendar earnings limitation be denied.

Mr. Smith has requested a written appeal with the Executive Committee. He is requesting that he be allowed to purchase 14.50 months of optional service credit even though he retired effective January 1, 2012. By law, optional service credit must be purchased prior to retirement. Mr. Smith signed the Irrevocable Payroll Authorization of Permissive Service Credits or redeposit of Contributions form on November 28, 2011 and forwarded it to the Department of Corrections rather than our office for approval, which is why the deduction was not made from his lump sum sick and vacation payment.

Based upon the facts of this case and the information submitted, the Executive Committee recommends approving Mr. Smith's request to purchase 14.50 months of optional service, provided that he makes the payment within 30 days of the billing date.

Following a review of the file and some discussion, Chairman Iglarsh moved to approve the appeal of Mr. Clifford M. Smith, Vice Chairperson Laidlaw seconded the motion and all were in favor.

Dominic Russo works for a state agency and a service connected leave of absence was granted.

Mr. Russo's claim for disability benefits was denied due to failure to apply for occupational disability benefits within the proper time frame.

Based upon a review of the file and information submitted, the Committee finds Dominic Russo works for a state agency and a service connected leave of absence was granted.

The System did not receive the employee's application for disability benefits within the time limitation pursuant to occupational disability benefits as noted in 40 ILCS 5/14-123, Therefore the application was denied.

Mr. Russo requested a written appeal pursuant to the denial of disability benefits due to late filing, information was received with the appeal request which lists the reasons the employee failed to file on a timely basis.

Based on the facts of this case and information submitted, the Committee recommends approving Dominic Russo's appeal for a waiver of the twelve month filing limitation.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of Dominic Russo for a waiver of the twelve month filing time limit for occupational disability benefits. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Salvatore J. Raymond retired August 1, 2011 from state service.

Mr. Raymond did not receive credit for his sick and vacation time at the time of retirement and is requesting the service time.

Based upon a review of the file and information submitted, the Executive Committee finds Salvatore J. Raymond is receiving a pension.

Mr. Raymond is requesting a written appeal with the Executive Committee. He is asking that he be allowed to purchase his sick and vacation time even though he retired effective August 1, 2011.

Mr. Raymond completed the forms to purchase the time and returned the forms to his payroll department instead of SERS.

Following a review of the file and some discussion, Chairman Iglarsh moved to approve the purchase provided that the payment is made within 30 days of the billing notice. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Cheryl Anderson/Benny Gray (deceased) Reinstatement of Write off

This account became eligible for write-off in June, 2006. Contributions in the amount of \$12,414.22 and widow and survivors in the amount of \$1,550.52 and 201.25 months of creditable service were written off on June 23, 2006. Mr. Gray passed on March 24, 2012.

Mr. Gray's ex-wife Cheryl Anderson has contacted SERS regarding a death benefit for Mr. Gray's minor child.

The Claims Division is requesting the Executive Committee to approve the reinstatement of this account so that a death benefit may be paid.

Following a review of the file and some discussion, Executive Secretary Blair moved approval of the appeal of Cheryl Anderson request for reinstatement of Benny Gray's account. Chairman Iglarsh seconded the motion and all were in favor.

Anthony Ventimiglia Occupational Disability/12months

Anthony Ventimiglia works for a state agency and a service connected leave of absence was granted.

Mr. Ventimiglia's claim for disability benefits was denied due to failure to apply for occupational disability benefits within the proper time frame.

Based upon a review of the file and information submitted, the Committee finds Anthony Ventimiglia works for a state agency and a service connected leave of absence was granted.

The System did not receive the employee's application for disability benefits within the time limitation pursuant to occupational disability benefits as noted in 40 ILCS 5/14-123, Therefore the application was denied.

Mr. Ventimiglia requested a written appeal pursuant to the denial of disability benefits due to late filing, information was received with the appeal request which lists the reasons the employee failed to file on a timely basis.

Based on the facts of this case and information submitted, the Committee recommends approving Anthony Ventimiglia's appeal for a waiver of the twelve month filing limitation.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of Anthony Ventimiglia for a waiver of the twelve month filing time limit for occupational disability benefits. Vice Chairperson Laidlaw seconded the motion and all were in favor

There being no further business to be brought before the Committee, the meeting was adjourned at 12:00PM.

The next meeting of the Executive Committee is scheduled for Thursday May 12, 2012, in the Springfield office, with video conferencing in Chicago if needed.

Loren Iglarsh
Chairman

Lori Laidlaw
Vice Chairperson

Timothy Blair
Executive Secretary