

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

January 9, 2020

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, January 9, 2020 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
James Stivers, General Counsel
Eric Glaub, Manager, Claims Division
Karen Brown, Supervisor, Disability Section
Cory Mitchell, Acting Supervisor, Pension and Death Section
Steve Bochenek, System Attorney
Jessica Blood, Recording Secretary
Timothy Haslett, Claimant

Minutes of the Previous Meeting

The minutes of the December 12, 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 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 the month of December 2019 was presented. Following review and discussion, the Routine Claims Report for the period of December 2019, as prepared by staff, was received by the Executive Committee.

Old Business

Peter Milone – Appeal SSA Overpayment – Recommendation

Peter Milone was approved for a non-occupational disability benefit from SERS in October 2018. Mr. Milone was approved for a retroactive Social Security disability benefit effective July 2017, which created an overpayment.

SERS sent Mr. Milone a notification letter on September 12, 2019 explaining the calculation of the overpayment and what was due. Per SERS Board policy, the Overpayment Section is to deduct half the gross of any benefit being paid toward an overpayment owed to SERS. Mr. Milone is requesting a reduced repayment amount.

After hearing Mr. Milone present his case via teleconference at their December 2019 meeting, the Committee referred the matter to Attorney Bochenek for a recommendation.

Attorney Bochenek presented Recommendation No. 2020-1 to deny Mr. Milone's request. After discussing the recommendation, a motion was made by Executive Secretary Blair to adopt the recommendation. The motion was seconded by Chairman Iglarsh and all were in favor.

Joshua Glossop – Appeal for Release from Irrevocable Agreement

In August 2019, Joshua Glossop signed an Irrevocable Payroll Authorization of Permissive Service Credits for the purchase of 48 months of active duty military time.

Mr. Glossop is requesting to be released from the irrevocable agreement due to hardship. After discussing the case at their December 2019 meeting the Committee decided to defer a decision pending further research.

After discussing the facts of the case, a motion was made by Executive Secretary Blair to approve Mr. Glossop's request due to his detrimental reliance on information provided by his agency. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Kirk Schoenbein – Appeal to Retire Reciprocally

Kirk Schoenbein is a member of the Illinois Municipal Retirement Fund (IMRF), SERS and JRS, but is not independently vested with JRS.

Mr. Schoenbein retired reciprocally with IMRF effective March 1, 2017 and is deferred with SERS until March 1, 2022 when he reaches age 60. He elected not to retire reciprocally with JRS.

Mr. Schoenbein is appealing that SERS undo his reciprocal pension with IMRF and instead retire reciprocally with JRS.

The case was deferred at the Committee's September and October meetings pending further research into the case. It was again deferred at the Committee's November and December meetings pending a decision from IMRF. After some discussion, the Committee again decided to defer the case pending a decision from IMRF.

Candyce Sharp – Appeal Non-Occupational Disability Denial

Candyce Sharp received a non-occupational disability benefit from SERS from April 5, 2019 through April 30, 2019. After inquiring as to why her benefit had stopped, Ms. Sharp was told that additional medical documentation was needed to support an extension of her benefit.

Ms. Sharp's Disability Specialist submitted all the medical documentation available to a SERS medical consultant, who determined there was insufficient evidence to support an extension of Ms. Sharp's disability benefit.

Ms. Sharp is appealing the denial of her non-occupational disability extension and requested a personal hearing at the Committee's October meeting. Ms. Sharp did not appear before the Committee at their October meeting and her case was deferred.

Ms. Sharp requested and was scheduled for a personal hearing at the Committee's January meeting with the understanding that her appeal would be considered as written if she did not appear. She again did not appear before the Committee and her case was considered accordingly.

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

Lawrence Johnson – Appeal SSA Overpayment

Lawrence Johnson was approved for a non-occupational disability benefit from SERS effective March 2016. Mr. Johnson was approved for a retroactive Social Security disability benefit effective January 2017, which created an overpayment.

SERS sent Mr. Johnson a notification letter on September 4, 2019 explaining the calculation of the overpayment and what is due. As stated in SERS Board policy, the Overpayment Section is to deduct half the gross of any benefit being paid toward an overpayment owed to SERS. Mr. Johnson is requesting a lower repayment amount. The Committee deferred Mr. Johnson's case at their December meeting pending further communication with Mr. Johnson. During a recent discussion with Mr. Johnson, he indicated a desire to initiate the retirement process. Retirement should lead to a higher monthly benefit amount, reducing the impact of recovering the overpayment.

After discussing the facts of the case, a motion was made by Chairman Iglarsh to deny Mr. Johnson's request and instead offer a repayment amount of \$551.00 per month,

that will repay the overpayment within five years. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Marilyn Laporte – Early Retirement Incentive Member Returned to Work

Marilyn Laporte participated in the Early Retirement Incentive (ERI) Buy and Quit program and has now returned to state employment.

The Pension and Death Section is asking for direction as to whether members in the ERI Buy and Quit program are due a refund of ERI contributions when they have benefitted from the service purchase for many years, including an earlier pension and several cost of living increases.

After discussion on the processing of ERI participants who return to work, it was determined by the Committee at their December meeting to defer a decision pending further research.

After further discussion of the issue, the Committee directed staff that a refund would have to be made in accordance with statute.

New Business

Laura Carpenter – Appeal Overpayment Member Returned to Work

Laura Carpenter was approved for a non-occupational disability benefit from SERS effective May 2019. It was confirmed by Secretary of State payroll that Ms. Carpenter returned to their agency payroll on August 1, 2019, after disability checks for August and September had been issued to Ms. Carpenter. This created an overpayment.

SERS sent a notification letter to Ms. Carpenter on November 1, 2019 explaining the calculation of the overpayment and what was due. Ms. Carpenter is appealing the overpayment.

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

Timothy Haslett – Appeal Pension Amount – Personal Hearing – Springfield – 9:45am

Timothy Haslett retired on March 1, 2012. In September 2019 while reviewing his file for back wage adjustment, it was discovered that his final average compensation included vacation pay which created an overpayment of benefits.

The Pension & Death section adjusted Mr. Haslett's pension amount going forward, which included a reduction of his former amount. Mr. Haslett requested a personal hearing to appeal the adjustment of his pension.

After reviewing the facts of the case and some discussion, the Committee decided to refer the case for recommendation.

Lateesha Jones – Appeal SSA Overpayment Repayment Amount

Lateesha Jones was approved for a non-occupational disability benefit from SERS effective September 2016. Ms. Jones was approved for a retroactive Social Security disability benefit effective February 2017, which created an overpayment of benefits.

SERS sent Ms. Jones a letter on October 29, 2019 explaining the calculation of the overpayment and what was due. Per SERS Board policy, the Overpayment Section is to deduct half the gross of any benefit being paid toward an overpayment owed to SERS in accordance with 5/14-125 ILCS of the Pension Code. Ms. Jones is requesting a lower repayment amount.

After discussing the facts of the case, a motion was made by Vice-Chairperson Morris to deny Ms. Jones' request and instead offer a repayment amount of \$563.50 per month, that will repay the overpayment in five years. The motion was seconded by Executive Secretary Blair and all were in favor.

Yvette Stewart – Appeal SSA Overpayment Repayment Amount

Yvette Stewart was approved for a non-occupational disability benefit from SERS effective March 2019. She was approved for a retroactive Social Security disability benefit effective December 2018, which created an overpayment of benefits.

SERS sent Ms. Stewart a letter on November 15, 2019 explaining the calculation of the overpayment and what was due. Per SERS Board policy, the Overpayment Section is to deduct half the gross of any benefit being paid toward an overpayment owed to SERS in accordance with 5/14-125 ILCS of the Pension Code. Ms. Stewart is requesting a lower repayment amount.

After discussing the facts of the case, a motion was made by Vice-Chairperson Morris to deny Ms. Stewart's request and instead offer a repayment amount of \$300.98 per month, that will repay the overpayment in five years. The motion was seconded by Chairman Iglarsh and all were in favor.

Byron Takahashi – Appeal to Receive COLA Buyout

Byron Takahashi retired effective May 2019 with a QILRDO on file. At retirement, Mr. Takahashi declined to take the COLA buyout option. However, a supplemental QILDRO order was later received dividing the COLA buyout monies.

Mr. Takahashi is appealing to receive the COLA buyout.

After some discussion, a motion was made by Chairman Iglarsh to deny Mr. Takahashi's request. The motion was seconded by Vice-Chairperson Morris and all

were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:32 a.m.

The next meeting of the Executive Committee is scheduled for February 13, 2020, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary