

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

July 10, 2014

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, July 10, 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  
Don Williams, Supervisor, Disability Section  
Mike Noblet, Supervisor, Pension and Death Section  
Cory Mitchell, Assistant Supervisor, Pensions & Deaths Section  
Nick Merrill, Accounting Dept  
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the June 12th, 2014 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, and 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 June, 2014 were presented. Following review and discussion, the Routine Claims and Denials Report for the period of June, 2014, as prepared by staff, was received by the Executive Committee.

**Old Business**

Alice Short

Occupational Disability

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Alice Short works for a state agency and was granted a medical leave of absence. Ms. Short's claim for disability benefits was previously denied based on a review of medical documentation. Alice Short had a personal hearing at the February 6, 2014 meeting, represented by her attorney Steven W. Berg, to appeal the denial of occupational disability benefits. Based on her job duty descriptions,

our medical consultant did not find Ms. Short to be disabled from performing the duties of her job. Ms. Short claimed the Job Duty Statement was not completed accurately. At the February 6, 2014 meeting, Ms. Short's appeal was deferred and it was decided that SERS would request a new job duty statement from Ms. Short's supervisor and set up another evaluation with the System's medical consultant using the new job duty statement.

SERS received an updated job duty statement and it was sent to our medical consultant for review. Ms. Short's agency indicated that help is available to her for heavy and above the shoulder lifting. Our medical consultant reviewed the updated job description and the agency's willingness to provide assistance when needed and opined she could return to work. It was agreed that Attorney Berg will be given an opportunity to depose our medical consultant. That deposition was completed and referred to the Committee. Attorney Berg accompanied Ms. Short to the July meeting. He signed a Waiver of Procedures form in regards to Ms. Short's case and introduced some additional evidence.

Attorney Berg argued that the medical consultant who saw Ms. Short has never treated anyone with these problems and he (the consultant) ignored positive findings of other doctors. Ms. Short stated that her job duty statement is incorrect and she does not always have help available to her when needed.

After hearing the facts on the case, the Committee determined they would need additional medical office notes from 2007 to the present from Ms. Short's psychiatrist. Mr. Berg indicated he would get the information. The Committee has deferred this case until any new information is received and reviewed.

David Harris

Pension

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David Harris worked at the Department of Financial and Professional Regulations before he retired. The System previously denied Mr. Harris' request to be allowed to retire under the alternative formula. Mr. Harris appealed to the circuit court and this matter was remanded to the System for additional consideration. Mr. Rhine, Mr. Harris' attorney, was present for a pre-hearing video conference at the Chicago office. After discussing the case, a hearing date was set for the August 14, 2014 Executive Committee meeting at 11:00 a.m.

John Hartnett

Level Income - RTW

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John Hartnett originally retired May 1, 2003 electing the Level Income Option and subsequently returned to work September 4, 2012. Upon his return, SERS refunded his ERI contributions and adjusted his service credit. Mr. Hartnett is currently working and is contemplating retiring again.

The Pension Section is seeking advice as to whether his "second" retirement would be calculated using the level income option since his "first" retirement was based on Mr. Hartnett selecting a level income option. Attorney Bochenek previously advised the Committee that the Pension Code was silent on this question but that there were difficulties in continuing with the initial election.

At the May Executive Committee meeting, Steve Bochenek, SERS' attorney, recommended working up figures on different scenarios to propose to Mr. Hartnett. Tim will send these scenarios to

Attorney Bochenek for review and consideration of whether any new policies should be adopted by the Executive Committee regarding this issue.

The Committee deferred the case until further information is received.

Aubra Hall

Adult Disabled Child

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Aubra Hall requested a personal hearing in a letter received by this office on April 17, 2014, regarding the decision that he does not have a disabling impairment. Mr. Hall signed a Waiver of Procedures form.

Joyce Appling retired from the State of Illinois effective January 1, 2006. Upon her death on October 12, 2012, we were contacted by her son, Aubra Hall, indicating he wanted to apply for disabled adult child benefits on his mother's account. Mr. Hall is receiving disabled child benefits from the Social Security Administration on his mother's account. When Joyce Appling originally returned her pension application she did not list any disabled adult children. Later, she listed Aubra Hall as a disabled adult child.

Aubra Hall submitted medical information in order to qualify for benefits. Mr. Hall's file was reviewed by a SERS medical consultant, who stated the medical evidence in file does not establish the presence of a disabling impairment.

Mr. Hall has been unable to locate any tax forms to support his case; however, he sent in Social Security information showing he is disabled as of April 30, 1991 (now that his mother is deceased he is drawing off of his mother's account). A new medical was sent to our SERS physician to help determine if Aubra Hall is disabled from a physical and/or mental standpoint. SERS will attempt to get medical on Mr. Hall from Social Security.

Cory Mitchell will call his adopted brother's guardian for further information regarding Aubra Hall's support status. Chairman Iglarsh motioned to defer until we get more updated medical and/or other information.

Patricia Kimmel

Pension – Approval to Waive Overpayment

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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.

Stefanos Vasilakis

Temporary Disability Benefit

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Stefanos Vasilakis is requesting a written appeal with the Executive Committee. He was receiving temporary disability from SERS. Mr. Vasilakis' disability was reviewed by a medical doctor at SERS' request and his benefits were terminated October 31, 2013.

Mr. Vasilakis' temporary disability benefit is a zero sum due to the amount he receives from Social Security. He is asking we continue his service credit to his pension.

At the June 12, 2014 Executive Committee meeting, it was decided to suspend benefits effective March 31, 2014, and to defer further action to allow the member to submit additional medical information and the System's medical consultant to review all medical documentation. Additional medical information was reviewed by the SERS' medical consultant who concluded that Stefanos Vasilakis was not disabled from performing the duties of his job. A motion was made by Chairman Iglarsh to deny further benefits. Executive Secretary Blair seconded the motion and all were in favor.

### **New Business**

Matthew

Pension Less than Estimate

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Matthew Wettig was mailed a pension estimate in January, 2014 showing a monthly pension amount of \$5,050.50 if he purchased 1.50 months of his paid sick and vacation days. This estimate assumed a retirement date of May 1, 2014 and 5.00 months of unpaid sick days. This estimate also used his final rate of pay to calculate his pension.

This pension estimate was incorrect because Mr. Wettig would have been 1.50 months short of 20 years in the alternative formula, so we would not have been able to use his final rate of pay and would instead have to use his final average compensation.

Matthew Wettig retired effective May 1, 2014. He did not purchase service credit from his sick and vacation days. Mr. Wettig had 4.25 months of unpaid sick days at the time of his retirement; this made him 3.75 months short of having 20 years in the alternative formula.

Mr. Wettig can purchase 3.00 months of service for his paid sick and vacation days, as he is within 90 days of separation; however, he will still be .75 months short of having 20 years in the alternative formula. Mr. Wettig wants his pension to be based on 20 years of alternative formula so we may use his rate of pay instead of his final average compensation.

Mr. Wettig appeared before the Committee and it was determined that he and Trustee Laidlaw knew each other from Union business. Mr. Wettig was asked if he preferred Trustee Laidlaw be recused from his hearing, but he declined. He also signed a Waiver of Procedures form.

Chairman Iglarsh made a motion to approve Mr. Wettig's pension being based on his final rate of pay, using the service credit in his record, plus the additional service credit he can purchase for paid sick and vacation, seconded by Vice Chairperson Laidlaw. All were in favor.

Frank Amato

Wrong Ceasing Date

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Frank Amato originally began an occupational leave January 25, 2008. Because Mr. Amato was over 60 years old, he was entitled to 5 years of disability. His ceasing date was January 31, 2013.

Mr. Amato's workers' compensation benefits were stopped on January 31, 2009 causing our occupational disability benefits to stop at the same time. Mr. Amato's workers' compensation benefits were reinstated February 1, 2009. His occupational disability benefits were also reinstated February 1, 2009; however, when his benefits were reinstated, the system incorrectly added a year on to his ceasing date resulting in an overpayment of \$10,068.51. Mr. Amato is appealing the overpayment.

Frank Amato's case is deferred to allow for a personal hearing.

Benita Walker

Disability Benefits Suspended

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Benita Walker works as an Account Clerk 2 for the Illinois Department of Corrections at Stateville Correctional Center. She last worked on January 6, 2014 and began her medical leave of absence on January 7, 2014.

Her file went for medical review on April 22, 2014. It was at that time determined that though this member did have a medical impairment, it was established that the severity and limitations due to the impairment did not preclude the performance of sedentary work as was described. It was therefore determined that the medical evidence in file did not substantiate the presence of a disabling impairment. Her nonoccupational disability claim went before the Executive Committee April 10, 2014 and was denied. Ms. Walker disagrees with the temporary denial of her benefits and is requesting a written appeal.

After some discussion, Chairman Iglarsh stated that the System needed neurological notes regarding Ms. Walker before making a decision. The matter was deferred.

Kimberly Cochran

Pension – Re-appeal

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Kimberly Cochran would like to re-appeal the Board of Trustees' decision regarding her monthly pension annuity. The committee reviewed this case and determined there was no new evidence presented to justify a re-appeal. Chairperson Laidlaw made a motion to deny the re-appeal, seconded by Executive Director Blair. All were in favor.

Kimberly Cochran

Pension – Re-appeal

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Beverly Bynum was approved for temporary disability benefits from SERS effective October 9, 2012. Ms. Bynum returned to work on March 12, 2013; however SERS was not notified in a timely manner, therefore she incurred an overpayment of disability benefits in the amount of \$3,198.73 for the time period of March 12, 2013 through May 31, 2013. At the time the removal was prepared to stop her benefits, it contained incorrect information which resulted in Ms. Bynum continuing to receive disability payments for the time period of June 1, 2013 through August 31, 2013. These benefits, which were paid to her in error after she had returned to work, resulted in an additional overpayment in the amount of \$7,812.40, for a new total overpayment of \$11,011.13.

After she was billed for her original overpayment in May, 2013, Ms. Bynum contacted SERS and eventually returned the Repayment Contract. SERS then began receiving \$125.00 per pay which was applied to her overpayment. Upon discovery of the second overpayment Ms. Bynum was billed, but she did not respond to our requests for repayment of the additional monies paid to her in error. Ms. Bynum was then discharged from her job in November, 2013 and no further payroll deduction monies were received. The current total balance of her overpayment is \$9,761.33.

In February, 2014, Ms. Bynum applied for a refund of her contributions and at that time she also indicated to SERS that she had filed for bankruptcy. Due to the fact that SERS had not received the official notice of bankruptcy filing, SERS was unable to release the refund.

On April 28, 2014, SERS received a "discharge of debtor" as a result of Ms. Bynum's filing of Chapter 7 bankruptcy. SERS then wrote to her and informed her that based on her bankruptcy filing, SERS was barred from collection with the exception of collection under the theory of recoupment, which states that "SERS has the right to recover the overpayment from any future benefits or refunds paid by SERS".

In May, 2014, Ms. Bynum submitted a second request for a refund (which again included an indication that she wanted to rollover a portion of her contributions). She was reminded that SERS had the right to recover the overpaid amount through the theory of recoupment and she withdrew her request for a refund.

On June 23, 2014, Ms. Bynum again contacted SERS asking to receive a refund of her contributions. SERS responded again that we had the right to recover; however she requested the right to file an appeal in order for her to be allowed to receive a contribution refund on the basis that she is a single mother of four children who has no means of support for her children. In that request she acknowledged that she misunderstood and misused funds from SERS.

Based on Ms. Bynum's retirement account, she has contributions on deposit less than the current balance of the overpayment owed. If she was granted the right to a refund, SERS would have no recourse to recover the overpayment and the debt would ultimately be written off. After a review of the case and some discussion, Vice Chairperson Laidlaw made a motion to deny Ms. Bynum's request to waive the overpayment, seconded by Executive Secretary Blair. All were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 12:07 p.m. The next meeting of the Executive Committee is scheduled for Thursday, August 14th, 2014, in the Springfield office, with video conferencing in Chicago.

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Loren Iglarsh  
Chairman

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Lori Laidlaw  
Vice Chairperson

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Timothy Blair  
Executive Secretary