

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
February 11, 2016

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, February 11, 2016 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members:

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
Kerry Walker, Disability Section
Mike Noblet, Pension and Death Section
Joe Maggio, Service and Refunds Manager
Brenda Gold (Claimant)
Robert Cohen (Claimant's attorney)
Laura Siano, IDOT Payroll
Pamela Wendt (Claimant)
Derrek Fromm (Claimant)
Casey Evans, Internal Auditor
Jennifer Staley, Recording Secretary
Barbara Baird, Chicago Office

Minutes of the Previous Meeting

The minutes of the January 14, 2016 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 Executive Secretary Blair and seconded by Vice Chairperson Morris, and by unanimous vote, the minutes were approved as submitted.

Routine Claims & Denial Report

The Routine Claims and Denials Report for the month of January, 2016 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of January, 2016, as prepared by staff, was reviewed and received by the Executive Committee.

Old Business

Cynthia Hogueisson – Half Time Ceasing Date and Overpayment

Upon checking the half time ceasing tickler (60 days prior to the ceasing date) it was discovered the system generated an incorrect ceasing date as January 9, 2016. The correct half time ceasing date was April 30, 2015.

Ms. Hogueisson's benefits were stopped November 1, 2015. This has created an overpayment of \$15,206.25.

During the course of Ms. Hogueisson's disability she was sent an income verification letter that gave a ceasing date of October 31, 2016.

Ms. Hogueisson has been sent a letter explaining how half time ceasing dates are calculated.

Ms. Hogueisson called and was unable to attend her personal hearing in January. She was rescheduled for the February meeting and was unable to attend that meeting as well.

New Business

Brenda Gold – Pension

Brenda Gold was present at the February Executive Committee meeting, along with her attorney Mr. Robert Cohen, and Laura Siano, IDOT Payroll, to request to receive her original pension amount and survivor contributions reinstated.

Brenda Gold originally retired October 1, 2007 with a reduced pension. In 2011, Ms. Gold received a Settlement Agreement and the Illinois Department of Transportation (IDOT) reinstated her employment from October 1, 2007 through March 31, 2009. This created an overpayment in pension benefits totaling \$36,523.44.

Due to the reinstatement of employment, she was granted enough service credit to meet the Rule of 85 and an adjustment was due her in the amount of \$27,426.62 for the period of April 1, 2009 through February 28, 2011. The adjustment payment was applied toward the overpayment, leaving a balance that was paid for by IDOT as stated in the terms of the Settlement Agreement.

Ms. Gold re-retired effective May 1, 2014. Her pension was calculated as if she had not retired previously. Her entire pension was not repaid so her secondary period of employment should have been calculated using the new service credit and FAC and added to the original pension. The pension amount effective May 1, 2014 should have been \$3,821.33; instead, her pension was paid at \$4,857.08 per month. This has created an overpayment of \$12,891.55 for the period of May 1, 2014 through May 31, 2015.

This error was discovered because Ms. Gold wrote an appeal letter to the Executive Committee regarding her survivor contributions. When Ms. Gold re-retired, she waived her survivor contribution refund. She did not repay the survivor contribution refund she

received when she first retired. Ms. Gold believed that IDOT was supposed to have repaid her entire pension and the survivor contribution refund. She states her pension was correctly paid at \$4,857.08 per month and IDOT should have repaid the survivor contribution refund.

An informal conference was conducted by telephone on December 2, 2015 with Ms. Gold and her attorney, Robert Cohen. Ms. Gold's file was discussed and the two separate issues were explained; one issue being the survivor contribution refund and the other is her monthly pension amount.

Ms. Gold reiterated that IDOT had assured her she would be made "whole" so she thought her entire pension had been repaid by IDOT. She stated that she relied on the pension estimate provided to her and insisted at the time the estimate be signed by the employee providing her with the figure. Ms. Gold indicated that had she known the correct monthly pension amount, she would have applied for a disability benefit instead of retiring.

After some discussion, a motion was made by Chairman Iglarsh to approve Ms. Gold's original pension amount, seconded by Vice Chairperson Morris. All were in favor.

Ms. Gold had said she would be interested in repaying the widow/survivor refund if approved. An agreement will be sent to Ms. Gold to begin this process.

Pamela Wendt – Gainful Employment

Pamela Wendt was present at the February Executive Committee to appeal her suspension of occupational disability benefits due to gainful employment. Pamela Wendt worked for Kevin Elliot Counseling and exceeded the quarterly earnings limit of \$2,490.00 in the 4th quarter of 2013 and the 1st quarter of 2014.

Ms. Wendt's gainful employment did not show up on the October 2014 IDES report. The April 2015 IDES report reflected a possible gainful employment for Ms. Wendt. Disability began the process of collecting paystubs April 15, 2015. We eventually received paystubs July 2015 and determined Ms. Wendt had exceeded the 4th quarter of 2013 by \$565 and the 1st quarter of 2014 by \$401, for a total of \$966. A disability Earnings Agreement was sent to her on July 15, 2015, which she signed and returned to SERS July 29, 2015. The \$966 was collected by Vouchering.

A review of the October 2015 IDES report indicated no earnings for Ms. Wendt. Our internal auditor did research on Ms. Wendt and it was determined she had started her own counseling business. Further research revealed Ms. Wendt had at least exceeded the \$2,490 limit the 3rd quarter of 2014 and the 2nd and 3rd quarter of 2015 from billings to Health Alliance alone. These earnings do not reflect any income she may have made through billing other insurance companies or cash billings to clients.

Occupational benefits have been suspended as of November 1, 2015. If disability benefits are suspended retroactively to April 1, 2015, there will be an overpayment in the amount of \$19,559.68.

Ms. Wendt said she works for, but does not own, a counseling company called Creative Solutions. It is a family owned business and she is the sole contractor of the business and

earns \$2,000 per quarter. She stated it may appear she makes more due to when the billing actually goes through for payment.

In order to better understand the whole situation, SERS is asking Ms. Wendt to send in any information that will support her claim, and to supply SERS with 2015 corporate and individual tax records. The case will be deferred until we receive such information.

Derrek Fromm – Service

Derrek Fromm was present for a personal appeal before the Executive Committee. Mr. Fromm was coded wrong by his agency under the regular formula, as opposed to the alternative formula. The error was subsequently corrected; however, our billing letters were calculated as if he was under the regular formula. When the errors were discovered, we billed Mr. Fromm for the additional money due for the alternative formula. He contends that he should not have to pay the additional contribution and interest for the military service credit (48 months) for which he was billed.

The case was referred to our attorney, Steve Bochenek, for a Recommendation.

Lori Baughman – Reinstatement of Account

This account became eligible for a write-off in June, 2006. Contributions in the amount of \$2,077.60 were written off on June 23, 2006. Ms. Baughman has provided identifying information and requested a refund.

After some discussion, Chairman Iglarsh motioned to approve the reinstatement of account, seconded by Vice Chairperson Morris. All were in favor.

Dennis L. Kohnen – Occupational Disability

Dennis Kohnen works as a Highway Maintainer for the Illinois Department of Transportation. His last day worked was May 20, 2014 and he began a service connected leave on May 29, 2014 due to an accident at work. He returned to work on July 15, 2014. He was paid TTD May 29, 2014 through July 14, 2014.

Mr. Kohnen is appealing the 12 month filing limitation.

After some discussion, Chairman Iglarsh moved to approve Mr. Kohnen's appeal of the 12 month filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Felicia F. Norwood – Participation in the System

Felicia F. Norwood is requesting that she be allowed to participate in the System even though she didn't return the Declaration to Accept or Reject Participation within 60 days of notification.

After reviewing her case, Chairman Iglarsh moved to allow Felicia Norwood to participate in the System upon submission of the signed election form (within 30 days from the mailing date) and the employee and employer contributions are due the System from the date of appointment. The motion was seconded by Vice Chairperson Morris. The vote was 2-0 with Executive Secretary Blair abstaining.

There being no further business to be brought before the Committee, the meeting was adjourned at 12:30 p.m.

The next meeting of the Executive Committee is scheduled for March 10, 2016, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice Chairperson

Timothy Blair, Executive Secretary