

MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
July 11, 2013

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, July 11, 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, Chairperson  
Timothy Blair, Executive Secretary  
Lori Laidlaw, Vice Chairperson

Others Present:

Michelle P. Clatfelter, Attorney  
Steve Bochenek, Attorney  
Kathy Yemm, Manager, Claims Division  
Michael Noblet, Supervisor, Pensions & Deaths Section  
Don Williams, Supervisor, Disability Section  
Kerry Walker, Assistant Supervisor, Disability Section  
Cory Mitchell, Assistant Supervisor, Pensions & Deaths Section  
Dawn Blakeman, Recording Secretary  
Yvonne Peter, POA for Rosilyn Hall, Hearing

Minutes of the Previous Meeting

The minutes of the June 13, 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 June, 2013 were presented. Following review and discussion, the Routine Claims and Denials Report for the period of June, 2013, as prepared by staff was received by the Executive Committee.

Old Business

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 Universities Retirement System (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 request 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 Section can contact the SURS office to verify that Mr. Saupe could change his retirement within the provisions of the law. He also wants to transfer creditable service to SERS under the provisions of SB65 providing the Police Funds of Benton and Mt. Vernon approve the repayment and transfer under the provisions of SB65.

The Pension Section Supervisor reported that the Police Fund of Benton did not approve the request of Mr. Saupe to purchase his time in their fund and therefore Mr. Saupe was not able to get to 30 years which would enable him to draw an immediate pension from SURS. The Committee directed the Pension Section Supervisor to contact Mr. Saupe to find out if he wanted to withdraw his appeal.

Following a discussion pertaining to the e-mail Mr. Saupe sent for the Executive Committee, the Committee agreed that Mr. Noblet should contact our reciprocal retirement systems' to see what they would do in this unique situation and report back to the Committee at the August meeting.

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.

The System's attorney submitted a recommendation to deny based on the facts and findings on file for the Committee's review. Following discussion, on motion by Executive Secretary Blair, seconded by Vice Chairperson Laidlaw, and by unanimous vote, the Committee accepted Recommendation No. 2013-001. A copy of this recommendation has been made a part of the member's file.

Ms. Flowers had a personal appeal on October 11, 2012. She was appealing the denial of her future occupational benefits. Her claim was deferred so additional evidence could be obtained. The additional medical was submitted and reviewed by the System's medical consultant on December 16, 2012 who determined that the medical information failed to substantiate a disabling condition. On February 14, 2013, the Executive Committee reviewed the appeal of the denial and denied her claim. Ms. Flowers is now requesting a re-appeal of the denial.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved to approve Ms. Flowers request to re-appeal the denial. Chairman Iglarsh seconded the motion and all were in favor.

On February 14, 2013, the Executive Committee reviewed the appeal of the denial and denied her claim.

Ms. Flowers is now requesting another re-appeal of the denial as she has new medical to present

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved to approve Ms. Flowers request to re-appeal the denial of the re-appeal. Chairman Iglarsh seconded the motion and all were in favor.

### New Business

#### Rosilyn Hall

#### Temporary Disability Overpayment

Yvonne Peter has Power of Attorney for her Mother Rosilyn Hall and has requested in a letter dated June 6, 2013 to attend a personal hearing with the Executive Committee.

Ms. Peter's attended a personal hearing and proceeded to explain her mother has Dementia/Alzheimer and is unable to completely understand what is going on or appeal on her own. She explained when the annual statement arrived it said her mother could take a refund of contributions, she felt relieved thinking she would have help to care for her mother. She stated her mother had endowed several operations to correct the injury that was the cause of her occupational disability and to this day she still has to wear a brace on her right arm.

The disability Supervisor Mr. Williams explained to Ms. Peter's that her mother incurred an overpayment of temporary disability benefits from SERS due to her approval of Workers' compensation benefits for the same time period. After Ms. Hall received the lump sum payment from Workers' compensation in 1996, SERS employees then attempted to contact Ms. Hall by letters and phone regarding the overpayment. However, after several unsuccessful attempts of collection through SERS and two Collection Agencies, SERS placed an Involuntary Withholding order with the State of Illinois Comptroller's office against Rosilyn Hall's social security number.

Ms. Peter said she now understands why the warrant was intercepted however, she still could use the money if there was any way SERS could help her out it would be a blessing.

After some discussion it was determined that SERS will research Ms Hall's disability further by contacting her doctors and having them forward any additional information to the Disability Supervisor for review.

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

#### Sandra Evering

#### Pension /Rule of 85

Sandra Evering has applied for a retirement annuity from the System to be effective May 1, 2013 with the rule of 85.

Based on a review of the file and information submitted, the Committee finds Sandra Evering worked for a state agency and resigned from her position.

Prior to application for her retirement annuity, Ms. Evering came to the office to talk with a counselor and received an estimate at that time. This estimate indicated Ms. Evering qualified for a retirement annuity under the "Rule of 85" the end of April, 2013.

However, when Ms. Evering's pension was ready to be calculated, it was discovered that she was .75 months short of meeting the Rule of 85.

If Ms. Evering's retirement annuity application is processed without the "Rule of 85" it would cause her retirement annuity to be reduced for age because she is short of meeting the "Rule of 85" by .75 months of service credit.

Sandra Evering has submitted a written appeal requesting that her .75 months of service credit be granted to her for free so she meets the Rule of 85 and is eligible to retire without a reduction for age.

After discussion the Committee recommended the appeal of Sandra Evering's request for an additional .75 months of service credit be denied and recommended approval to waive the reduction for age.

Following a review of the file and some discussion, Secretary Blair moved to deny the .75 months of service credit and approve the waiver for the reduction for age. Vice-Chairperson Laidlaw seconded the motion and all were in favor.

Betty Burnett Survivor Benefits

Betty Burnett has been receiving a survivor annuity from her deceased husband Bernard Brown since January 19, 2003.

Based on a review of the file and information submitted, the Committee finds Betty Burnett has been receiving a survivor annuity since January 19, 2003.

She remarried in 2007 to state retiree Ivan L. Burnett. Mr. Burnett passed away on May 20, 2013. Mrs. Burnett is now requesting to receive both survivor benefits.

After discussion the Committee finds that the law states: "If a survivor's annuity beneficiary becomes entitled to a widow's annuity or one or more survivor's annuities or both such annuities, the beneficiary shall elect to receive only one of such annuities."

Therefore, the committee has recommended to deny, Mrs. Burnett's request to receive both survivor benefits.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved to deny the appeal of Betty Burnett to receive two survivor benefits. Secretary Blair seconded the motion and all were in favor.

Roy Hughes Occupational Disability/12months

Roy Hughes works for a state agency and a service connected leave of absence was granted.

Mr. Hughes' 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 Roy Hughes 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.

Mr. Hughes 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, Vice Chairperson Laidlaw moved approval of the appeal of Roy Hughes for a waiver of the twelve month filing limitation for occupational disability. Chairman Iglarsh seconded the motion, and all were in favor.

Rita McClusky Non-Occupational Disability/Re-Appeal

Rita McClusky works for a state agency and a medical leave of absence was granted.

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

Ms. McClusky's file was reviewed by the System's medical consultant on 10/10/12, 12/9/12 and it was determined the records in file did not establish a disabling impairment. Based on the medical documentation available, Ms. McClusky's claim for disability benefits was denied.

Rita McClusky requested a written appeal pursuant to the denial of disability benefits.

In a written appeal letter dated December 12, 2012 she explained she has more medical information and would forward them right away and that her counselor would also be available by phone.

The additional medical information was received and on 01/09/13 the entire file was reviewed by SERS Medical Consultant who determined that the medical information failed to substantiate a disabling condition.

Following a review of the file and some discussion, Secretary Blair moved that the appeal of Rita McClusky be denied. Chairman Iglarsh seconded the motion, and all were in favor.

In a letter received June 12, 2013 Ms. McClusky is requesting a re-appeal for non-occupational disability as she has new medical she would like considered. Her file has been referred to our Psychiatrist for review.

On August 29, 2012, Attorney Carl Draper, on behalf of David Sharp, filed a Complaint for Administrative Review, case No. 2012-MR-000725, alleging that the State Employees Retirement System (“SERS”) violated various provisions of the Illinois Administrative Procedure Act (“IAPA”). These allegations prompted a discussion at the September 13, 2012, SERS Executive Committee meeting. The System’s attorney advised that SERS likely does not qualify as an “agency” to which the IAPA applies, but noted that the issue is one of first impression.

The Executive Committee and the System’s attorney then discussed those practices of SERS which are inconsistent with the IAPA. After some discussion, the Executive Committee requested that the System’s attorney prepare a memorandum for the SERS Board of Trustees to review at its October meeting.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:45 A.M. The next meeting of the Executive Committee is scheduled for Tuesday, August 8, 2013, in the Springfield office, with video conferencing in Chicago if needed.

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Loren Iglarsh  
Chairman

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Lori Laidlaw  
Vice Chairperson

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Timothy Blair  
Executive Secretary