

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

January 8, 2014

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Wednesday, January 8, 2014 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee members present:

Loren Iglarsh, Chairperson  
Timothy Blair, Executive Secretary  
Lori Laidlaw, Vice Chairperson

Others Present:

Steve Bochenek, Attorney  
Kathy Yemm, Manager, Claims Division  
Joseph Maggio, Manager, Service & Refunds Division  
Don Williams, Supervisor, Disability Section  
Kerry Walker, Assistant Supervisor, Disability Section  
Cory Mitchell, Assistant Supervisor, Pensions & Deaths Section  
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the December 12, 2013 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 Laidlaw, seconded by 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, 2013 were presented. Following review and discussion, the Routine Claims and Denials Report for the period of December 2013, as prepared by staff, was received by the Executive Committee.

**Old Business**

Kimberly Cochran

Pension

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Kimberly Cochran applied for a retirement annuity from the System with an effective date of September 1, 2013. During the application process for retirement annuity, Ms. Cochran had elected to participate in the reciprocal option which would give her 80% between SERS and IMRF; however, her pension with IMRF would not begin until age 55 and at that time she was also informed she

could only retire reciprocally and receive 80%. Ms. Cochran informed the technician she would retire independently.

At the time Ms. Cochran signed her pension application she had 297 months of service credit and her agency certified that she had 11 months of unpaid sick days and 5 months of paid sick and vacation days, totaling 78.2499%. Ms. Kimberly Cochran requested to purchase her 6 month qualifying period and to receive her pension at 80%.

Based upon a review of the file and information submitted, Ms. Cochran retired September 1, 2013 and has not cashed her first warrant. Kimberly Cochran requested a personal hearing at the November 14, 2013 meeting and appeared with her attorney, Mr. Randy Paswater. Mr. Paswater gave a history of the problems Ms. Cochran has endured throughout her retirement planning. He requested his client be able to purchase the 6 month qualifying period which will give her 79.7499%, and that she be given the other .2501% to reach the 80% she has requested.

At the November 14, 2013 meeting Chairman Iglarsh stated that the Committee unanimously agreed that Ms. Cochran could purchase her 6 month qualifying period provided payment is made within 30 days of the billing notice. Attorney Bochenek then suggested the numbers be run again with a follow up with Illinois State Police to seek the most accurate information available.

Following a review of the file and some discussion, the appeal of Kimberly Cochran was deferred so SERS can re-calculate her pension once ISP confirms the number of unused sick and vacation days. Ms. Kim Cochran and her attorney attended a follow up hearing on December 12, 2013 regarding Ms. Cochran's appeal. She and her attorney explained she was not happy with the calculations that Mr. Noblet had performed which gave her 79.5624% of her final rate of pay and she is still requesting to receive 80% of her final rate of pay.

The Committee agreed to refer this matter to the System's Attorney for a recommendation based on the facts and findings in file.

### Recommendation

The Committee recommends that the appeal of the Petitioner, Kimberly Cochran, be granted as to the request to purchase service credit for the six month qualifying period and 4.25 months of accumulated benefit service credit but that it be denied as to the request to receive a retirement annuity equal to 80% of final rate of pay.

### Conclusion

Based upon the testimony of the Petitioner and Petitioner's witnesses, the statements of Petitioner's attorney, the records of the System, records obtained by the System, and the statutes applicable to the System, the Committee concludes that Petitioner should be allowed to purchase her six month qualifying period and 4.25 months of service credit for accumulated benefit time but that Petitioner is not entitled to a monthly retirement annuity based upon 80% of final rate of pay.

Following discussion on a motion made by Chairman Iglarsh and seconded by Executive Secretary Blair adopted by unanimous vote, the Committee accepted Recommendation No. 2014-01 in the

matter of Kimberly Cochran allowing Ms. Cochran to purchase service credit for the six month qualifying period and 4.25 months of accumulated benefit service credit, but deny her request to receive a retirement annuity equal to 80% of final rate of pay. A copy of this Recommendation has been made a part of this member's file.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:15 a.m. The next meeting of the Executive Committee is scheduled for Thursday, February 6, 2014, in the Springfield office, with video conferencing in Chicago.

### **New Business**

Lauren Wozniak

Write-off

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This account became eligible for a write off in June, 2005. Contributions in the amount of \$11,385.23, widow and survivors in the amount of \$1,422.23, and 114.50 months of creditable service were written off on June 13, 2005. Mr. Tigges has contacted us regarding his account and eligibility for a pension.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of Randall Tigges for reinstatement of the account. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Mark House

Service

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Carole House, widow of Mark House, is requesting a written appeal with the Executive Committee. She is asking that she be allowed to establish 14 months of creditable service subsequent to the death of her husband.

Mr. House had three qualifying periods and three refunds from the system. Mr. House contacted our office on September 16, 2013 and requested the cost to repay his refund. On September 19, 2013 we provided the cost of the three qualifying periods and the three refunds. On September 23, 2013, Mr. House contacted us indicating that he wanted to pay for the first two qualifying periods and first two refunds (56.25 months) with a rollover payment and then he wished to purchase 14 more months of service credit so that he would be vested in the System. We received rollover money in the amount of \$26,070.46, which left a balance due in the amount of \$94.98. We billed Mr. House for \$94.98 on October 11, 2013. On October 21, 2013 we received a check for \$94.98 from Carole House for the balance due for the 56.25 months of service credit. While we were waiting for the money to be posted to Mr. House's account, he passed away on October 25, 2013. He died before we could bill him for the additional 14 months, which would have made him vested. We were not aware that Mr. House was calling from the hospital at the time he inquired about purchasing the additional 14 months.

After review of the information submitted and some discussion, Vice Chairperson Lori Laidlaw moved approval of the appeal of Carole House, on behalf of her husband Mark House, to establish service credit, seconded by Executive Secretary Tim Blair and all were in favor. The payment is due within 30 days from our billing notice.

Carolyn Sanders has been Power of Attorney for William Bettorf since November 21, 2013. She is requesting a written appeal before the Executive Committee. She is requesting that the refund requested and received by Mr. Bettorf be cancelled and his account be reinstated so that he could receive disability benefits.

After reviewing the information provided and some discussion, Chairman Iglarsh made motion to approve the appeal of Carolyn Sanders, on behalf of William Bettorf, to repay the refund and reinstate the account, contingent upon Carolyn Sanders proving the continuous disability of the member, seconded by Vice Chairperson Lori Laidlaw and all were in favor. The payment is due within 30 days of our billing notice.

Michelle D. Small is requesting a written appeal before the Executive Committee. She is requesting to be allowed to establish service credit for time she was laid off. The law governing the System states that an employee who was laid off but returned to any State employment may establish creditable service for the period of the layoff, provided that the applicant applies for the service credit within 6 months after July 27, 2010. Since Ms. Small did not request the cost until October 21, 2013, we denied her request to establish the service credit.

Based on the facts of this case and the information submitted, Executive Secretary Tim Blair motioned to deny the appeal of Michelle D. Small to be allowed to establish service credit for the time she was laid off. Vice Chairperson Lori Laidlaw seconded the motion and all were in favor.

Michael Patterson, a state employee, passed away on August 29, 2005. He has a surviving spouse, Waynette Holmes, and four children eligible for a monthly benefit. Lance Banister is a step-child of the member and turned 18 years old on December 5, 2013. Lance is requesting the Executive Committee approve his waiver of a monthly survivor benefit so his mother's benefit would not be reduced.

Based upon the facts of this case and after some discussion, Chairman Iglarsh moved to approve the request for a waiver of Lance Banister of a monthly survivor benefit. Chairperson Laidlaw seconded the motion and all were in favor.

Rick Curtis works as a correctional officer for the Illinois Department of Corrections at Southwestern Illinois Correctional Center. He began a service connected leave of absence on April 10, 2008. He returned to work on June 16, 2008. He received workers' compensation TTD benefits during that time period.

His occupational disability claim has been denied as he did not apply for SERS occupational disability within the 12 month filing period. An application was mailed to him on October 1, 2008.

He returned his application on November 25, 2013. Mr. Curtis is requesting that the 12 month rule be waived for the above mentioned time period.

Based upon a review of the file and information submitted, Executive Secretary Tim Blair moved to approve the request of Rick Curtis that the 12 month rule be waived. It was seconded by Chairman Iglarsh and all were in favor.

Carl Urbinati

Occupational/12 month waiver

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Carl Urbinati works as a highway maintainer for the Illinois Department of Transportation. He last worked on February 2, 2009. He began a service connected leave on February 6, 2009 due to lumbar radiculopathy (left side pain). He was denied occupational disability benefits due to applying past the 12 month filing period. He was paid TTD benefits during this time period.

In his letter of appeal Mr. Urbinati stated his reason for late filing was due to the fact that he was not made aware he was eligible. He was only made aware due to a conversation with another past employee of IDOT. After learning he was eligible, he applied shortly thereafter. He has requested a written appeal to the Executive Committee to waive the 12 month filing limitation.

After review of the case, it was motioned by Chairman Iglarsh to approve the appeal of Carl Urbinati to waive the 12 month filing limitation. It was seconded by Executive Secretary Tim Blair and all were in favor.

### **New Business**

Chairman Iglarsh asked about the need for a general disclaimer given the passage of Senate Bill 1 and the uncertainty of the outcome of litigation challenging the constitutionality of the legislative. Executive Secretary Blair agreed that something was needed that could be added to member statements, requested retirement benefit estimates, etc. Steve Bochenek, the System's attorney, stated that he had drafted a disclaimer that could be used for various purposes and had provided it to the System's staff for use in various member correspondences.

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Loren Iglarsh  
Chairman

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Lori Laidlaw  
Vice Chairperson

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Timothy Blair  
Executive Secretary