

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

December 12, 2019

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, December 12, 2019 at 8:45 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
James Stivers, General Counsel
Eric Glaub, Manager, Claims Division
Karen Brown, Supervisor, Disability Section
Cory Mitchell, Acting Supervisor, Pension and Death Section
Alan Fowler, Manager, Accounting Division
Steve Bochenek, System Attorney
Jessica Blood, Recording Secretary
Peter Milone, Claimant (via teleconference)
Joshua Glossop, Claimant
Lisa Black, Claimant

Minutes of the Previous Meeting

The minutes of the November 14, 2019 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 Chairman Iglarsh and by unanimous vote, the minutes were approved as submitted.

Routine Claims Report

The Routine Claims Report for the month of November 2019 was presented. Following review and discussion, the Routine Claims Report for the period of November 2019, as prepared by staff, was received by the Executive Committee.

Old Business

Peter Milone – Appeal SSA Overpayment – Teleconference

Peter Milone was approved for a non-occupational disability benefit from SERS in October 2018. Mr. Milone was approved for a retroactive Social Security disability benefit effective July 2017, which created an overpayment.

SERS sent Mr. Milone a notification letter on September 12, 2019 explaining the calculation of the overpayment and what was due. Per SERS Board policy, the Overpayment Section is to deduct half the gross of any benefit being paid toward an overpayment owed to SERS. Mr. Milone is requesting a reduced repayment amount.

After hearing Mr. Milone present his case via teleconference, the Committee referred the matter to Attorney Bochenek for a recommendation.

Joshua Glossop – Appeal for Release from Irrevocable Agreement

In August 2019, Joshua Glossop signed an Irrevocable Payroll Authorization of Permissive Service Credits for the purchase of 48 months of active duty military time.

Mr. Glossop is requesting to be released from the irrevocable agreement due to hardship.

After reviewing the facts of the case and some discussion, the Committee decided to defer a decision pending further research.

Kirk Schoenbein – Appeal to Retire Reciprocally

Kirk Schoenbein is a member of the Illinois Municipal Retirement Fund (IMRF), SERS and JRS, but is not independently vested with JRS.

Mr. Schoenbein retired reciprocally with IMRF effective March 1, 2017 and is deferred with SERS until March 1, 2022 when he reaches age 60. He elected not to retire reciprocally with JRS.

Mr. Schoenbein is appealing that SERS undo his reciprocal pension with IMRF and instead retire reciprocally with JRS.

The case was deferred at the Committee's September and October meetings pending further research into the case. It was again deferred at the Committee's November meeting pending a decision from IMRF. After some discussion, the Committee again decided to defer the case pending a decision from IMRF.

Candyce Sharp – Appeal Non-Occupational Disability Denial

Candyce Sharp received a non-occupational disability benefit from SERS from April 5,

2019 through April 30, 2019. After inquiring as to why her benefit had stopped, Ms. Sharp was told that additional medical documentation was needed to support an extension of her benefit.

Ms. Sharp's Disability Specialist submitted all the medical documentation available to a SERS medical consultant, who determined there was insufficient evidence to support an extension of Ms. Sharp's disability benefit. Ms. Sharp is appealing the denial of her non-occupational disability extension and requested a personal hearing at the Committee's October meeting. Ms. Sharp did not appear before the Committee and her case was deferred.

After some discussion, the Committee decided to defer the case and determine if Ms. Sharp would like to reschedule her personal hearing. Ms. Sharp requested a personal hearing for the Committee's January 2020 meeting, so the case was deferred.

Erskine Route Jr., Deceased – Proof of Financial Support

Erskine Route Jr., an active state employee, died August 1, 2019. He has a disabled adult daughter, Amiah Route.

Financial dependency is typically proven based on the member claiming the survivor on his or her tax return. However, the survivor's mother, Cari Salmon, claimed Amiah for tax purposes rather than Mr. Route. Mr. Route was paying child support to Cari Salmon for Amiah.

The Pension and Death Section is seeking the opinion of the Executive Committee as to whether child support proves 50% financial dependency for survivor benefits.

At their November meeting, the Committee deferred a decision pending receipt of further financial documentation from Ms. Salmon.

After reviewing the new information provided, a motion was made by Vice-Chairperson Morris to direct the Pension and Death Section to consider the new financial information provided as proof of financial dependency for Mr. Route's dependent. The motion was seconded by Executive Secretary Blair. Chairman Iglarsh abstained from the vote due to his association with the member.

Add-on: Lisa Black – Appeal for Reduced ARCP Repayment Amount – Personal Hearing - Springfield

Lisa Black terminated state employment in August 2006 under Public Act 94-0839, the Alternative Retirement Cancellation Payment (ARCP).

Ms. Black returned to state employment in September 2019. Ms. Black contacted SERS regarding her return to work and how much she would owe to ARCP.

At their September 2019 meeting, the Committee denied Ms. Black's request for a

reduced monthly repayment amount. The Committee denied Ms. Black's request for a re-appeal of her case due to no new evidence being submitted. Ms. Black requested a personal hearing to present her case.

After hearing Ms. Black present her case and some discussion, a motion was made by Executive Secretary Blair to approve a lower repayment amount of \$207.00 per pay period. The motion was seconded by Vice-Chairperson Morris and all were in favor.

New Business

Brian Perfect – Appeal to Defer Pension

Brian Perfect retired July 2019. His pension is reduced for age as he was two months short of meeting the Rule of 85.

Mr. Perfect did not request a pension estimate or the cost to purchase service credit prior to his retirement. His request to purchase his qualifying period after retirement was denied at the Committee's November meeting. Mr. Perfect is now requesting to defer his pension until November 2019, when he would meet the Rule of 85.

After some discussion, a motion was made by Chairman Iglarsh to approve Mr. Perfect's request and collect half of the gross of his retirement benefit until the overpayment of his benefits is repaid. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Dimitree Dickerson – Appeal to Waive Survivor Benefit – Mbr: Heather Stille

Heather Stille was an active state employee who died on April 6, 2019. She is survived by Dimitree Dickerson.

Mr. Dickerson is not a full-time student. He is requesting to waive any possible future survivor benefits so a death benefit may be paid to him as the named beneficiary to an active member death with no survivors.

After reviewing the facts of the case, a motion was made by Chairman Iglarsh to approve Mr. Dickerson's request. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Lawrence Johnson – Appeal SSA Overpayment

Lawrence Johnson was approved for a non-occupational disability benefit from SERS effective March 2016. Mr. Johnson was approved for a retroactive Social Security disability benefit effective January 2017, which created an overpayment.

SERS sent Mr. Johnson a notification letter on September 4, 2019 explaining the calculation of the overpayment and what is due. As stated in SERS Board policy, the Overpayment Section is to deduct half the gross of any benefit being paid toward an

overpayment owed to SERS. Mr. Johnson is requesting a lower repayment amount.

After reviewing the facts of the case, the Committee decided to defer the case pending further communication with Mr. Johnson.

Rose Buchanan – Appeal SSA Overpayment

Rose Buchanan was approved for a non-occupational disability benefit from SERS effective September 2018. Ms. Buchanan was approved for a retroactive Social Security disability benefit effective March 2019, which created an overpayment.

SERS sent Ms. Buchanan a notification letter on August 22, 2019 explaining the calculation of the overpayment and what is due. As stated in SERS Board policy, the Overpayment Section is to deduct half the gross of any benefit being paid toward an overpayment owed to SERS. Ms. Buchanan is requesting a lower repayment amount of \$200.00 per month.

After reviewing the facts of the case and some discussion, a motion was made by Executive Secretary Blair to deny Ms. Buchanan's request and instead offer a lowered repayment amount of \$317.75 per month. The motion was seconded by Chairman Iglarsh and all were in favor.

Lynne Del Giudice – Appeal to Receive Survivor Refund

Lynne Del Giudice retired January 2019. On her retirement application she listed herself as divorced with no dependents; however, she did mark the box indicating she did not want a refund of her survivor contributions.

Ms. Del Giudice is asking for the survivor contribution refund. She states she marked the form in error and did not understand how to answer the question.

After some discussion, a motion was made by Chairman Iglarsh to approve Ms. Del Giudice's request. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Marilyn Laporte – Early Retirement Incentive Member Returned to Work

Marilyn Laporte participated in the Early Retirement Incentive (ERI) Buy and Quit program and has now returned to state employment.

The Pension and Death Section is asking for direction as to whether members in the ERI Buy and Quit program are due a refund of ERI contributions when they have benefitted from the service purchase for many years, including an earlier pension and several cost of living increases.

After discussion on the processing of ERI participants who return to work, it was determined by the Committee to defer a decision pending further research.

Bob Wise – Social Security Offset Removal

Bob Wise retired January 2005. PA 095-1043 became effective July 1, 2009, allowing a retiree to choose to reduce his/her pension by 3.825% so a spouse's survivor benefit would not be offset by Social Security.

Mr. Wise elected to reduce his pension and his benefit amount was reduced in July 2009. It appears there was a list of responses regarding the reduction election and Mr. Wise was marked "no". His election form could not be located. The reduction on his pension was removed in August 2009 and an adjustment payment was issued for the reduction taken in July. While the election was changed on his account, the monetary amount of the reduction remained on his file. This caused his statements to show that his pension was being reduced although the 3.825% was not being taken out.

Mr. Wise died on November 10, 2019. If the Social Security offset removal of 3.825% had remained on his account, he would have received \$28,015.74 less in pension payments. The Pension and Death Section is asking for direction in regard to the Social Security offset.

After review and discussion, the Committee directed the Pension and Death Section to adjust the survivor benefit based on what Mr. Wise's pension would've been with the reduction.

Add-on: Proposed Changes to SERS Benefit Overpayment Repayment Schedules

Eric Glaub, Claims Division Manager, presented proposed changes to the schedules used for the repayment of SERS benefit overpayments to the Committee.

After reviewing and discussing the proposed changes, a motion was made by Executive Secretary Blair to approve moving forward with the proposed changes and work on rules for the debt collection process. The motion was seconded by Chairman Iglarsh and all were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 12:07 p.m.

The next meeting of the Executive Committee is scheduled for January 9, 2020, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary