

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
August 13, 2015

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, August 13, 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:

Stephen Bochenek, Attorney
Jeff Houch, Assistant Executive Secretary
Kathy Yemm, Claims Manager
Don Williams, Supervisor, Disability Section
Cory Mitchell, Pension and Death Section
Joe Maggio, Service and Refunds Manager
Patricia Hunter, Claimant (Spfld. hearing)
Mario Perino, (representative of claimant)
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the July 9, 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 Vice Chairperson Morris and 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 July, 2015 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of July, 2015, as prepared by staff, was reviewed by the Executive Committee. There being no additions or corrections, on motion by Executive Secretary Blair and seconded by Vice Chairperson Morris, and by unanimous vote, the Routine Claims and Denials Report was approved as submitted.

Old Business

Brenda Sawyer – Temporary Disability

Ms. Sawyer is employed by the Secretary of State as an Administrative Assistant III Case Worker. Ms. Sawyer last worked June 10, 2014 and began a medical leave of absence June 16, 2014. She was expected to be off work for 8 weeks but at this time she is still off work.

Ms. Sawyer filed a workers' compensation claim which was denied on June 20, 2014. She has applied for temporary disability benefits through SERS.

Ms. Sawyer had an allergic reaction at work on June 10, 2014. Ms. Sawyer was referred to Phillip Wuertz, LCSW, whom she has been seeing since September 2, 2014.

Ms. Sawyer's file was reviewed by Medical Consultant #70. Overall, the history demonstrates that she is an insightful and compliant person. There has been improvement since the initial event, and a good prognosis is anticipated. In my opinion the illness is not severe, and she is not considered to be disabled from performing the duties of her job.

Ms. Sawyer was seen by Louis B. Cady, M.D. It is his opinion she has continuously, since June 14, 2014, been unable to perform her position or, in fact, be engaged in any active employment. Given the circumstances, she is not able to perform the duties assigned to her at this time.

Medical Consultant #70 reviewed Dr. Cady's report and opined Ms. Sawyer has been diagnosed with an unusual illness, which may have work implications, but the other symptoms do not prevent the performance of work.

Ms. Sawyer was evaluated on March 31, 2015 by M.A. Park, M.D., at Mayo Clinic. Medical Consultant #70 reviewed Dr. Park's medical records and opined the latest medical data does not support the presence of a disability.

Ms. Brenda Sawyer was present at the May 14, 2015 meeting and gave an in-depth accounting of her illness. She stated she is still undergoing medical testing and depending on the outcome, will see if her condition could be treated or controlled.

After hearing the basis of the appeal at the May 14th Executive Committee, Attorney Reid-Peterson advised she will pass on the information to Attorney Bochenek.

Ms. Sawyer's agency was contacted regarding her working conditions to see if anything could be altered to accommodate her situation in the work environment. At the present time, nothing would be done.

After some discussion by the Executive Committee at its June, 2015 meeting, the case was referred to Attorney Bochenek for a recommendation to present at the July Executive Committee meeting.

At the July, 2015 Executive Committee meeting the Committee determined that since a medical basis, as well as a psychiatric basis, was being asserted as the reason for the disability, the Committee needed to refer this matter to one of the medical consultants for the System for their review and opinion.

At the August, 2015 Executive Committee meeting it was noted that no additional medical information had been submitted from the medical consultant. The case is deferred until such information is received.

New Business

Patricia Hunter – Reduction of Repayment

Patricia Hunter requested a personal appeal and attended the Executive Committee meeting with her representative, Mario Perino, who presented her situation and provided a listing of her income and expenses.

Ms. Hunter is asking for an appeal of her monthly repayment plan amount which was previously set by the SERS Executive Committee in September 2014, and then adjusted as a result of an informal conference with Vouchering in May 2015.

Ms. Hunter had previously received nonoccupational disability benefits from SERS for a time period in which she was also receiving SSA. Her original overpayment was \$16,896.00 for August 2007 through June 2008. She repaid her original overpayment promptly and her future benefits were offset until the time she had returned to work in May 2010. Ms. Hunter went back on SERS' disability benefit in April, 2011 and SERS resumed paying her a non-occupational benefit in May, 2011; however, her benefit was not offset for SSA from May, 2011 through February, 2014. This created an overpayment of \$57,427.34. Her overpayment now has an outstanding balance of \$54,413.51.

She had previously appealed twice to the Executive Committee in regard to the SSA overpayment. Each time it has been denied.

The Vouchering Section has already adjusted the repayment amount from \$500.00 to \$400.00 per month. Ms. Hunter has now re-applied for SERS' non-occupational disability benefit and feels that she needs an even lower monthly payment amount to SERS for her outstanding balance in order to meet her monthly obligations. Vouchering has offered her a \$200.00 repayment while on disability due to the fact that she would only be receiving 50% of her income. She still feels like that amount would be too high. She is now making an appeal to the SERS Executive Committee to be granted a lower repayment amount. Vouchering would like guidance before lowering the amount even further, as it will be considerably less than the original agreed upon amount.

Ms. Hunter will be eligible for a pension January 1, 2017 at an amount that will be less than her current disability entitlement, but would not be reduced by social security benefits. She currently has contributions totaling \$50,184.42 on deposit with SERS.

After discussing the case, a motion was made by Vice Chairperson Morris to put a 6 month "hold" on Ms. Hunter's repayment and to review the case at the end of the 6 month period to see if her financial condition has improved, allowing her to resume repayment. Ms. Hunter must also advise us if she receives social security benefits. The motion was seconded by Executive Secretary Blair and all were in favor.

Derrick Cannon – Disability – Waiver of 90 day filing period

Derrick Cannon is employed as a Security Officer for the Department of Human Services, Elgin Mental Health Center. He is appealing the denial of his right to file for a nonoccupational disability claim based on the 90 day rule. He last worked on June 21, 2014 and was removed from the payroll on July 31, 2014. His 90 day filing period expired October 29, 2014. SERS received notification from the member's agency on September 5, 2014; however, the claim was purged as the member did not complete the application process. Member completed his application for nonoccupational disability benefits on June 8, 2015 with help from friends and his retirement coordinator, as he did not understand the application process. He sent his last required form to SERS on July 24, 2015. With the help from co-workers he is now pursuing the right to file for nonoccupational disability benefits for the period July 14, 2014 to present and wishes for the Executive Committee to waive the 90 day period.

After discussing the case, Chairman Iglarsh moved for approval of Derrick Cannon's request to waive the 90 day filing period, seconded by Vice Chairperson Morris. All were in favor.

Jennifer Woodworth – Temporary Disability Denial

Jennifer Woodworth worked as a Veteran's Nursing Assistant at Veteran's Affairs. She began an occupational leave August 19, 2009 through August 15, 2012. She has never returned to work and her workers' compensation claim is still open. Ms. Woodworth has applied for a temporary disability benefit due to an injury. She has also applied for a Nonoccupational disability due to other issues with an onset of April 4, 2015.

The file was sent to Medical Consultant #70. He reviewed all of the medical records and concluded: 1) There is insufficient evidence in this file to further comment on the first claim, and 2) there is no indication of any further diagnostic work-up being pursued or any outstanding consultation for the second issue. There is no evidence to indicate a disability at the present time.

The Disability Section sent a letter of denial to Ms. Woodworth dated June 30, 2015. She would now like to appeal that denial.

After some discussion and based on medical information submitted, Executive Secretary Blair made a motion to deny Ms. Woodworth's appeal for disability benefits, seconded by Chairman Iglarsh. All were in favor.

Shirley Pribble – Dis – SSA overpayment – reduced pay plan

Shirley Pribble incurred an overpayment of her nonoccupational disability benefits in the amount of \$30,402.00 due to the approval of retroactive social security benefits. Ms. Pribble received a social security disability award as a result of SERS providing representation from Midwest Disability.

Ms. Pribble had initially sent in \$5,000.00 from her retroactive SSA award. SERS then began applying her gross disability benefit effective with her check issued in November, 2012. At the time her benefit ceased in April, 2015 (due to half time) a total of \$19,848.76 had been applied to her overpayment account.

Now that Ms. Pribble is no longer on a benefit from SERS and is required to send the payments direct each month, she is requesting to repay the remaining balance of \$10,553.24 at the rate of \$50.00 per month. If allowed, this will take 17 years and 1 month to satisfy the balance. Ms. Pribble had previously entered into a repayment agreement for a monthly payment of \$410.00. She is claiming that this amount is now causing undue hardship and that she does not have the funds to repay that large of an amount each month. Note – she will be eligible to begin receiving her pension in either 2026 or 2031, depending on her medical status, at which point SERS would resume deducting the gross monthly benefit.

Based on Ms. Pribble's current retirement account, contributions are on deposit totaling \$20,437.72, which is more than the amount owed to SERS. Since the repayment rate of \$50.00 per month would take well over the normal maximum of 5 years, the Vouchering Section is seeking the opinion of the Committee to allow a reduced repayment plan.

After discussing the case, Chairman Iglarsh made a motion to approve Ms. Pribble's appeal to lower her repayment amount to \$50.00 per month, seconded by Executive Secretary Blair. All were in favor.

Edward McGhee – Dis – SSA overpayment – reduced pay plan

Edward McGhee is requesting a re-appeal of his overpayment that was incurred for his nonoccupational disability benefits due to the approval of retroactive social security disability benefits that he had applied for on his own.

Mr. McGhee called SERS and stated that he did not have the funds to repay his overpayment in the amount of \$22,410.54 and that the required \$375.00 per month (for 60 months) was unaffordable. He was then informed of the process for appeal at that time. Mr. McGhee's initial appeal was denied in June, 2015. He called SERS and inquired as to the reason why and again reiterated the fact that he can't afford the \$375.00 per month. He was then informed of the re-appeal process.

Mr. McGhee has now submitted a monthly budget outline to correspond with the previously submitted copies of bills as evidence that he cannot afford the repayment that is required by SERS in order to meet the established guidelines for collection. He originally indicated that at the most he could only afford a \$200.00 per month repayment plan. Based on the total amount of the overpayment, it would take over nine years to repay the balance owed. The normal time period for repayment is 3 years, with up to 5 years as the maximum.

Mr. McGhee is eligible to receive disability benefits in the monthly gross amount of \$823.16 until January, 2016. He will then be eligible to go directly to pension at that time. He is currently eligible for a monthly pension in the gross amount of \$703.74.

Based on Mr. McGhee's current retirement account, contributions are on deposit totaling \$18,478.51 and his overpayment balance is \$22,410.54.

The Vouchering Section is asking for guidance on setting up parameters for a monthly repayment plan for Mr. McGhee while on disability and pension.

After discussing the case, a motion was made by Chairman Iglarsh for a conditional approval to allow Mr. McGhee to repay at the rate of \$200.00 per month for 6 months and to review the case at the end of the 6 month period. The motion was seconded by Vice Chairperson Morris. All were in favor.

Timothy Mabrey – Pension request to repay survivor contribution refund

Timothy Mabrey retired effective December 1, 2011. Mr. Mabrey did not list his minor son, Noah Mabrey, on his retirement application as a dependent child. He received a survivor contribution refund of \$7,228.44.

Timothy Mabrey died on July 16, 2015. A \$500.00 death benefit is due to his named beneficiary.

Mr. Mabrey's son, Noah, is 16 years old. Mr. Mabrey's ex-spouse, Olivia Jones, is requesting to repay the survivor contribution refund to establish a survivor annuity for their child.

After discussing the case, a motion was made by Vice Chairperson Morris to deny the request to repay the survivor contribution refund, seconded by Executive Secretary Blair. All were in favor.

Faith Richardson – Pension – Waiver of death benefits

A beneficiary of Faith Richardson is requesting a waiver of death benefits.

Faith Richardson, an active state employee, died on June 5, 2015. A death benefit is payable in the amount of \$163,130.71.

Ms. Richardson listed three beneficiaries; her sisters Rhondia McPike and Gwendolyn Richardson Rogers, and her brother, Jeffrey Richardson.

Rhondia McPike has signed a waiver of benefits for her portion of the death benefit. She feels that her siblings, Gwendolyn Richardson Rogers and Jeffrey Richardson, took care of Faith Richardson and deserve the money more than herself. If approved, Gwendolyn and Jeffrey would split the lump sum death benefit equally.

After some discussion, a motion was made by Executive Secretary Blair to approve the waiver of death benefits for Rhondia McPike, seconded by Vice Chairperson Morris. All were in favor.

Renee Wilson – Refund – Reinstatement of account

Renee Wilson is requesting a written appeal before the Executive Committee. She contends that she did not apply for a lump sum refund and that her account should be reinstated so that she can apply for a pension.

She applied for and received three refunds. They were paid on April 2, 1975; April 10, 1979; and April 24, 1998. All three of the applications contained the following: “I understand by the acceptance of such refund I forfeit all accrued rights and creditable service in the Retirement System”.

After some discussion, a motion was made by Chairman Iglarsh to deny Ms. Wilson’s request to have her account reinstated, seconded by Executive Secretary Blair. All were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:00 a.m.

The next meeting of the Executive Committee is scheduled for Thursday, September 10, 2015, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice Chairperson

Timothy Blair, Executive Secretary