

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
April 16, 2015

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, April 16, 2015 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

Loren Iglarsh, Chairperson
David Morris, Vice Chairperson
Timothy Blair, Executive Secretary

Others Present:

Jeff Houck, Asst. to the Executive Secretary
Steve Bochenek, Attorney
Kathy Yemm, Claims Manager
Don Williams, Supervisor, Disability Section
Kerry Walker, Disability Section
Michael Noblet, Supervisor, Pension & Death Section
Cory Mitchell, Pension and Death Section
Guy Groner, Claimant, (Chicago hearing)
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the March 12, 2015 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 Executive Secretary Blair and seconded by Vice Chairperson Morris, 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, 2015 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of March, 2015, as prepared by staff, was reviewed by the Executive Committee. There being no additions or corrections, on motion by Chairman Iglarsh and seconded by Vice Chairperson Morris, and by unanimous vote, the Routine Claims and Denials Report was approved as submitted.

Old Business

Karen Dillon – Pension – Repayment of Survivor Cont. Refund – Atty. Recommendation

When Karen A. Dillon retired January 1, 2007 she was paid a survivor contribution refund because she did not have an eligible survivor at that time. Subsequent to her retirement and before her death on October 25, 2014 she entered into a civil union. Her surviving spouse, Mary Ray, is asking to be allowed to repay the survivor contribution refund because Karen A. Dillon was never notified after Illinois amended the law to recognize civil unions that she could repay and qualify her spouse.

Mary Ray attended the March 12, 2015 Executive Committee meeting to state her situation. Her case was referred to SERS' attorney, Stephen Bochenek, for a recommendation to be presented at the April meeting.

At the April 16, 2015 meeting Attorney Bochenek presented a recommendation, No. 2015-05, which states that due to the statutes applicable to the System, the petitioner is not entitled to repay the refund of the survivors annuity contributions previously paid to Karen A. Dillon, the member of the system. The Committee recommends that the appeal of Mary Ray, be denied. Motion to approve the denial was made by Executive Secretary Blair, seconded by Chairman Iglarsh. All were in favor, with the exception of Vice Chairperson Morris who recused himself based on the fact that he was not on the Committee when the appeal was heard and that he was an acquaintance of the claimant.

New Business

Gregory Patton – Temporary Disability

Gregory Patton works as a Correctional Officer for IDOC. He last worked on June 7, 2008. He began a medical leave of absence on June 15, 2008 due to an injury. He was paid a temporary benefit from July 15, 2008 through October 31, 2009. His temporary benefits were terminated due to an independent medical exam. The Executive Committee denied his appeal at the January 21, 2010 meeting.

He requested a written re-appeal to the Executive Committee because his medical condition has worsened. In addition, he has received a settlement from IWCC. It has been past the five year period since his benefits were terminated.

The Committee, after discussion with staff, determined that it would be necessary for the staff to take a closer look at this case and to defer at this time.

Darnell Parker – Occupational Disability – (Personal hearing Chicago – 9:30 a.m.)

Darnell Parker called the morning of the meeting and cancelled his hearing.

Guy Groner – Pension – Requesting Retro Pension (Person hearing Chicago – 10:00 a.m.)

Guy Groner ceased state employment in October, 1998. Mr. Groner was first eligible for a pension annuity on October 1, 2013, the month following his 60th birthday.

In November 2014 Mr. Groner contacted SERS and requested the cost to purchase a refund previously taken and for a reciprocal pension estimate with an effective date of January 1, 2015.

Mr. Groner purchased the refund in December, 2014. Mr. Groner has not yet submitted a retirement packet to SERS.

Mr. Groner is requesting his pension be paid retroactive to October 1, 2013, even though he made a service purchase in December, 2014.

After discussing the case, a motion was made by Chairman Iglarsh to allow his pension be paid retroactively and to refund the service purchase amount. This motion was seconded by Executive Secretary Blair. All were in favor.

Harvey Stortzum – Social Security Overpayment

Harvey Stortzum is employed by the Illinois Department of Transportation, District 7 as a Highway Maintainer. Mr. Stortzum last worked on October 21, 2011 and began receiving a nonoccupational disability benefit from SERS on October 2, 2012 in the amount of \$2,973.50 per month.

Though Mr. Stortzum will turn age 65 on July 16, 2015, he will remain eligible to receive nonoccupational disability benefits until October 31, 2017, when his 5 year anniversary expires. He has 17 years and 2 months of total service with the State of Illinois at this time and recently began receiving Social Security disability benefits.

Mr. Stortzman contacted SERS on August 19, 2014 and informed us that he had received a large check from SSA in the amount of \$35,424.00 and that he used Midwest Disability Law, the law firm that SERS had referred to him. The disability specialist informed Mr. Stortzum not to spend the money from SSA until the offset was established and the correct amount was paid back to SERS. The disability specialist informed the member that SERS would take a large portion of his check, but would not take more than the amount that he received from SSA and that any amount left over was considered his.

SSA confirmed that Mr. Stortzum would be eligible to receive Social Security benefits dating back to August 1, 2012 in the amount of \$961.00. A letter was mailed to the member on August 26, 2014 revealing that his new nonoccupational disability amount would be in the amount of \$2,012.50, less the \$961.00 he would begin receiving from SSA. He was also informed that he was required to pay back the monthly amount that SSA would be paying him dating back to October 2, 2012, the date he became eligible to receive SSA disability benefits; this calculated to an overpayment in the amount of \$21,111.00. Mr. Stortzum promptly mailed a check for \$21,111.00 and received a letter from SERS' Vouchering Department on September 30, 2014 acknowledging receipt of the overpayment and was led to believe for the next four months his SERS debt was paid in full.

On January 6, 2015 SERS received a faxed SSA award notice dated August 23, 2014 from Midwest Disability revealing that the member was receiving \$1,664.00 per month from SSA. This created a new overpayment of an additional \$703.00 per month, in addition to another 4 months of offsetting the incorrect amount.

On January 9, 2015 a letter was mailed to the member indicating that he was again overpaid by SERS, this time in the amount of \$18,958.32 bringing his overpayment to \$40,069.32. Mr. Stortzum was originally informed by his disability specialist that anything over the 21,111.00 was his to keep. He was also informed that he would never be expected to pay back more than \$35,424.00, the amount of the original check that SSA mailed him.

Mr. Stortzum has verbally expressed his concerns to SERS regarding the incorrect overpayment amount and has recently had an informal conference. He has since that time mailed a letter to SERS requesting that the Executive Committee give him special considerations for this situation, as he feels he has done nothing wrong. Mr. Stortzum has always done what was asked of him by SERS, but says his life has been in complete turmoil since receiving his January letter. Mr. Stortzum is also very concerned about his taxes.

After the Executive Committee discussed the case, it was decided to continue collecting the overpayment. A motion was made by Chairperson Iglarsh to offer Mr. Stortzum the payment plan of \$100 per month towards his overpayment. This was seconded by Vice Chairperson Morris. All were in favor.

Michael Lesser - Nonoccupational 90 Day Waiver

Michael Lesser works as a Child Welfare Specialist II for DCFS. He last worked on March 17, 2013. He began a medical leave of absence on March 22, 2013.

He has requested a written appeal to the Executive Committee so that the 90 day filing limitation can be waived.

After some discussion, Executive Secretary Blair moved for approval of the appeal of the 12 month filing limitation, seconded by Chairman Iglarsh. All were in favor.

Vincent Basile, Jr. – Occupational 12 Month Waiver

Vincent Basile, Jr., is an individual who works as a highway maintainer for the Illinois Department of Transportation. He stopped working on December 14, 2009 and placed on a service connected LOA as of December 15, 2009.

The member alleges disability due to injuries he sustained by a motor vehicle accident while working. He underwent a course of medical treatment and therapy and returned to work on January 14, 2011.

The member received workers' compensation benefits for his injuries. He is asking the Executive Committee to waive the 12 month filing period for occupational disability benefits.

After some discussion, Executive Secretary Blair moved for approval of the appeal of the 12 month filing limitation, seconded by Chairman Iglarsh. All were in favor.

Christie Piette – Pension – Wants Unreduced Pension

Christie Piette came into the SERS office on December 11, 2014 for a pension estimate. She met with an individual from our Field Services Department who provided her with a pension estimate with a February 1, 2015 retirement effective date.

Based on this information, Ms. Piette retired effective February 1, 2015. Once her pension was processed, it came to the attention of the Pension Department that Ms. Piette was one month short of meeting the Rule of 85. She was still eligible for a pension, but it was reduced down to 85 percent of her pension.

Ms. Piette is asking for her pension to remain effective February 1, 2015 and to receive an unreduced pension as she made her decision based on information given to her by SERS.

After some discussion, a motion was made by Executive Secretary Blair to approve her request to receive an unreduced pension, seconded by Vice Chairperson Morris. All were in favor.

Jeffrey Nelson, Wants Social Security Offset Removal Removed

Jeffrey Nelson began receiving a retirement annuity effective January 1, 2003. Mr. Nelson elected the social security offset removal in 2009 when this option became available. This election reduced his pension by \$71.95 per month.

Mr. Nelson's wife was a teacher and did not pay in to Social Security. Due to the Government Pension Offset, she is not eligible to receive any money from Social Security as a widow, making the social security offset removal unnecessary.

Mr. Nelson is asking for the social security offset removal to be taken off of his pension as soon as possible. He is also asking to be paid back for the reductions made.

After some discussion, a motion was made by Chairman Iglarsh to allow the Social Security offset removal to be taken off his pension, but not to allow a refund of the previously offset amount, seconded by Vice Chairperson Morris. All were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:25 a.m.

The next meeting of the Executive Committee is scheduled for Thursday, May 14, 2015, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh
Chairman

David Morris
Vice Chairperson

Timothy Blair, Executive Secretary