

MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
January 10, 2013

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, January 10, 2013, at 8:30 A.M. in the System's Springfield office at 2101 S. Veterans Parkway with videoconferencing in SERS Chicago Office.

Committee members present:

Loren Iglarsh, Chairman  
Timothy Blair, Executive Secretary

Committee member absent:

Lori Laidlaw, Vice Chairperson

Others Present:

Michelle P. Clatfelter, Attorney  
Kathy Yemm, Manager, Claims Division  
Michael Noblet, Supervisor, Pension & Death Section  
Kerry Walker, Assistant Supervisor, Disability Section  
Cory Mitchelle, Assistant Supervisor, Pension & Death Section  
Joseph S. Maggio, Manager, Service & Refunds Division  
Glen Johnson, Hearing  
John (Mike) Vicich, Hearing  
Drew Ferracuti, Attorney for Mr. Vicich  
Michael Pigg, Hearing  
Shirley Pigg, Spouse to Michael Pigg  
Dawn Blakeman, Recording Secretary

Minutes of the Previous Meeting

The minutes of the December 6, 2012 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 Chairman Iglarsh seconded by Executive 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 December, 2012 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of December, 2012, as prepared by staff was received by the Executive Committee.

Old Business

Robert Ruiz

Pension

Robert Ruiz requested a personal hearing with the Executive Committee in a letter dated November 19, 2009, regarding the reciprocal agreement be cancelled so he can still collect his pension benefits from the County Employees' Annuity & Benefit Fund of Chicago pension fund.

Mr. Ruiz through a telephone conversation in December, 2011 with Michael Noblet, Supervisor of the Pension and Death Division has requested another hearing continuance. Accordingly, this case continues to be deferred.

Michelle Flowers

Occupational Disability

Michelle Flowers works for a state agency and a medical leave of absence was granted.

Based upon a review of the file and information submitted, the Committee finds Ms. Flowers works for a state agency, and was granted a medical leave of absence.

On June 10, 2012 the System's medical consultant reviewed the entire file. The review indicated the medical information in the file failed to substantiate a disability.

Pursuant to the denial of disability benefits, Michelle Flowers requested and previously attended a personal hearing with the Executive Committee.

Ms. Flowers explained the job duty statement was incorrect and that she would get more medical information.

The Committee agreed to have Ms. Flowers complete a new job duty statement. SERS also agreed to have her supervisor do the same. The information would then be sent to the Disability Supervisor for review. Ms. Flowers also agreed to send additional medical records for review.

The Committee agreed to defer this matter at this time in order to obtain the additional information.

Additional information was received and reviewed.

Following discussion, the Committee agreed to refer this matter to SERS Attorney for a recommendation based on the facts and findings in file for presentation at the next meeting.

Jean A. Rechner (deceased)

Beneficiary Policy Verification

Ms. Rechner passed away on September 21, 2012. She was a retired member at the time of her death.

SERS cannot locate a beneficiary form; however, there are two named beneficiaries (her children) listed on the database.

Previously, Mr. Noblet, Supervisor of the Pension & Death Section requested that the Executive Committee approve him to send forms to the beneficiaries noted on the database even though the actual hard copy form cannot be located. Following a review of the file and some discussion on the existing policy, the Committee agreed to defer this matter in order to obtain confirmation for approval from our attorney.

After some discussion the Committee and attorneys have agreed at this time that if there is not a beneficiary form located in the file, the money should be paid to the Estate.

Carlesha Springer Non-Occupational Disability

Carlesha Springer works for a state agency and a medical leave of absence was granted.

Ms. Springer's claim for disability benefits was denied based on a review of medical documentation from treating medical sources.

Ms. Springer's file was reviewed by the System's medical consultant on July 31, 2012 and based on the medical documentation available, her claim for disability benefits was denied.

Carlesha Springer requested a personal appeal pursuant to the denial of disability benefits.

Ms. Springer requested and previously attended a personal hearing with the Executive Committee pursuant to the denial of disability benefits.

She explained she had more medical information and would send it soon.

The Executive Committee agreed to have Ms. Springer send the additional information to the Disability Supervisor for review.

Following a review of the file and some discussion, Chairman Iglarsh moved that the appeal of Carlesha Springer be deferred so additional information could be submitted and reviewed. Executive Secretary Blair seconded the motion, and all were in favor.

Phillip J. Saupe Pension/Reciprocal

On June 1, 2012, Mr. Saupe retired under the Reciprocal Act with the State Employees' Retirement System (SERS) and State University Retirement Fund (SURS).

Based upon a review of the file and information submitted, the Executive Committee finds Phillip Saupe is receiving a retirement annuity as of June 1, 2012 and during the application process for his retirement annuity, he indicated he wanted to retire under the reciprocal option.

Mr. Saupe was initially paid \$5,883.76. After the reciprocal exchange was complete it was determined a proportional reduction was necessary because his combined benefits exceeded the 80% maximum. His benefit from SERS was reduced to \$5,491.01.

In a letter dated November 9, 2012, Mr. Saupe sent in a written appeal to appear before the Executive Committee to appeal the reduction of his SERS pension.

Mr. Phillip J. Saupe along with his friend Mr. Bruce Bialorucki appeared before the Committee during the December 6, 2012 meeting. A personal hearing was accomplished and a record of this hearing has been made a part of the member's file.

He stated he doesn't believe that he made any errors and that he should not be punished for our errors.

Following a review of the file and some discussion, the Committee has recommended that the appeal of Phillip J. Saupe be deferred so that the Supervisor of the Pension Department can contact the SURS office to verify that Mr. Saupe could change his retirement within the provisions of the law.

Nancy K. Anderson

Participation in PA 95-1043

Nancy K. Anderson is receiving a monthly pension from SERS. She elected the social security offset removal effective July 1, 2009. She made this election with the mistaken understanding that her husband would be eligible for social security on her record if she predeceased him. She just found out that he is not eligible for social security because he did not participate in social security when he was working.

Mrs. Anderson requested a personal hearing in a letter dated November 29, 2012. She is requesting SERS to stop her deduction for participation in PA 95-1043 and is requesting a refund of the contributions.

Public Act 95-1043 allowed certain annuitants to elect to reduce their monthly retirement annuity in order to remove the Social Security offset from an SERS widow's or survivor benefit. Election forms were required to be returned by June 30, 2009 in order to determine participation by the effective date of the benefit (July 1, 2009). Prior to July 1, 2009, several members who had returned election forms were allowed to change the election due to the complexity of the issue.

Since July 1, 2009, several retirees have contacted the System regarding misunderstandings on the offset and what their true intent was in making the election. Bob Hicks, former Manager of the Claims Division, proposed the following policy:

Allow staff to permit retirees who returned an election form in a timely manner an opportunity to change the election thru December 31, 2009. For those who elected to participate and now wish to change the election, the 3.825% reduction will be removed from their annuity the first of the month following receipt of the written request (or the first of the month following approval of this policy). For those who elected not to participate and now wish to participate, the annuity will be reduced retroactive to July 1, 2009. Following a review of the Public Act and some discussion, Chairman Iglarsh moved approval of the appeal to change the election thru December 31, 2009. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Following discussion, the Committee agreed to defer this matter for a pending request to terminate a change in the petition based on the facts and findings in file for presentation at the next meeting.

Based on request from Mrs. Anderson, her appeal has been amended to delete the request for a refund of contributions.

After review and some discussion the Committee agreed to let Ms. Anderson stop participation in PA95-1043 but, to deny Ms. Anderson's request for a refund of the money she has contributed.

David Harris Service Request

The System's attorney submitted a recommendation to deny based on the facts and findings on file in this case for the Committee's review. Following discussion, on motion by Secretary Blair, seconded by Chairman Iglarsh, the Committee accepted Recommendation No. 2012-006 in the matter of David Harris.

A copy of this recommendation has been made a part of the member's file.

New Business

Glenn Johnson Pension

Mr. Johnson is receiving a retirement annuity from the System, with a retirement date of October 1, 2008.

During the application process for his retirement annuity he elected to participate in the level income option with his pension to be reduced at age 62.

Based upon a review of the file and information submitted, the Executive Committee finds Mr. Johnson is receiving a retirement annuity as of October 1, 2008 and during the application process for his retirement annuity, Mr. Johnson indicated he wanted to retire under the level income option for age 62.

Mr. Johnson was notified in accordance with the election at the time of retirement that his benefit would be reduced by the amount of his SSA retirement annuity in accordance with Section 14-112 of the Illinois Pension Code.

Glenn Johnson requested a personal appeal before the Executive Committee. He is requesting that his level income option be revoked and the overpayment this will cause be waived.

Following a review of the file and some discussion, Chairman Iglarsh moved to refer the appeal of Glenn Johnson's request to revoke his level income request on his pension application to the System's attorney for a recommendation. Secretary Blair seconded the motion and all were in favor.

John Vicich Temporary Disability

John Vicich works for a state agency and was granted a service connected leave of absence.

Mr. Vicich received occupational disability benefits until July 12, 2012, at which time the benefits were suspended based on a review of his file by Worker's Compensation medical examination on May 17, 2012. Mr. Vicich applied for temporary disability while appealing his workers' compensation claim to Workers' Compensation Commission. The member and his Attorney submitted additional medical information to support the application for disability benefits.

The entire file was reviewed by the System's medical consultant. The medical information failed to substantiate a disabling condition.

John Vicich has requested a personal hearing pursuant to the denial of his claim for temporary disability benefits.

Mr. Vicich, accompanied by his Attorney Mr. Drew Ferracuti, appeared before the Committee. A personal hearing was accomplished, and a record of this hearing has been made a part of the member's file.

Following a review of the file, Chairman Iglarsh moved to defer for more information in the appeal of John Vicich for temporary disability benefits. Executive Secretary Blair seconded the motion, and all were in favor.

Michael W. Pigg

Service HB519

Michael Pigg has requested a personal appearance before the Executive Committee. He is attempting to establish creditable service under the provision of HB519.

Mr. Pigg's request was previously denied since de did not make a written request by 02/25/10 as required by law.

Michael Pigg with spouse Shirley Pigg attended a personal hearing with the Executive Committee pursuant to the denial of participation in HB519. He has requested that HB519 be re-opened for him because he did not know about the aforementioned bill until August 2012. He feels he should be allowed to purchase his past service time so that he can retire earlier.

Based on a review of information and after some discussion, the Committee agreed to refer this matter to SERS' Attorney for recommendation based on the facts and findings in file for presentation at the next meeting.

Estelle Finnigan

Occupational Disability/12 Months

Estelle Finnigan works for a state agency and a service connected leave of absence was granted.

Ms. Finnigan'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 Estelle Finnigan 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.

Ms. Estelle Finnigan requested a written appeal pursuant to the denial of disability benefits due to late filing, information was received with the appeal request which lists the reasons the employee failed to file on a timely basis.

Based on the facts of this case and information submitted, the Committee recommends approving Estelle Finnigan's appeal for a waiver of the twelve month filing limitation.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of Estelle Finnigan for a waiver of the twelve month filing time limit for occupational disability benefits. Secretary Blair seconded the motion and all were in favor.

William Murray Pension/level Income

William Murray is receiving a retirement annuity from the System, with a retirement date of November 1, 2012.

During the application process for his retirement annuity he elected to participate in the level income option with his pension to be reduced at age 62.

Based upon a review of the file and information submitted, the Executive Committee finds Mr. Murray is receiving a retirement annuity as of November 1, 2012, and during the application process for his retirement annuity, Mr. Murray indicated he wanted to retire under the level income option for age 62.

When Mr. Murray received his "NOTICE OF RETIREMENT ANNUITY APPROVAL" letter he realized he had made an error. In accordance with the election at the time of retirement that his benefit would be reduced by the amount of his SSA retirement annuity in accordance with Section 14-112 of the Illinois Pension Code.

William Murray has sent in a written request to the Executive Committee requesting that his level income option be stopped.

Based on the facts of this case and information submitted, the Committee recommends denying Mr. Murray's appeal to revoke level income.

Following a review of the file and some discussion, Secretary Blair moved to deny the appeal of William Murray's request to revoke level income on his pension application. Chairman Iglarsh seconded the motion and all were in favor.

Mary Payne Pension/Reciprocal

Mary Payne is receiving a retirement annuity from the System.

Ms. Payne retired effective July 1, 2012 using reciprocity with the State University Retirement System (SURS).

Based on a review of the file and information submitted, the Committee finds Mary Payne worked for a state agency and retired under the Reciprocal Act.

It was determined at the time of completion to certify service/wage credits that occupational benefits had been overpaid. Ms. Payne was given excess contribution credit for November and December 1972, which caused an overpayment of a refund.

Michael Noblet, Supervisor of the Pension & Death Section is asking to eliminate the service and contribution credit which was overstated so as not to compound this error over the lifetime of her annuity so we can correctly certify to SURS.

Based on the facts of this case and information submitted, the Committee directed staff to process the error refund and correct the account to eliminate the service credit erroneously granted for November and December 1972.

James Massie (deceased) Nominated Beneficiary Form

Retiree James Massie passed away on August 13, 2012. At the time of his death it was noted there was only one beneficiary form in the members file and it was not completed correctly.

The Claims Department is asking if the benefit should be paid to the Estate, or to the children listed on the form.

Following a review of the file and some discussion staff was directed to pay the benefit to the member's estate.

Terry Hale Pension/Sick & Vacation Credit

Terry Hale is receiving a retirement annuity from the System, with a retirement date of October 1, 2012.

Based on a review of the file and information submitted, the Committee finds Terry Hale worked for a state agency and retired, and that his last day of work was September 30, 2012.

SERS did not receive the employer statement form 3900 until December 28, 2012. Once the calculation was produced, it was discovered that Mr. Hale was four (4) months short of meeting the rule of 85. He is eligible for pension; however, it was reduced by 30 percent.

Mr. Hale failed to complete the 1404 form to purchase sick & vacation time. At the time of retirement Mr. Hale worked for Choate Mental Health which has since closed down. So in all the confusion an error was made.

Mr. Hale is requesting to pay for his sick & vacation time which would increase his pension by \$1,101.42.

Based on the facts of this case and information submitted, the Committee recommends approving Mr. Hale's appeal to pay for his sick and vacation time.

Following a review of the file and some discussion, Chairman Iglarsh moved to approve Mr. Hale to purchase his sick and vacation time with a 30 day limit to purchase. Secretary Blair seconded the motion, and all were in favor.

Seymour Jaffe Deceased Application for Death Benefit

SERS retiree Seymour Jaffe passed away on April 26, 2012. At the time of his death his beneficiaries have predeceased him. Ms. Harris who is the tertiary in place has submitted her application for death benefits. However, she has failed to have her signature witnessed. She was contacted by claims employees stating she needed to get the form witnessed in order to get the \$500 death benefit.

In a letter dated January 11, 2013, Ms. Harris stated she is unable to obtain 2 witnesses.

Based upon the facts of this case and information submitted, the Committee recommends denying Ms. Harris's appeal to not have her signature witnessed.

Following a review of the form which states "Applicant's signature must be witnessed by two people who are not related to the applicant" and some discussion, Secretary Blair moved to deny the appeal of Ms. Harris' request to pay the benefit without witnesses. Chairman Iglarsh seconded the motion, and all were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 12:45PM. The next meeting of the Executive Committee is scheduled for Thursday February 14, 2013, in the Springfield office, with video conferencing in Chicago if needed.

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Loren Iglarsh  
Chairman

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Timothy Blair  
Executive Secretary