

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

July 9, 2015

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, July 9, 2015 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:

Emily Reid-Peterson, Attorney  
Kathy Yemm, Claims Manager  
Don Williams, Supervisor, Disability Section  
Kerry Walker, Disability Section  
Mike Noblet, Supervisor, Pension and Death Section  
Cory Mitchell, Pension and Death Section  
Joseph Maggio, Manager, Service and Refunds Division  
Jeff Houch, Assistant to Executive Secretary  
Beth Rogers, Claimant (Spfld. hearing)  
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the June 11, 2015 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 and seconded by Chairman Iglarsh, 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, 2015 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of June, 2015, as prepared by staff, was reviewed by the Executive Committee. There being no additions or corrections, on motion by Executive Secretary Blair and seconded by Vice Chairperson Morris, and by unanimous vote, the Routine Claims and Denials Report was approved as submitted.

Old Business

Brenda Sawyer

Temporary Disability

Ms. Sawyer is employed by the Secretary of State as an Administrative Assistant III Case Worker. Ms. Sawyer last worked June 10, 2014 and began a medical leave of absence June 16, 2014. She was expected to be off work for 8 weeks but at this time she is still off work. Ms. Sawyer filed a workers' compensation claim which was denied on June 20, 2014. She has applied for temporary disability benefits through SERS. Ms. Sawyer had an allergic reaction at work on June 10, 2014. Ms. Sawyer was referred to Phillip Wuertz, LCSW, whom she has been seeing since September 2, 2014. Ms. Sawyer's file was reviewed by Medical Consultant #70. Overall, the history demonstrates that she is an insightful and compliant person. There has been improvement since the initial event, and a good prognosis is anticipated. In my opinion the illness is not severe, and she is not considered to be disabled from performing the duties of her job.

Ms. Sawyer was seen by Louis B. Cady, M.D. It is his opinion she has continuously, since June 14, 2014, been unable to perform her position or, in fact, be engaged in any active employment. Given the circumstances, she is not able to perform the duties assigned to her at this time. Medical Consultant #70 reviewed Dr. Cady's report and opined Ms. Sawyer has been diagnosed with an unusual illness, which may have work implications, but the other symptoms do not prevent the performance of work. Ms. Sawyer was evaluated on March 31, 2015 by M.A. Park, M.D., at Mayo Clinic. Medical Consultant #70 reviewed Dr. Park's medical records and opined the latest medical data does not support the presence of a disability.

Ms. Brenda Sawyer was present at the May 14, 2015 meeting and gave an in-depth accounting of her illness. She stated she is still undergoing medical testing and depending on the outcome, will see if her condition could be treated or controlled. After hearing the basis of the appeal at the May 14th Executive Committee, Attorney Reid-Peterson advised she will pass on the information to Attorney Bochenek. Ms. Sawyer's agency was contacted regarding her working conditions to see if anything could be altered to accommodate her situation in the work environment. At the present time, nothing would be done. After some discussion by the Executive Committee at its June, 2015 meeting, the case was referred to Attorney Bochenek for a recommendation to present at the July Executive Committee meeting.

At the July, 2015 Executive Committee meeting the Committee determined that it needed to refer this matter to one of the medical consultants for the System for their review and opinion.

Michael Murphy

Incorrect Rate of Pay

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Michael Murphy had requested a personal appeal with the Executive Committee. He retired effective September 1, 2013 under the alternative formula. His rate of pay was reported by the agency as \$7,677.00; his final average compensation (FAC) was \$6,238.44. When computing his pension a cap was applied to the rate of pay because it exceeded 115% of the FAC.

Salary rates were frozen for several agencies from July, 2011 through June, 2013. Effective July, 2013 rates were corrected at the agencies. Mr. Murphy telephoned our office several times to inquire about the cap applied to his pension amount. Staff explained to him that the cap would apply until the agency paid his back wages to him so he would then have the wages to back up the higher rate of pay. This policy was later changed and the cap was removed. SERS received a revised 3900 from the agency showing the member's rate of pay should have been \$7,286.00 at the time of his retirement, not \$7,677.00. This error created an overpayment in the amount of \$3,289.02 for the

period of September 1, 2013 through May 31, 2015. Mr. Murphy's gross pension amount decreased from \$5,731.13 to \$5,574.51 per month.

Mr. Murphy is requesting for his pension to be calculated using the higher rate of pay (which would also remove his overpayment) because that is what he expected; otherwise, he states he would have worked for another year.

After some discussion, this matter was referred to Attorney Bochenek for a recommendation to present at the July Executive Committee meeting. At the July, 2015 meeting, Attorney Bochenek presented a Recommendation No. 2015-06 for the Committee to grant the appeal of Michael Murphy to request that his pension not be reduced based upon the corrected information provided by the Department of Corrections but recommends that his appeal be denied as to his request that his pension be adjusted prospectively based on the fact that no final average compensation cap should be applied to his pension based upon the corrected information provided by the Department of Corrections.

After some discussion, Chairman Iglarsh moved approval of Recommendation No. 2015-06, seconded by Vice Chairperson Morris. All were in favor.

### **New Business**

Patricia Hunter

Reduction of Repayment

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Patricia Hunter is asking for an appeal of her monthly repayment plan amount which was previously set by the SERS Executive Committee in September 2014, and then adjusted as a result of an informal conference with Vouchering in May 2015.

Ms. Hunter was scheduled for a personal appeal at the July 9, 2015 Executive Committee meeting but had to cancel at the last minute. Ms. Hunter's case has been deferred until the August, 2015 meeting.

Beth Rogers

Service Credit

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Ms. Rogers requested a personal appeal before the Executive Committee. She is requesting that she be allowed to purchase service credit for time that she worked for the Illinois Farm Development Authority from May, 1993 to December 31, 2003 (10.5 years).

Article 5/14-103.04 defines Department as any department, institution, board, commission, officer, court, or any agency of the State having power to certify payrolls to the State Comptroller authorizing payments of salary or wages against State appropriations, or against trust funds held by the State Treasurer, except those departments included under the term "employer" in the State Universities Retirement System. "Department" includes the Illinois Development Finance Authority. "Department" also includes the Illinois Comprehensive Health Insurance Board.

Article 5/14-403.05 defines Employee as any person employed by a Department who receives salary for personal services rendered to the Department on a warrant issued pursuant to a payroll voucher certified by a Department and drawn by the State Comptroller upon the State Treasurer, including

an elected official described in subparagraph (d) of Section 14-104, shall become an employee for purpose of membership in the Retirement System on the first day of such employment.

Article 5/14-103.06 defines Member as any employee included in the membership of the system; and any former employee who made contributions to the system and has not received a refund and who is not receiving a retirement annuity under this Article.

Ms. Rogers presented her case before the Executive Committee and the Committee agreed to consider her appeal. In particular, additional research was needed to see if Ms. Rogers should be considered as an employee of the Illinois Finance Authority for the period in question.

April Brown

Occupational Disability

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April Brown is challenging our authority to collect an overpayment after SERS paid the member temporary disability benefits. Ms. Brown was paid temporary disability benefits from February 22, 2013 through August 20, 2013. She then settled her workers compensation claim for \$64,399.00, receiving \$52,302.82 after fees.

When the settlement was approved by an arbitrator of the IWCC this made her claim an occupational claim. SERS then converted her temporary disability benefit to an occupational benefit (7N), resulting in an overpayment of \$9,318.00. Ms. Brown is not challenging the amount, but rather SERS' authority to convert her benefit claim, resulting in the overpayment.

After some discussion, a motion was made by Executive Secretary Blair to deny the request and for Ms. Brown to remain on occupational disability and continue with the collection of the overpayment, seconded by Chairman Iglarsh. All were in favor.

Sierra Burge

Nonoccupational Disability – 90 day waiver

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Sierra Burge works as a Technical Manager II for IDOT. She last worked on January 16, 2014. She began a medical leave of absence on March 6, 2014 due to pre-term delivery.

She has requested a written appeal to the Executive Committee so that the 90 day filing limitation can be waived.

After some discussion, a motion was made by Chairman Iglarsh to approve the waiver for the filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Gayle Vandenberg

Waiver of 12 month filing period

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Gayle Vandenberg works as an Administrative Assistant II for the Department of Natural Resources. She last worked on February 16, 2007. She began a service connected leave on March 1, 2007 due to an injury which occurred while she was working. She returned to work on July 16, 2007. She was paid TTD for this time period. She has requested a written appeal to the Executive Committee so that the 12 month filing limitation can be waived.

After some discussion, Chairman Iglarsh moved for approval of Ms. Vandenberg's request to waive the 12 month filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Gayle Vandenberg

Waiver of 12 month filing period

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Gayle Vandenberg works as an Administrative Assistant II for the Department of Natural Resources. She last worked on February 16, 2007. She began a service connected leave on March 1, 2007 due to an injury which occurred while she was working. She returned to work on July 16, 2007. She was paid TTD for this time period.

She has requested a written appeal to the Executive Committee so that the 12 month filing limitation can be waived.

After some discussion, Chairman Iglarsh moved for approval of Ms. Vandenberg's request to waive the 12 month filing limitation, seconded by Vice Chairperson Morris. All were in favor.

John Rojas

Waiver of 12 month filing period

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John Rojas works as a Juvenile Justice Specialist at the Illinois Youth Center. He last worked on June 27, 2013. He began a medical leave of absence on December 9, 2013 due to an injury which occurred while he was working. He was paid TTD for this time period.

He has requested a written appeal to the Executive Committee so that the 12 month filing limitation can be waived.

After some discussion, Executive Secretary Blair moved for approval of Mr. Rojas' request to waive the 12 month filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Judy Walters

Waiver of 12 month filing period

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Judy Walters works as an Administrative Assistant II for the Illinois State Police Public Safety Shared Services Center. She was injured at work on October 27, 2010. She stopped work on December 13, 2010 and was paid until December 22, 2010. She began a non-service connected leave of absence on December 23, 2010. On April 26, 2011 she went on a service connected leave of absence.

Ms. Walters is asking the Executive Committee to waive the 12 month filing limitation, as she was misinformed of her right to file for an occupational disability benefit by her personnel office. She is asking to receive SERS occupational disability benefits from April 26, 2011 through February 29, 2012, as she was paid TTD from IWCC during that period.

After some discussion, Chairman Iglarsh moved for approval of Ms. Walters' request to waive the 12 month filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Kevin Williams

Appealing denial of nonoccupational disability

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Kevin Williams is employed by the Department of Children and Family Services as an Advanced Child Welfare Specialist. He last worked on October 23, 2014 and began a medical leave of absence on

October 27, 2014. Mr. Williams' medical has been evaluated by our medical consultant three times and denied each time. His case was reviewed in an informal hearing and now he is requesting an appeal to the Executive Committee so that he can appeal this denial.

After some discussion, Vice Chairperson Morris moved to deny Mr. Williams' request for a reappeal, seconded by Chairman Iglarsh. All were in favor.

Carolyn Jordan

Requesting Re-appeal

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Carolyn Jordan works as a Public Service Administrator for the Illinois Department of Children and Family Services. She last worked on January 31, 2014 and began a medical leave of absence on April 24, 2014.

Ms. Jordan was denied by our medical consultant due to insufficient medical evidence. She was notified of her appeal rights as of July 24, 2014. She did not respond by filing an appeal within the appropriate time frame and her case was purged. Member is now requesting a re-appeal of the original decision. Ms. Jordan did not appeal the 1st case and was beyond the 30 day timeframe. She has provided additional medical evidence.

After some discussion, Chairman Iglarsh motioned to deny Ms. Jordan's request for a re-appeal for benefits, seconded by Executive Secretary Blair. All were in favor.

Kimberly Stewart

Request for Waiver of death benefit

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A beneficiary of Kimberly Stewart is requesting a waiver of death benefit. Kimberly Stewart, an inactive state employee, died on May 27, 2014. A death benefit is payable in the amount of \$31,634.95

Ms. Stewart's most recent beneficiary form was completed in 1992. She listed two beneficiaries although it is not clear as to which beneficiary should be the primary beneficiary and which beneficiary should be contingent.

Derrick Stewart has signed a waiver of benefits for his portion of the death benefit so his son, Brodney Stewart, can receive the lump sum benefit. Ms. Stewart had an overpayment with a remaining balance of \$11,233.00. The balance will be deducted from the lump sum before the payout. Derrick Stewart is entitled to a survivor benefit.

After some discussion, Chairman Iglarsh moved for approval for waiver of death benefit to Derrick Stewart, subject to verifying 2nd marriage by certificate, seconded by Executive Secretary Blair. All were in favor.

Steven Gordon

Optional Service – return of money

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Steven Gordon has requested a written appeal before the Executive Committee.

He is requesting for a return of money that he paid for creditable service that he established under the provisions of Senate Bill 65.

Senate Bill 65 provided that a State policeman, conservation police officer, or investigator for the Secretary of State may elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3, a policeman under Article 5, a sheriff's law enforcement, employee under Article 7, a member of the county police department under Article 9, or a police officer under Article 15 by filing a written election with the Board and paying to the System an amount to be determined by the Board, equal to (i) the difference between the amount of employee and employer contributions transferred to the System under Section 3-110.6, 5-236, 7-139.8, 9-121.10, or 15-134.4 and the amounts that would have been contributed had such contributions been made at the rates applicable to State policemen, plus (ii) interest thereon at the effective rate for each year, compounded annually, from the date of service to the date of payment.

After establishing 11 months of creditable service under the provisions of Senate Bill 65, Mr. Gordon continued to work and accumulated additional sick and vacation time in addition to his salary. He did initiate his intention to establish the optional credit provided for under the provisions of Senate Bill 65.

After some discussion, motion was made by Executive Secretary Blair to deny Mr. Gordon's request for the return of money paid for creditable service, seconded by Vice Chairperson Morris. All were in favor.

Christopher Parker

Occupational Disability Benefits

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Christopher Parker works as a Highway Maintainer for IDOT. He recently received an award from the Illinois Workers' Compensation Commission (IWCC) paying him workers' compensation benefits from December 19, 2013 through March 18, 2014. Those benefits have been paid.

He has requested a written appeal to the Executive Committee so the 12 month filing limitation can be waived. He claims he didn't apply because his claim has been in the IWCC for the last two years.

After some discussion, Chairman Iglarsh moved for approval of the 12 month filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Edward Palla Jr.

Temporary Disability Benefits

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Mr. Palla worked at the tollway as a custodian and slipped and fell causing injuries. Mr. Palla was paid occupational disability from May 3, 2006 through October 22, 2006. Mr. Palla's workers' compensation was then stopped. We sent Mr. Palla a temporary disability packet August 27, 2006; for whatever reason, he did not return the packet.

Mr. Palla is requesting the Executive Committee waive the filing limitation. Mr. Palla only had 4 years of service at the time of the injury.

After some discussion, Executive Secretary Blair moved to deny the request to waive the filing limitation, seconded by Chairman Iglarsh. All were in favor.

Connie Edwards

Opinion needed regarding pension eligibility

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Connie Edwards has applied for a retirement benefit effective June 1, 2015. She did not receive a pension estimate from SERS, but her annual benefit statements provided her with a retirement date of June 1, 2015.

When her file was processed, an audit was performed on her account and it was discovered that she had .50 month excess service credit between disability payments and salary payments for the months of August, 2004 and October, 2004. This adjustment has left her .25 month short of meeting the Rule of 85 by June 1, 2015. She does not have any unpaid sick days, paid sick days, or vacation days to establish additional service credit. She does have several leaves of absence she could purchase. The most recent leave of absence was in 1989.

The member's annual benefit statement has been incorrect since 2005, providing her with a retirement effective date of June 1, 2015. The Pension Section is asking for an opinion on this case, as to whether a pension could be payable while being short .25 month credit; should she purchase the most recent leave of absence of .75 month of service and if so, what date should the interest be stopped.

After some discussion, a motion was made by Executive Secretary Blair to allow Ms. Edwards to establish .75 month service credit and pay interest through the end of May if paid within 30 days, seconded by Vice Chairperson Morris. All were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:20 a.m.

The next meeting of the Executive Committee is scheduled for Thursday, August 13, 2015, 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