

MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

August 9, 2018

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, August 9, 2018 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members:

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

Others Present:

Jeff Houch, Assistant Executive Secretary  
Aaron Evans, Attorney, Sorling Northrup  
Kathy Yemm, Manager, Pension and Death Section  
Cory Mitchell, Acting Supervisor, Pension and Death Section  
Karen Brown, Supervisor, Disability Section  
Jessica Blood, Recording Secretary  
Katherine Jefferies, Claimant (via teleconference)

Minutes of the Previous Meeting

The minutes of the July 12, 2018 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, seconded by Executive Secretary Blair and by unanimous vote, the minutes were approved as submitted.

Routine Claims Report

The Routine Claims Report for the month of July 2018 was presented. Following review and discussion, the Routine Claims Report for the period of July 2018, as prepared by staff, was received by the Executive Committee.

Old Business

Wayne Chamberlain – Appeal to Reduce SSA Overpayment - Recommendation

Wayne Chamberlain was approved for a non-occupational benefit from SERS effective October 19, 2016.

Mr. Chamberlain was approved for a retroactive Social Security disability benefit effective February 1, 2017. The retroactive benefit created an overpayment from SERS totaling \$16,335.00 from February 1, 2017 through December 31, 2017.

SERS sent Mr. Chamberlain a notification letter on January 29, 2018 that explained the calculation of the overpayment and what was due SERS.

Mr. Chamberlain's non-occupational benefit ended April 30, 2018 due to half time ceasing. To repay this overpayment in 5 years would require a monthly payment of \$273.00. He is not vested and not eligible for retirement.

Mr. Chamberlain is appealing the total amount he owes for the overpayment. A copy of a certification form submitted by Mr. Chamberlain, signed August 14, 2017, alerted SERS that he was receiving SSA benefits, but the SERS benefit was not adjusted until January 1, 2018.

Mr. Chamberlain is represented by John Erbes, Attorney at Law, who presented his case during a teleconference personal hearing at the June 2018 meeting. After reviewing Mr. Chamberlain's appeal, the Committee agreed to defer his case pending further communications with Mr. Chamberlain's attorney regarding a refund of contributions and repayment plan. After further discussion of Mr. Chamberlain's case at the July 2018 meeting, the Committee agreed to refer to Attorney Bochenek for recommendation.

Attorney Evans presented recommendation No. 2018-8 to deny Mr. Chamberlain's request to waive the overpayment. The recommendation further suggests allowing Mr. Chamberlain to request a refund of his contributions, less applicable taxes, to be applied to the overpayment and establish a repayment plan for the balance of the overpayment. Following a review of the recommendation and some discussion, the Committee agreed to defer determination pending further investigation of the tax implications to Mr. Chamberlain.

#### Thomas Kavelman – Re-Appeal of Pension Amount

At the July Executive Committee meeting, Thomas Kavelman presented his re-appeal during a personal hearing. In 1990, Mr. Kavelman received a Workers' Compensation settlement agreement that totaled \$50,000. Mr. Kavelman contends that such agreement was the solution to terminate his employment with the Illinois Department of Corrections (IDOC). It is his understanding that such agreement represented 11 months of salary. He contends that he is entitled to 11 additional months of service credit due to this settlement agreement.

SERS staff have sought records from IDOC, Central Management Services, Workers' Compensation Commission and the Office of the Attorney General and no supporting information regarding Mr. Kavelman's settlement agreement can be located. Furthermore, Mr. Kavelman was unable to obtain such information from his attorney.

After review and discussion of the facts presented, the Committee agreed to refer Mr. Kavelman's case to SERS Attorney Bochenek for recommendation.

Katherine Jeffries – Appeal to Waive Overpayment – Member: Angrous Jeffries

Angrous Jeffries, a state retiree, died on September 13, 2017. A surviving spouse, Katherine Jeffries, was eligible for the survivor annuity. A Social Security offset was applicable at age 60 according to the documents received at the time of her application.

The Pension and Death Section annually send a questionnaire to survivors to determine if they are receiving Social Security benefits as a disabled widow. Ms. Jeffries returned the questionnaire stating she was receiving these benefits. This created an overpayment from October 1, 2017 through June 30, 2018 in the amount of \$5,020.46.

Ms. Jeffries presented her case via a teleconference personal hearing and requests the overpayment be dismissed as she does not have the funds to repay the money.

Following a review of the information submitted and some discussion, a motion was made by Executive Secretary Blair to deny Mr. Jeffries' request to waive the SSA overpayment and propose a \$100 per month repayment plan. The motion was seconded by Chairman Iglarsh and all were in favor.

Lisa Thomas – Appeal SSA Overpayment

Lisa Thomas was approved for non-occupational disability benefits from SERS effective June 26, 2017.

Ms. Thomas was approved for a retroactive Social Security disability benefit effective June 1, 2017. The retroactive benefit created an overpayment to SERS totaling \$12,997.04 from June 26, 2017 through January 31, 2018. An additional overpayment occurred when Ms. Thomas returned to work and a check for March had already been issued. The amount of the return to work overpayment is \$1,053.03. Ms. Thomas's total overpayment is \$14,050.07.

SERS sent Ms. Thomas a notification letter on May 24, 2018 that explains the calculation of the overpayment and what is due SERS. Ms. Thomas's non-occupational benefit ended March 19, 2018 due to her return to work.

Ms. Thomas has made no attempt to repay the debt and is now appealing the amount of the debt. To repay the debt in 5 years, she would have to pay SERS \$234.18 per month. Her current gross monthly salary is \$4,570.00. She pays \$166.15 per month for health, dental and life insurance premiums.

Ms. Thomas can retire May 1, 2036 under a reduced retirement or May 1, 2041 under unreduced retirement benefits.

Ms. Thomas is appealing the total amount she owes for the overpayment.

Following a review of the information presented and some discussion, a motion was made by Chairman Iglarsh to deny Mr. Thomas' request to waive the SSA overpayment and propose a \$250 per month repayment plan. The motion was seconded by Vice-Chairperson Morris and all were in favor.

## New Business

### Linda Smith – Beneficiary Form Received After Death – Member: Curtis Smith

Curtis Smith, an active state employee, passed away on June 24, 2018. SERS has never had a beneficiary form on file for this member. The annual statements provided information to Mr. Smith on how to obtain a beneficiary form and that any benefits payable would be paid to his estate, as there were no beneficiaries named.

Mr. Smith began employment in October 2006 and submitted beneficiary designation forms for SERS death benefits, life insurance and in the line of duty benefits to his agency. The Department of Corrections did not forward these forms to the correct offices and instead kept them in Mr. Smith's file.

Mr. Smith's surviving spouse, Linda Smith, is requesting the lump sum death benefit be payable to her instead of Mr. Smith's estate.

After discussing the facts provided, a motion was made by Chairman Iglarsh to approve Ms. Smith's request that the lump sum death benefit be payable to her instead of Mr. Smith's estate. The motion was seconded by Executive Secretary Blair and all were in favor.

### Estelle Topps – Request to Reinstate Account – Member: Margaret Topps

Margaret Topps' account became eligible for write-off in June 2018. Contributions in the amount of \$5,075.42 and 89.50 months of creditable service were written off.

Ms. Topps died in September 2000. Her beneficiary, Estelle Topps, has supplied SERS with identification and a death certificate for Margaret Topps.

The Pension and Death Claims Sections is requesting that Ms. Topps' account be reinstated to pay the beneficiary.

Following some discussion, a motion was made by Chairman Iglarsh to approve the request to reinstate Margaret Topps' account. The motion was seconded by Vice-Chairperson Morris and all were in favor.

### Jacob Dalton – Occupational Disability – 12 Month Waiver

Jacob Dalton works as a Correctional Office for Department of Corrections. He last worked on June 27, 2010. He began a medical leave of absence on June 27, 2010 due to an injury.

Mr. Dalton has requested a written appeal to the Executive Committee so that the 12-month filing limitation can be waived. He was paid TTD for this time.

After reviewing the case, a motion was made by Chairman Iglarsh to approve Mr. Dalton's request to waive the 12-month filing limitation. The motion was seconded by Vice-Chairperson Morris and all were in favor.

### Michael Huff – Occupational Disability – 12 Month Waiver

Michael Huff works as a Highway Maintainer Lead Worker for Department of Transportation. Mr. Huff last worked on May 17, 2017. He began a service connected leave of absence on May 17, 2017 due to an injury. He returned to work on April 7, 2018.

Mr. Huff has requested a written appeal to the Executive Committee to waive the 12-month filing limitation.

Following a discussion of the case, a motion was made by Chairman Iglarsh to approve Mr. Huff's request to waive the 12-month filing limitation. The motion was seconded by Vice-Chairperson Morris and all were in favor.

### Barbara Remmer – Non-Occupational Disability – 90 Day Waiver

Barbara Remmer is appealing the denial of disability benefits based on the 90-day filing rule. She would like to be paid for January 12, 2018 through July 4, 2018. Ms. Remmer was removed from payroll January 4, 2018. Her 90 days expired April 3, 2018. The notification came in from Ms. Remmer on April 23, 2018. SERS sent her forms on April 24, 2018. Ms. Remmer's application was received July 5, 2018 and her medical documentation was received July 5, 2018. She has not returned to work.

After reviewing the facts submitted, a motion was made by Chairman Iglarsh to approve Ms. Remmer's request to waive the 90-day filing limitation. The motion was seconded by Executive Secretary Blair and all were in favor.

### Eric Gibson – Request In-Person Re-Appeal of Tier 2 Determination

At the December 2017 meeting of the Executive Committee, Eric Gibson presented a personal appeal of his Tier 2 determination. His case was referred to SERS Attorney Bochenek for recommendation and the appeal was subsequently denied at the January 2018 meeting of the Committee. The Committee's decision was ratified by the SERS Board of Trustees at their April 2018 meeting.

Mr. Gibson is requesting an in-person re-appeal of the SERS Board of Trustees' final decision to ratify the Executive Committee's approval of the December 14, 2017 recommendation to deny the appeal of his Tier 2 determination. After review and discussion of the submitted records, a motion was made by Executive Secretary Blair to allow Mr. Gibson an in-person re-appeal of his Tier 2 determination. The motion was seconded by Vice-Chairperson Morris and all were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:35 a.m.

The next meeting of the Executive Committee is scheduled for September 13<sup>th</sup>, 2018, in the Springfield office with video conferencing in Chicago.

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Loren Iglarsh, Chairman

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David Morris, Vice-Chairperson

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Timothy Blair, Executive Secretary