

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

February 14, 2019

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, February 14, 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
Steve Bochenek, SERS Attorney
Kathy Yemm, Manager, Claims Division
Cory Mitchell, Acting Supervisor, Pension and Death Section
Karen Brown, Disability Supervisor, Claims Division
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the January 10, 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 Executive Secretary Blair, seconded by Vice Chairperson Morris and by unanimous vote, the minutes were approved as submitted.

Routine Claims Report

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

Old Business

Michael Horve – Appealing the Conversion of Non-Occupational Disability to Occupational Disability

Michael Horve worked as a yard maintenance worker for the Secretary of State. He went off work on October 20, 2016. He began a service connected leave of absence on October 21, 2016.

Mr. Horve filed for an occupational disability claim with SERS on May 26, 2016, citing a work related injury on May 5, 2016. SERS paid occupational disability benefits to Mr. Horve while he received TTD from Tristar. SERS stopped his benefit on October 2, 2016 because his TTD benefits were ceased by Tristar.

On January 17, 2017, Mr. Horve filed for SERS Temporary disability benefit and signed a Required Signature for Temporary Disability form. Mr. Horve entered into a settlement for his injury on April 16, 2018. Based on this settlement, SERS converted his Temporary benefit to an Occupational benefit. This created an overpayment due to SERS.

Mr. Horve is requesting SERS to cease attempts to collect the overpayment, claiming that this period of disability was not work related. Furthermore, his attorney feels that the settlement did not include any payment to Mr. Horve for temporary total disability benefits for the period in which he received SERS disability payments.

Mr. Horve and his attorney, Hugh Rowden, were present at the December 13, 2018 Executive Committee meeting to appeal the conversion of Temporary Disability benefits to Occupational Disability benefits. The case was referred back to the disability staff for review and verification of the medical(s) on file.

Disability staff reviewed and verified that the additional information supported the staff decision.

The case was then sent to SERS' legal counsel for a recommendation.

Attorney Bochenek presented Recommendation No. 2019-2 to the Committee to deny the request of Mr. Horve to appeal the conversion of Temporary Disability benefits to Occupational Disability benefits based on the facts of the case and the records provided by SERS. Executive Secretary Blair made a motion to accept Recommendation No. 2019-2. The motion was seconded by Chairman Iglarsh and all were in favor.

Laura Cadagin – Appealing Refund Repayment Amount

In 2005, Laura Cadagin requested the cost to purchase 219 months of SERS service credit for time spent working for the Illinois Finance Authority (IFA). Ms. Cadagin was notified the cost of the purchase would be \$58,928.62, representing employee contributions and interest. She made this contribution and was notified on February 28, 2005 that the payment had been received and that 219 months of service credit would be added to her account. On April 27, 2005, Ms. Cadagin was notified that a mistake was made in the calculation of the cost of her IFA service credit (required employer contribution was excluded) and that she owed an additional \$77,033.10.

On August 11, 2005, Ms. Cadagin appealed to the Executive Committee to ask the committee to affirm that all 219 months of service credit had been purchased by February 28, 2005, and that no additional contributions were required. On September 8, 2005 the Executive Committee adopted a recommendation to affirm the additional contributions were required in order to establish the entire 219 months of service credit, or that Ms. Cadagin could instead choose to establish 94 months of service credit and not make the additional contributions.

In June 2018, Ms. Cadagin requested the cost to purchase the additional 125 months of IFA service credit. She was provided with a cost of \$231,727.46, representing employee and employer contributions at the current rate, and interest at 2.5% annually.

Ms. Cadagin was present at the December 13, 2018 meeting with her attorney, Carl Draper, to appeal the amount of the required contribution. Attorney Draper reported he would send additional information to SERS' attorney and the committee agreed to defer the case until the new information was received from Attorney Draper for review.

The additional information was received from Mr. Draper and forwarded to SERS' legal counsel for a recommendation.

Attorney Bochenek presented Recommendation No. 2019-1 to the Committee to deny the request of Laura Cadagin to appeal amount of the required contribution benefits based on the facts of the case and the records provided by SERS. Executive Secretary Blair made a motion to accept Recommendation No. 2019-1. The motion was seconded by Vice Chairperson Morris and all were in favor.

Raymond Smith – Service Credit Update

Public Act 100-611 provides that certain members who were participating under the alternative formula prior to being transferred from IDOC/IDJJ to CMS or DoIT as a result of certain executive orders shall receive service credit under the alternative formula for service after the transfer.

In November of 2011, Raymond Smith was transferred to CMS by such an executive order. Mr. Smith remained at CMS through November of 2013, then took another position at the Department of Insurance. In May of 2015, Mr. Smith returned to the Department of Corrections.

It should also be mentioned that Mr. Smith won a grievance for the period of August 2014 through May 2015 that awarded him alternative formula service credit for a portion of his employment at the Department of Insurance. He is in the process of completing the purchase for that upgrade, which represents 10 months of service at the Department of Insurance.

Staff informed Mr. Smith of the cost necessary to upgrade such service, and the amount of service credit that would be upgraded. In conversations with Mr. Smith, he was informed that his employment at the Department of Insurance is not eligible for the upgrade as a result of this Public Act. He disagreed and stated that the language below (which is in PA 100-611) provides that he is entitled to alternative service for all his service following the date of his transfer, including his time at the Department of Insurance.

A person under paragraph (20) is entitled to eligible creditable service for service credit earned under this Article on and after his or her transfer by Executive Order No. 2003-10, Executive Order No. 2004-2, or Executive Order No. 2016-11.

There is nine months of service in dispute, all which was with the Department of Insurance. The question is, despite the language of the law referenced above, when Mr. Smith left CMS to take a position at Department of Insurance, would the provisions of PA 100-611 apply to service credit earned at the Department of Insurance.

Mr. Smith was present at the January 2019 meeting and distributed materials including back up exhibits in support of his request.

After review and discussion, the Committee referred the matter to SERS' legal counsel for a recommendation.

Attorney Bochenek presented Recommendation No. 2019-3 to the Committee to deny the request of Mr. Smith for alternative service credit for the time period November 1, 2013 through July 31, 2014 based on the facts of the case, the information provided by petitioner, and the applicable statutory language. Chairman Iglarsh made a motion to accept Recommendation No. 2019-3. The motion was seconded by Executive Secretary Blair. Vice Chairperson Morris abstained the vote due to his involvement with members of petitioner's union on other grievances.

New Business

Vantris Rideout – Requesting Waiver of 90 Day Filing Limitation for Non-Occupational Benefits

Vantris Rideout works as a mental health tech for DHS. She last worked on August 13, 2018 due to a medical issue. She began a medical leave of absence on October 3, 2018.

Ms. Rideout has requested a written appeal to the Executive Committee so that the 90 day filing limitation can be waived. The member indicates that she had changed her address resulting in a delay of receiving her mail.

The member's request was denied in accordance with Chapter 40 Pensions 5/14-124(5).

After review and discussion, Chairman Iglarsh moved to approve Ms. Rideout's request to waive the 90 day filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Michael Nichols – Requesting Waiver of 12 Month Filing Limitation for Occupational Benefits

Michael Nichols works as a Highway Maintainer for the Department of Transportation. His last day worked was February 15, 1998 and he began a service

connected leave of absence on February 16, 1998 due to an injury. He returned to work October 26, 1998 and was paid TTD.

The member's request was denied in accordance with Chapter 40 Pensions 5/14-123(a).

After review and discussion, Chairman Iglarsh moved to approve Mr. Nichols' request to waive the 12 month filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Betty Johnson-Nevith – Appeal to Receive Survivor Annuity

James Nevith, a state retiree, died on November 1, 2018. When Mr. Nevith retired on October 1, 2015, he completed his retirement application with a marital status of "single" and received a survivor contribution refund in the amount of \$5,864.41.

Betty Johnson and James Nevith were married on July 1, 1986 and she survives him.

Betty Johnson-Nevith is requesting a survivor annuity.

Mrs. Nevith is a state retiree as well. She retired August 1, 2014 and completed her retirement application with a marital status of "married."

After review and discussion, Executive Secretary Blair moved to deny Ms. Johnson-Nevith's request for survivor benefits, seconded by Vice Chairperson Morris. All were in favor.

Dominic Amodei – Appeal for Reciprocal Pension

Dominic Amodei retired effective February 1, 2015, although the application was not submitted to SERS until May 2018. Mr. Amodei did not choose reciprocity on his pension application. Mr. Amodei has 1.3333 years of service credit with County Employees' Annuity and Benefit Fund (CEA&BF). Mr. Amodei's Power of Attorney, Joseph Amodei, is requesting Dominic's pension to be calculated reciprocally with (CEA&BF). There would be no change to his benefit amount from SERS.

After review and discussion, Vice Chairperson Morris moved to approve Mr. Amodei's request for his pension to be calculated reciprocally with CEA&BF. Chairman Iglarsh seconded the motion, and all were in favor.

Donna Jones – Appeal for Reciprocal Pension

Donna Jones retired September 1, 2018. She did not choose reciprocity on her pension application.

Ms. Jones purchased 13 months of service credit with the Illinois Municipal Retirement Fund (IMRF) on August 22, 2018. She is requesting for her pension to be calculated reciprocally with IMRF. There would be no change to her benefit amount from SERS.

After review and discussion, Chairman Iglarsh moved to approve Ms. Jones' appeal for her pension to be calculate reciprocally with IMRF. Vice Chairperson Morris seconded the motion, and all were in favor.

Nancy Mulholland – Requesting Waiver of 12 Month Filing Limitation on Three Past Claims

Nancy Mulholland works as a Support Service Worker for Chester Mental Health & Developmental Center. Ms. Mulholland was on service connected medical leave of absences and received TTD for the following time periods: 10/4/2014 through 1/16/2015, 10/11/2016 through 10/26/2016, and 6/16/2017 through present.

Ms. Mulholland has requested a written appeal to the Executive Committee to waive the 12-month filing limitations for each of the claims.

After review and discussion, Chairman Iglarsh moved to approve Ms. Mulholland's request to waive the 12 month filing period, seconded by Vice Chairperson Morris. All were in favor.

Michael Vick – Requesting Waiver of 12 Month Filing Limitation

Michael Vick worked as a Heavy Construction Equipment Operator for the Department of Transportation. Mr. Vick last worked on May 4, 2017. He began a service connected leave on May 11, 2017 due to a medical issue. He returned to work on June 14, 2017.

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

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

Shawn Andrus – Requesting Waiver of 12 Month Filing Limitation

Shawn Andrus works as a Highway Maintainer for the Illinois Department of Transportation. He stopped working on July 1, 2016, was last paid on July 5, 2016 and began a service connected leave of absence on July 6, 2016 due to an injury. He returned to work on October 6, 2016.

SERS was notified of his disability in October of 2018 after Mr. Andrus attended a retirement seminar and requested an Occupational disability packet. SERS received his application on January 24, 2019. Because he did not apply within 12 months of his last day paid by his agency, his disability application was denied.

Mr. Andrus' request for occupational disability was denied in accordance with Chapter 40 of Illinois Pension Code 5/14-124(5). He is asking the Executive Committee to waive the 12 month filing rule.

After review and discussion, Chairman Iglarsh moved to approve Mr. Andrus' request to waive the 12 month filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Evelyn Williams – Requesting Lower Repayment on Disability Overpayment

Ms. Williams was approved for a temporary Non-Occupational benefit from SERS effective May 9, 2015.

Ms. Williams was approved for a retroactive Social Security disability benefit effective July 1, 2016. The retroactive benefit created an overpayment to SERS totaling \$10,786.00 from July 1, 2016 through February 28, 2018.

SERS sent the member a notification letter on December 18, 2018 that explains the calculation of the overpayment and what was due SERS.

As stated in the SERS Board Policy, the Overpayment Section is to deduct ½ the gross of any benefit being paid toward an overpayment owed to SERS. The overpayment due is in accordance with 5/14-125 ILCS of the Pension Code.

Ms. Williams' monthly gross pension payment is \$2,846.95. Monthly deductions from the check are \$194.33 for federal tax, \$102.00 for health, and \$11.00 dental leaving a net of \$2,533.62 paid to the member. When ½ of the gross is deducted in the amount of \$1,423.48, the net decreases to \$1,110.14. As noted in the SSA Award letter, she is also receiving \$1,464.00 in social security benefits.

Ms. Williams is requesting a repayment amount of \$180.00 per month which would result in a repayment plan of 5 years; \$300.00 per month would repay the debt in 3 years, and \$450.00 per month would repay the debt in 2 years.

After review and discussion, Executive Secretary Blair moved to deny the repayment request of \$180.00 per month and approve the repayment amount of \$450.00 per month. The motion was seconded by Chairman Iglarsh, and all were in favor.

Crystal Gillan – Requesting Waiver of 90 Day Filing Limitation

Crystal Gillan works as a Correctional Senior Parole Agent for the Illinois Department of Corrections. She stopped working on August 3, 2018, was last paid on September 13, 2018, and began a medial leave of absence on September 14, 2018. She has not yet returned to work.

SERS was notified of her disability after receiving her application on December 31, 2018 via an internet claim; however, it was not within the 90 day filing limitation. Therefore, her disability application was denied.

Ms. Gillan's request for Non-occupational disability benefits was denied in accordance with Chapter 40 of Illinois Pension Code 5/14-124(5). She is asking the Executive committee to waive the 90 day filing rule.

After review and discussion, Chairman Iglarsh moved to approve Ms. Gillan's request to waive the 90 day filing limitation. The motion was seconded by Vice Chairperson Morris, and all were in favor.

Brenda Ritcheson – Request for Direction and Approval to Pay Beneficiary

Active SERS member, Brenda Ritcheson, and Burl Ritcheson were murdered on August 14, 2017. Keith R. Ritcheson was convicted of first-degree murder for the death of his parents, Brenda and Burl Ritcheson, and will serve two natural life sentences.

Brenda Ritcheson listed the following beneficiaries as #1's: Burl E. Ritcheson Jr. – spouse, Keith R. Ritcheson – son, and Stephanie N. Mobbs – daughter.

Because Burl E. Ritcheson Jr. is deceased, and beneficiary Keith R. Ritcheson has been convicted and sentenced for murdering member Brenda Ritcheson (and Burl), we are asking for direction and approval to pay Stephanie N. Mobbs 100% of the death benefits. SERS has currently paid Stephanie 50% of the benefit.

After review and discussion, the Committee recommended paying 100% of the survivor benefit to the other contingent beneficiary (Stephanie N. Mobbs) based on the fact that a beneficiary cannot financially benefit from their murder of the member.

Add-on:

Christopher Fritsche – Direction on Payment of Occupational Disability

Christopher Fritsche works as a Correctional Officer for Menard Correctional Center. Mr. Fritsche last worked on January 24, 2018. He was on extended benefits until January 31, 2019. Mr. Fritsche began a service connected leave on February 1, 2019.

Mr. Fritsche has requested a written appeal to the Executive Committee to approve his Occupational disability benefit with the understanding he is part owner of a company but does no physical labor.

Mr. Fritsche was concerned on the issue regarding outside income or gainful employment restrictions. He sent information regarding his company and his involvement.

After some discussion, it was decided by the Committee to defer a decision and obtain an Operating Agreement and Articles of Organization for Mr. Fritsche's limited liability company.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:45 a.m.

The next meeting of the Executive Committee is scheduled for March 14, 2019, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary