

MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
December 12, 2013

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, December 12, 2013 at 8:30 A.M. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee members present:

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

Others Present:

Steve Bochenek, Attorney  
Joseph Maggio, Manager, Service & Refunds Division  
Kathy Yemm, Manager, Claims Division  
Alan Fowler, Manager, Accounting Division  
Barbara Baird, Manager, SERS Chicago 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  
Jennifer Staley, Recording Secretary  
Kimberly Cochran, Hearing  
Randy Paswater, Attorney for Kimberly Cochran Hearing  
Cindy Denby, Friend to Kimberly Cochran Hearing  
Kathy Parmenter, Illinois State Police employee for Kimberly Cochran Hearing  
Suzanne Bond, Attorney for Illinois State Police for Kimberly Cochran Hearing  
Tyrone Finley, Hearing

Minutes of the Previous Meeting

The minutes of the November 14, 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 Vice Chairperson Laidlaw, seconded by 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 November, 2013 were presented. Following review and discussion, the Routine Claims and Denials Report for the period of October, 2013, as prepared by staff was received by the Executive Committee.

### Old Business

#### Kimberly Cochran

#### Pension

Kimberly Cochran applied for a retirement annuity from the System with an effective date of September 1, 2013.

During the application process for retirement annuity, Ms. Cochran had elected to participate in the reciprocal option which would give her 80% between SERS and IMRF. However, her pension with IMRF would not begin until age 55 and at that time she was also informed she could only retire reciprocally and receive 80%.

Ms. Cochran informed the technician she would retire independently.

At the time Ms. Cochran signed her pension application she had 297 months of service credit, and her agency certified that she had 11 months of unpaid sick days and 5 months of paid sick and vacation days, totaling 78.2499%.

Ms. Kimberly Cochran is requesting to purchase her 6 month qualifying period and to receive her pension at 80%.

Based upon a review of the file and information submitted, the Committee finds Ms. Cochran retired September 1, 2013 and has not cashed her first warrant.

Kimberly Cochran requested a personal hearing and appeared with her attorney Mr. Randy Paswater at this meeting.

Mr. Paswater gave a history of the problems Ms. Cochran has endured throughout her retirement planning. Mr. Paswater is requesting his client be able to purchase the 6 month qualifying period which will give her 79.7499%, and that she be given the other .2501% to reach the 80% she has requested.

Chairman Iglarsh stated that the Committee unanimously agreed that Ms. Cochran could purchase her 6 month qualifying period provided payment is made within 30 days of the billing notice. Attorney Bochenek then suggested the numbers be ran again with a follow up with Illinois State Police to seek the most accurate information available.

Following a review of the file and some discussion, the appeal of Kimberly Cochran was deferred so SERS can re-calculate her pension once ISP confirms the number of unused sick and vacation days.

Ms. Kim Cochran and her attorney's attended a follow up hearing regarding Ms. Cochran's appeal. She and her Attorney explained she was not happy with the results that Mr. Noblet had obtained from her office which gave her 79.5624% of her final rate of pay and she is still requesting to receive 80% of her final rate of pay.

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

John P. Flynn

Qualifying Period Refund

Mr. Flynn is requesting a written appeal before the Executive Committee to request the return of \$2,883.54 that he paid for a 6 month qualifying period.

Mr. Joe Maggio, Manager of the Service & Refunds Division explained that 1 month of the qualifying period was concurrent with the Illinois Municipal Retirement Fund (IMRF).

After discussion and following a review of the file, the request of John P. Flynn was deferred so that Mr. Joe Maggio, Manager of the Service & Refunds Division can show Mr. Flynn the difference in his pension if he was to leave the money in his account.

Mr. Flynn has withdrawn his appeal.

Howard L. Jeffries

Military Service Refund

Mr. Howard L. Jeffries is requesting in a written appeal before the Executive Committee. He is asking for a refund of \$34,329.32 that he paid for 32 months of military service.

Mr. Jeffries thought he could retire earlier if he purchased the 32 months of military service credit.

After a review of the file and some discussion, the written appeal of Howard L. Jeffries was deferred until estimates can be provided to show Mr. Jeffries the difference in his benefit.

Howard Jeffries received 2 estimates, 1 with the military service and 1 without. He is requesting the money be refunded back to his deferred compensation account.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of Howard L. Jeffries request to refund previously paid military service. Vice Chairperson Laidlaw seconded the motion and all were in favor.

New Business

Tyrone Finley

Repayment of Refund

Tyrone Finley started receiving a retirement annuity on October 1, 2013.

Based upon a review of the file and information submitted, the Executive Committee finds Mr. Finley is receiving a retirement annuity as of October 1, 2013.

Mr. Finley began working for the State of Illinois in August 1978. He worked continuously through January 1995, when he was terminated by his agency. In May 1995, Mr. Finley requested and received a refund of his contributions.

In mid-December 1995, Mr. Finley was reinstated on state payroll, and in January 1996, he received a back wage settlement that covered the period of January 27, 1995 through December 15, 1995. SERS sent Mr. Finley a billing notice which provided him with an opportunity to repay his refund without interest [within 30 days of the billing notice date](#). The billing notice was sent to Mr. Finley as a result of the settlement agreement and reinstatement in accordance with the SERS Rules and Regulations. He did not respond to this offer. In July 1996, Mr. Finley left the state payroll a second time. In October 1996, he requested a refund of his retirement contributions.

In November 1998, Mr. Finley was again reinstated to a state payroll and by law, served a six-month qualifying period due to the fact he had taken another refund. This reinstatement resulted from a second settlement, dated October 1998, that was not provided to SERS until Mr. Finley submitted a copy in October 2013. This settlement agreement did not address back wages or deemed wages and only reinstated Mr. Finley and his previously held seniority with the State of Illinois. From May 1999 through March 2011, he was a contributing member of SERS, accumulating 143.00 months of service.

In December 2010, Mr. Finley inquired about his service and was sent an optional service purchase letter to repay his previous refund. He did not respond. In January 2011, Mr. Finley requested and received an optional service purchase to repay a portion of the refund to increase his service credit to twenty years. [He did not respond](#).

In May 2011, Mr. Finley applied for a pension and was informed he was ineligible. In October 2013, Mr. Finley turned 60 and applied for his pension which was based on 143.00 months of service credit.

It was noted on several occasions Mr. Finley had inquired and received information related to the refunds [he had taken over the years](#).

In October 2013, Mr. Finley provided SERS with a copy of the second settlement agreement. It did not contain any provision for deemed wages or back wages but it did reinstate him without loss of seniority to his State of Illinois employment.

The timely submittal of the second settlement agreement to SERS would have resulted in a second opportunity for Mr. Finley to repay [a portion of his refund on an interest free basis](#). [The portion for which he had previously been billed on an interest free basis, would now have an interest component, if he was given the opportunity to repay his full refund, today](#).

Mr. Tyrone Finley requested and attended a personnel hearing, he has indicated he thought the refund had been handled through the payment to him following his settlement agreement and is now requesting the ability to repay the refund of contributions.

Following a review of the file and some discussion, Chairman Iglarsh moved to approve the appeal of Tyrone Finley to repay the contributions and backdate his pension. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Sheree Rucker

ARCP Repayment

Ms. Sheree Rucker previously retired under the Alternative Retirement Cancellation Payment (ARCP) P.A. 93-0839 in 2005. The State Employees' Retirement System was notified of Ms. Rucker's return to State employment on July 16, 2013.

A letter dated September 1, 2013 was sent to Ms. Rucker informing her of the repayment of the ARCP portion of her refund along with a payment plan.

Based upon a review of the file and information submitted, the Executive Committee finds Sheree Rucker ceased work under the ARCP and subsequently returned to work with the State of Illinois.

The committee noted that "The Illinois pension code (40 ILCS 14-108.6(f)) indicates that a participant in the ARCP program who reenters service under this Article other than as a temporary employee must re-pay to SERS the amount that exceeds the amount of their refundable contributions within 60 days of resuming employment".

A second notice dated November 1, 2013 was mailed to Ms. Rucker which stated, "Based on your return date of July 16, 2013, your ARCP total repayment was due no later than November 1, 2013. This letter is being mailed as a final notice to you that SERS will be placing an Involuntary Withholding Order with the State of Illinois Comptroller's Office if your payment is not received by November 15, 2013."

Sheree Rucker sent in a written request dated November 18, 2013 asking her payments be reduced to \$25.00 per pay.

After discussion the Executive Committee recommended denying Ms. Rucker's request to lower the payment to \$25.00 a month and approved the re-payment at the 20% level.

Following a review of the file and some discussion, Chairman Iglarsh moved that the appeal of Ms. Sheree Rucker to change her monthly re-payment of the ARCP amount be denied. Vice Chairperson Laidlaw seconded the motion, and all were in favor.

Michael Palmer Occupational Disability/12 month

Michael Palmer works for a state agency and a service connected leave of absence was granted.

Mr. Palmer'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 Michael Palmer 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.

Michael Palmer submitted a written appeal of the denial of disability benefits due to late filing.

Based on the facts of this case and information submitted, Chairman Iglarsh moved approval of the appeal of Michael Palmer for a waiver of the twelve month filing limitation for occupational disability. Vice Chairperson Laidlaw seconded the motion, and all were in favor.

Richard Moldenhauer

Social Security Offset

Mr. Richard Moldenhauer is receiving a retirement annuity from the System.

Based upon a review of the file and information submitted, the Committee finds the member is receiving a retirement annuity.

Upon retirement, Richard Moldenhauer elected the social security offset on his retirement application (Public Act 095-1043). This election gave him the opportunity to participate in the process to eliminate the SSA survivor benefit offset against the SERS survivor benefit.

Mr. Moldenhauer was not aware at the time that his spouse (being a member of Teachers Retirement System) could not collect survivor benefits from social security. Therefore, Mr. Moldenhauer submitted a written appeal requesting to discontinue participation in the Public Act.

After discussion, the Executive Committee recommended approval of Mr. Moldenhauer's appeal to discontinue participation in Public Act #095-1043.

Following a review of the file and some discussion, Chairman Iglarsh moved to approve the appeal of Richard Moldenhauer to discontinue participation in Public Act #095-1043 with the date of 12/01/13. Vice Chairperson Laidlaw seconded the motion and all were in favor.

S. Casperson/B. Graham

Request to Repay Survivor Benefit

Member Bobby Graham retired on January 1, 2003. At the time of his retirement, he did not have a surviving spouse and took the widow/survivor refund.

He married Sharon Casperson on January 11, 2011. Mrs. Casperson has been denied survivor benefits. She is requesting the Committee allow her repay the widow/survivor benefit refund so she could start receiving the survivor benefit.

Based upon the facts of this case, the information submitted and after some discussion the Executive Committee recommended denial in the case of Sharon Casperson Graham's request to repay survivor benefits after the death of her spouse. Secretary Blair motioned for denial and Vice Chairperson Laidlaw seconded the motion.

Charles W. Camp

Write-Off

This account became eligible for a write off in June, 1996. Contributions in the amount of \$24.08 were written off on June 25, 1996. Mr. Camp has requested info regarding his account.

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 Charles W. Camp request for reinstatement of the account. 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 11:00A.M.

The next meeting of the Executive Committee is scheduled for Wednesday, January 8, 2014, in the Springfield office, with video conferencing in Chicago.

---

Loren Iglarsh  
Chairman

---

Lori Laidlaw  
Vice Chairperson

---

Timothy Blair  
Executive Secretary