

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

December 10, 2020

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, December 10, 2020 at 8:45 a.m. in the System's Springfield office at 2101 S. Veterans Parkway and by videoconference as allowed under Section 7(e) of the Open Meetings Act (5 ILCS 120/7(e)) and Executive Order 2020-7, as amended and reissued by Executive Orders 2020-33, 2020-44, and 2020-71.

Committee Members:

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

Others Present:

Jeff Houch, Assistant to the Executive Secretary
James Stivers, General Counsel
Eric Glaub, Manager, Claims Division
Marvin Becker, Incoming Chairman
Aaron Evans, Attorney, Sorling Northrup
Jessica Blood, Recording Secretary
Steven Francisko, Claimant

Minutes of the Previous Meeting

The minutes of the November 12, 2020, meeting of the Executive Committee were presented by Chairman Iglarsh for approval. Copies of the minutes were previously emailed 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 November 2020 was presented. Following review and discussion, the Routine Claims Report for November 2020, as prepared by staff, was received by the Executive Committee.

Old Business

Melissa Dahl – Appeal Denial of Nonoccupational Disability Benefit - Recommendation

Melissa Dahl works as an Educator for the Department of Corrections. She began a medical leave of absence on April 24, 2020. On May 20, 2020, SERS received a nonoccupational disability benefit application from Ms. Dahl. She then returned to work with the Department on July 6, 2020.

Section 14-124(2) of the Illinois Pension Code [40 ILCS 5/14-124(2)] specifies that to be eligible for SERS nonoccupational disability benefits a member must, among other things, be “found upon medical examination to be mentally or physically incapacitated to perform the duties of the member’s position.”

A review of the case file by SERS staff resulted in the conclusion that there was not enough medical evidence provided to justify approval of a SERS nonoccupational disability benefit for Ms. Dahl. The case file was then sent to a medical consultant for an additional review. This review also resulted in a determination that there was not enough medical evidence provided to substantiate that the statutory requirements for approval of the nonoccupational disability benefit had been met.

Ms. Dahl requested a personal appeal of this decision via teleconference. After hearing Ms. Dahl present her case at its September meeting, the Committee agreed to defer its decision pending receipt of additional medical documentation. Mr. Eric Glaub, Manager of the SERS Claims Division, informed the Committee at its October meeting that Ms. Dahl had provided additional medical documentation, which would be reviewed by an independent medical consultant. The Committee decided to again defer Ms. Dahl’s case pending the results of the medical consultant’s review. After reviewing the new information presented at their November meeting, the Committee decided to refer the case to outside counsel for a recommendation.

Attorney Evans presented recommendation No. 2020-9 to deny Ms. Dahl’s request. After review and discussion, a motion was made by Executive Secretary Blair to adopt recommendation No. 2020-9. The motion was seconded by Vice-Chairperson Morris and all were in favor.

New Business

Annette Van Hooser

Ms. Van Hooser was approved for a nonoccupational disability benefit from SERS effective April 6, 2018.

In September 2020, SERS was notified Ms. Van Hooser was approved for a retroactive Social Security Administration (SSA) disability benefit effective October 1, 2018. The retroactive benefit created an overpayment to SERS from October 1, 2018, through August 31, 2020. The overpayment is due in accordance with Section 14-125 of the Illinois Pension Code [40 ILCS 5/14-125].

SERS sent Ms. Van Hooser a notification letter on September 17, 2020, to explain the

calculation of the overpayment and the amount due. A repayment letter was sent on October 19, 2020. A payment was remitted and received on November 6, 2020, and a current balance remains.

SERS is currently deducting half of Ms. Van Hooser's monthly gross disability benefit to apply to the overpayment, which would repay the overpayment in 10 months.

Ms. Van Hooser has requested a payment plan of \$125.00 per month, which would repay the overpayment in 41 months (3 years, 5 months).

After some discussion, a motion was made by Chairman Iglarsh to approve Ms. Van Hooser's request. The motion was seconded by Executive Secretary Blair, and all were in favor.

Wendy Tripp – Request for Reappeal of SSA Award Overpayment Repayment Terms

Wendy Tripp requested a written appeal that was considered at the June 11, 2020, meeting of the Executive Committee. Ms. Tripp appealed to reduce the repayment terms of her nonoccupational disability benefit overpayment. The overpayment is due in accordance with Section 14-125 of the Illinois Pension Code [40 ILCS 5/14-125], because Ms. Tripp received retroactive Social Security Administration disability benefits.

Ms. Tripp's appeal to reduce the repayment terms was denied, and the decision became final at the meeting of the Board of Trustees on July 28, 2020.

Per a letter received on November 30, 2020, Ms. Tripp is requesting a reappeal of the repayment terms due to her current financial situation.

After reviewing the information submitted and some discussion, a motion was made by Executive Secretary Blair not to grant Ms. Tripp's request for a reappeal. The motion was seconded by Chairman Iglarsh, and all were in favor.

Tammy Marcinko – Appeal to Waive Death Benefit – Deceased Mbr: Jose Veloz

Jose Veloz was an active employee of the State who passed away on April 27, 2020. His primary beneficiary is Tammy Marcinko, who he divorced in 2009. The secondary beneficiaries are his three sons: Jesse Veloz, Lucas Veloz, and Joseph Ricketts.

Ms. Marcinko is requesting to waive her death benefit and has completed a nonoccupational death benefit waiver to do so.

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

Steven Francisko – Appeal to Retire Effective October 1, 2020 – Personal Hearing via Teleconference - 9:00am

Steven Francisko applied for a retirement benefit to be effective October 1, 2020, under Section 14-110 of the Illinois Pension Code, which authorizes a member who is age 50 and has 25 years of eligible creditable service to receive the alternative retirement annuity described in that Section.

An audit of his account found he had 6 months in the alternative formula that should have been in the regular formula. A request had been made in 2009 by a SERS staff member to move his military service purchase and qualifying period to the alternative formula. The qualifying period was already in the alternative formula, resulting in the 6 months being moved twice. Since 2010, his annual statement provided October 1, 2020 as his retirement effective date.

Mr. Francisko requested a personal appeal to retire effective October 1, 2020.

After discussing the facts of the case with Mr. Francisko, a motion was made by Executive Secretary Blair to approve Mr. Francisko's request. The motion was seconded by Chairman Iglarsh, and all were in favor.

James Ciesil – Staff Direction for Reciprocal Pension Effective Date

James Ciesil appealed to the Executive Committee at the July 2019 meeting to request a reciprocal pension effective April 1, 2019. His appeal was denied.

A similar situation arose recently for another member and the application of the procedure to determine the effective date for the reciprocal pension was reviewed. After review, it was determined the pension effective date should be taken directly from the final certification received from the applicable reciprocal system.

Per clarification of this procedure, Mr. Ciesil's situation should be corrected with his pension effective date as April 1, 2019 to match the final reciprocal certification received.

Staff is seeking direction on how to proceed with Mr. Ciesil's pension effective date.

After review and discussion, the Committee directed staff to correct Mr. Ciesil's pension effective date to April 1, 2019 to match his final reciprocal certification.

Yvette Smith – Appeal to Reinstate Account to Apply for Pension Benefit

The account of Yvette Smith became eligible for write-off in June 2017.

Ms. Smith is requesting for her account to be reinstated so she may apply for pension benefits at a future date. She has supplied a new address and proper identification.

After brief discussion, a motion was made by Executive Secretary Blair to approve Ms. Smith's request. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Major Wells – Reinstatement of Written-off Account for Refund of Contributions

Major Wells' account was written-off in a previous fiscal year. He has now submitted applications seeking a refund of his applicable SERS contributions.

The Claims Division is requesting the Executive Committee reinstate Mr. Wells' account so the refund request may be processed.

After a brief discussion, a motion was made by Chairman Iglarsh to approve the request to reinstate Mr. Wells' account. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Justin Jones – Appeal to Reissue Refund to Rollover Account

Justin Jones took a resignation refund that was issued on November 11, 2020 by the Comptroller's Office. His refund was processed per the application he filed with SERS, which did not include an election to direct the refund to a rollover account.

Mr. Jones was subsequently informed that the funds from his refund must be rolled over directly from SERS. He has submitted a new application to include a rollover account, along with the original warrant.

Mr. Jones is appealing to have his refund reissued using the new application to direct his refund to his rollover account.

After review and discussion, a motion was made by Chairman Iglarsh to approve Mr. Jones' request. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Kerry Mitchell – Appeal for FAC Increase Due to Receipt of Hazard Pay

Kerry Mitchell retired from the Department of Corrections effective June 1, 2020. The method used to calculate his Final Average Compensation (FAC) was the monthly rate of compensation, as defined under Section 14-103.11 of the Illinois Pension Code, which he received on the last day of eligible creditable service.

Mr. Mitchell is contending that the 12% pay he received as hazard pay for working onsite during the COVID-19 pandemic should be included in his Final Average Compensation calculation.

The System has historically not considered earnings related to hazard duty, overtime, and temporary assignment as part of the actual rate of compensation for members who receive such pay. Rather such earnings are treated as on the top earnings to the

monthly rate of compensation.

Mr. Mitchell is appealing the staff's decision to deny him an increase to his FAC calculation because he was not able to receive retirement counseling from SERS due to COVID-19 and that other employees have received an increase to their FAC due to receiving such hazard pay. It should be mentioned that employees that have retired with a FAC calculated with the highest 48 consecutive months within the last 120 months of service have had such hazard pay included in their FAC calculation.

After discussing the facts of the case, a motion was made by Executive Secretary Blair to deny Mr. Mitchell's request. The motion was seconded by Chairman Iglarsh, and all were in favor.

Felicita Lebron-Cortes – Request for Reappeal of SSA Award Overpayment Repayment Terms

Felicita Lebron-Cortes requested a written appeal that was considered at the May 14, 2020 meeting of the Executive Committee. Ms. Lebron-Cortes appealed to reduce the repayment terms of her temporary disability benefit overpayment. The overpayment is due because she received retroactive Social Security Administration disability benefits.

Ms. Lebron-Cortes's appeal to reduce the repayment terms was denied, and the decision became final at the meeting of the Board of Trustees on July 28, 2020.

Ms. Lebron-Cortes is requesting a reappeal of the repayment terms due to her current financial situation.

After reviewing the facts of the case, a motion was made by Executive Secretary Blair to deny Mr. Lebron-Cortes' request. 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 10:22 a.m.

The next meeting of the Executive Committee is scheduled for January 14th, 2021, in the Springfield office.

Loren Iglarsh, Chairman

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary