

MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
August 15, 2013

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, August 15, 2013, at 8:30 A.M. in the System's Springfield office at 2101 S. Veterans Parkway with videoconferencing in SERS Chicago Office.

Committee members present:

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

Others Present:

Steve Bochenek, Attorney  
Kathy Yemm, Manager, Claims Division  
Michael Noblet, Supervisor, Pensions & Deaths Section  
Don Williams, Supervisor, Disability Section  
Kerry Walker, Assistant Supervisor, Disability Section  
Cory Mitchell, Assistant Supervisor, Pensions & Deaths Section  
Dawn Blakeman, Recording Secretary  
Michael Schneider, Hearing  
Michelle Flowers, Hearing  
Jim Vainikos, Attorney for Michelle Flowers Hearing

Minutes of the Previous Meeting

The minutes of the July 11, 2013 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 Secretary Blair seconded by Vice Chairperson Laidlaw and by unanimous vote, the minutes were approved as submitted.

Routine Claims & Denial Report

The Routine Claims and Denials Report for the month of July, 2013 were presented. Following review and discussion, the Routine Claims and Denials Report for the period of July, 2013, as prepared by staff was received by the Executive Committee.

Old Business

On June 1, 2012, Mr. Saupe retired under the Reciprocal Act with the State Employees' Retirement System (SERS) and State Universities Retirement System (SURS).

Based upon a review of the file and information submitted, the Executive Committee finds Phillip Saupe is receiving a retirement annuity as of June 1, 2012 and during the application process for his retirement annuity, he indicated he wanted to retire under the reciprocal option.

Mr. Saupe was initially paid \$5,883.76. After the reciprocal exchange was complete it was determined a proportional reduction was necessary because his combined benefits exceeded the 80% maximum. His benefit from SERS was reduced to \$5,491.01. In a letter dated November 9, 2012, Mr. Saupe sent in a written request to appear before the Executive Committee to appeal the reduction of his SERS pension.

Mr. Saupe along with his friend, Mr. Bruce Bialorucki, appeared before the Committee during the December 6, 2012 meeting. A personal hearing was accomplished and a record of this hearing has been made a part of the member's file. He stated he doesn't believe that he made any errors and that he should not be punished for our errors.

Following discussion, the Committee has recommended that the appeal of Phillip J. Saupe be deferred so that the Supervisor of the Pension Section can contact the SURS office to verify that Mr. Saupe could change his retirement within the provisions of the law. He also wants to transfer creditable service to SERS under the provisions of SB65 providing the Police Funds of Benton and Mt. Vernon approve the repayment and transfer under the provisions of SB65.

The Pension Section Supervisor reported that the Police Fund of Benton did not approve the request of Mr. Saupe to purchase his time in their fund and therefore Mr. Saupe was not able to get to 30 years which would enable him to draw an immediate pension from SURS. The Committee directed the Pension Section Supervisor to contact Mr. Saupe to find out if he wanted to withdraw his appeal.

After discussion pertaining to an e-mail Mr. Saupe sent for the Executive Committee, the Committee agreed that Mr. Noblet should contact our reciprocal retirement systems' to see what they would do in this unique situation and report back to the Committee at the August meeting.

After a review of Mr. Saupe's file and some discussion, the Committee agreed to refer this matter to SERS Attorney for recommendation based on the facts and findings in file for presentation at the next meeting.

Michelle Flowers works for a state agency and a medical leave of absence was granted.

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

On June 10, 2012 the System's medical consultant reviewed the entire file. The review indicated the medical information in the file failed to substantiate a disability.

Pursuant to the denial of disability benefits, Michelle Flowers requested and previously attended a personal hearing with the Executive Committee.

Ms. Flowers explained the job duty statement was incorrect and that she would get more medical information.

The Committee agreed to have Ms. Flowers complete a new job duty statement. SERS also agreed to have her supervisor do the same. The information would then be sent to the Disability Supervisor for review. Ms. Flowers also agreed to send additional medical records for review. The Committee agreed to defer this matter at this time in order to obtain the additional information. Additional information was received and reviewed.

Following discussion, the Committee agreed to refer this matter to SERS Attorney for a recommendation based on the facts and findings in file for presentation at the next meeting. The System's attorney submitted a recommendation to deny based on the facts and findings on file for the Committee's review. Following discussion, on motion by Executive Secretary Blair, seconded by Vice Chairperson Laidlaw, and by unanimous vote, the Committee accepted Recommendation No. 2013-001. A copy of this recommendation has been made a part of the member's file.

Ms. Flowers had a personal appeal on October 11, 2012. She was appealing the denial of her future occupational benefits. Her claim was deferred so additional evidence could be obtained. The additional medical was submitted and reviewed by the System's medical consultant on December 16, 2012 who determined that the medical information failed to substantiate a disabling condition. On February 14, 2013, the Executive Committee reviewed the appeal of the denial and denied her claim. Ms. Flowers is now requesting a reappeal of the denial.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved to approve Ms. Flowers request to re-appeal the denial. Chairman Iglarsh seconded the motion and all were in favor.

On February 14, 2013, the Executive Committee reviewed the appeal of the denial and denied her claim.

Ms. Flowers is now requesting another re-appeal of the denial as she has new medical to present.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved to approve Ms. Flowers request to re-appeal the denial of the re-appeal. Chairman Iglarsh seconded the motion and all were in favor.

Ms. Flowers attended another personal hearing with her Attorney Jim Vainikos on August 15, 2013. She is appealing the denial of her future occupational benefits. Her claim was previously deferred so additional evidence could be obtained. The additional medical was submitted and reviewed by the System's medical consultant on July 4, 2013 who determined that the medical

information failed to substantiate a disabling condition. Ms. Flowers completed another job duty statement and the committee agreed to have the SERS medical consultant review the complete file.

Rosilyn Hall

Temporary Disability Overpayment

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Yvonne Peter has Power of Attorney for her Mother Rosilyn Hall and has requested in a letter dated June 6, 2013 to attend a personal hearing with the Executive Committee.

Ms. Peter's attended a personal hearing and presented on her mother's behalf. She explained when the annual statement arrived it said her mother could take a refund of contributions, she felt relieved thinking she would have help to care for her mother. She stated her mother had endowed several operations to correct the injury that was the cause of her occupational disability.

The disability Supervisor Mr. Williams explained to Ms. Peter's that her mother incurred an overpayment of temporary disability benefits from SERS due to her approval of Workers' compensation benefits for the same time period. After Ms. Hall received the lump sum payment from Workers' compensation in 1996, SERS employees then attempted to contact Ms. Hall by letters and phone regarding the overpayment. However, after several unsuccessful attempts of collection through SERS and two Collection Agencies, SERS placed an Involuntary Withholding order with the State of Illinois Comptroller's office against Rosilyn Hall's social security number.

Ms. Peter said she now understands why the warrant was intercepted however, she still could use the money if there was any way SERS could help her out it would be a blessing.

After some discussion it was determined that SERS will research Ms Hall's disability further by contacting her doctors and having them forward any additional information to the Disability Supervisor for review.

The Committee agreed to defer this matter at this time in order to obtain the additional information.

### **New Business**

Michael Schneider

Pension

Mr. Schneider retired effective August 1, 2008 from the Illinois State Police at age 51 years and 6 months.

Based upon a review of the file and information submitted, the Executive Committee finds Michael Schneider is receiving a retirement annuity as of August 1, 2008.

Mr. Schneider has requested a personnel hearing. He explained that he turned 55 on January 1, 2013 and has not received a cost of living increase. When he inquired on the raise he was informed his 3% would start on January 1, 2014. He stated he had been told by his retirement coordinator and SERS employees that he would receive the COLA on his 55th birthday.

Michael Schroeder is asking to receive the cost of living increase effective January 1, 2013. Secretary Blair and Attorney Bochenek have reviewed the law which states in part "if you retired under the alternative formula, you will receive a 3% increase to your pension on January 1 following your first full year of retirement or age 55, whichever is later." This could be interpreted either way. As Mr. Schneider's 55th birthday falls on January 1, 2013, there is a possibility that he wouldn't be eligible for the cost of living increase until January 1, 2014.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of Michael Schneider to start his COLA on January 1, 2013. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Marjean Ninemire

Disability/Gainful Employment

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Ms. Ninemire works for a state agency. She began a medical leave of absence on 12/18/12. Non occupational disability became effective 1/18/13.

Disability benefits are due to be suspended on August 31, 2013. Based upon a review of the file and information submitted, the Committee finds Marjean Ninemire works for a state agency, and was granted a medical leave of absence. Information was received from the State of Illinois Comptroller's office that Ms. Ninemire had received income for the period of April 2013. Therefore, disability benefits are scheduled to be suspended on August 31, 2013.

Ms. Ninemire in a written appeal explained that she is a court reporter and that the compensation she received was for previous shorthand that she transcribed at home. Based on the facts of this case and information submitted, the Committee recommends approval of Marjean Ninemire's appeal not to suspend her non-occupational disability benefits.

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

Penny Andrews

Occupational Disability/12months

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Penny Andrews works for a state agency and a service connected leave of absence was granted. Ms. Andrews' 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 Penny Andrews 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. Ms. Andrews 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, Chairman Iglarsh moved approval of the appeal of Penny Andrews for a waiver of the twelve month filing limitation for occupational disability. Vice Chairperson Laidlaw seconded the motion, and all were in favor.

Daniel Williams

Non-Occupational Disability/Over Payment

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Daniel Williams retired effective June 1, 2013. Prior to retirement Mr. Williams had three separate non-occupational disability benefit claims.

Based upon a review of the file and information submitted, the Executive Committee finds Mr. Daniel Williams retired June, 2013.

Mr. Williams' received non-occupational disability benefits as follows:

- 1) May 2, 2002 through June 6, 2005
- 2) February 26, 2007 through February 28, 2009 (until half time ceased) returned to work SSA payment received causing his 1st overpayment of \$20,080.00 payment plan was set at \$300.00 monthly which per his request was dropped down to \$250.00 a month when Mr. Williams returned to work in 2009.
- 3) January 19, 2011 through November 30, 2011 (until half time ceased) returned to work SSA payment received causing his 2nd overpayment of \$12,857.42. Because of finances Mr. Williams requested to keep the monthly payment at \$250.00.

Daniel Williams retired June 1, 2013, with an overpayment totaling \$20,938.22. Mrs. Williams POA for Mr. Williams is requesting the monthly repayment amount be \$100.00.

The committee notes Mr. Williams received two (2) retroactive disability benefit checks from the Social Security Administration (SSA) which created overpayments totaling \$25,063.22 of non-occupational disability benefits being paid by SERS. And that based upon receipt of the information regarding the SSA disability benefits award, Mr. Williams was contacted (1st overpayment). A contract was issued for signature and not returned. 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.

After discussion the Executive Committee recommended to deny the written appeal to lower Mr. Williams' repayment to \$100.00 and to keep the repayment at \$250.00 in regards to his overpayment of two non-occupational disability benefits.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved that the appeal of Daniel Williams be denied. Secretary Blair seconded the motion, and all were in favor.

Scot Settles-Ballard

Write-Off

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This account became eligible for a write off in June, 2006. Contributions in the amount of \$70.03 were written off on June 23, 2006. Scot Settles-Ballard has contacted us regarding his account and has requested a refund. The Service & Refunds Division is requesting the Executive Committee to approve the reinstatement of this account so that a refund may be paid.

Following a review of the file and some discussion, Secretary Blair moved approval of the appeal of Scot Settles-Ballard request for reinstatement of her account. Chairman Iglarsh seconded the motion and all were in favor.

Devorah Roberts

Write-Off

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This account became eligible for write-off in June, 2009. Contributions in the amount of \$17,839.71 and widow and survivors in the amount of \$2,225.84 and 171.50 months of creditable service were written off on June 26, 2009. Ms. Roberts has contacted us regarding her account and eligibility for a pension.

The Service and Refunds Division is requesting the Executive Committee to approve the reinstatement of this account so that a future pension may be paid.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of Devorah Roberts request for reinstatement of her account. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Lee Box

Write-Off

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This account became eligible for a write off June, 2006. Contributions in the amount of \$2,438.01 were written off on June 23, 2006. Lee Box has contacted us regarding the account and has requested a refund. The Service & Refunds Division is requesting the Executive Committee to approve the reinstatement of this account so that a refund may be paid.

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

There being no further business to be brought before the Committee, the meeting was adjourned at 10:45 A.M. The next meeting of the Executive Committee is scheduled for Tuesday, September 12, 2013, in the Springfield office, with video conferencing in Chicago if needed.

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Loren Iglarsh  
Chairman

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Lori Laidlaw  
Vice Chairperson

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Timothy Blair  
Executive Secretary