

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
July 14, 2016

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, July 14, 2016 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members:

Loren Iglarsh, Chairperson
David Morris, Vice Chairperson
Timothy Blair, Executive Secretary

Others Present:

Steve Bochenek, SERS Attorney
Jeff Houch, Assistant Executive Secretary
Kathy Yemm, Claims Manager
Don Williams, Supervisor, Disability Section
Kerry Walker, Disability Section
Cory Mitchell, Pension and Death Section
Joe Maggio, Service and Refunds Manager
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the June 9, 2016 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 Executive Secretary Blair and seconded by Vice Chairperson Morris, 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, 2016 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of June, 2016, as prepared by staff, was reviewed and received by the Executive Committee.

Old Business

Joseph Zappa – Disability Denial/Felony

Joseph Zappa was present at the May 2016 Executive Committee meeting, along with his attorney, Carl Draper. Joseph Zappa is an Environmental Specialist III for EPA. His last day worked was January 27, 2016. Mr. Zappa has applied for a nonoccupational disability benefit. The Disability Section denied his application for disability.

Joseph Zappa was convicted of a felony on July 7, 1995 which was directly related to his employment with the Secretary of State. He was sentenced to a term of 36 months of probation. He successfully completed his sentence on July 2, 1998. He returned to state employment and has continuously been employed with the Illinois Environmental Protection Agency since June 16, 1999.

After Attorney Draper presented his case, the Executive Committee discussed the case and it was decided to refer to SERS' attorney, Steve Bochenek, to review.

At the June meeting Attorney Bochenek discussed the case with the Executive Committee and said he will present an informal opinion at the July, 2016 meeting.

At the July meeting Attorney Bochenek presented his opinion whereby he advised that because Mr. Zappa was employed by two separate employers with a break in service between those periods based on the felony conviction with Mr. Zappa being rehired after the break in service, which created two separate employment periods, Mr. Zappa should be entitled to the benefits for his second period of employment; however, his first employment period is forfeited due to the felony conviction. Therefore, Mr. Zappa is entitled to disability benefits for the time he has accrued during the second period of employment.

After some discussion, a motion was made by Chairman Iglarsh to approve disability benefits for Mr. Zappa based on his second period of employment and that his first period of employment remains forfeited with no right to repay his refund of contributions, seconded by Vice Chairperson Morris. All were in favor.

Cynthia Hogueisson Cronk – 1/2 time ceasing date – Deferred

New Business

Ward Arjes-Maddox – Occ – Waive 12 month filing period

Ward Arjes-Maddox works as a highway maintainer for the Illinois Department of Transportation. He last worked on November 19, 2013. He began a service connected leave of absence on November 27, 2013 and returned to work on February 25, 2015.

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

After some discussion, a motion was made by Chairman Iglarsh to approve Mr. Arjes-Maddox's request to appeal the 12 month filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Curtis Wooters – Occ – Waive 12 month filing period

Curtis Wooters works as a Chief Engineer for the Department of Corrections. He last worked on February 13, 2011 and began a service connected leave on February 18, 2011. He returned to work on April 9, 2012. He also last worked on October 24, 2014 and began a service connected leave on October 31, 2014 with a return to work date of January 5, 2015.

He has requested a written appeal to the Executive Committee to have the 12 month filing limitations be waived. He was paid TTD for these time periods.

After some discussion, a motion was made by Chairman Iglarsh to approve Mr. Wooters' request to appeal the 12 month filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Glenda Coney – Nonocc – Waive 90 day filing period

Glenda Coney works as a Public Service Administrator for the Department of Public Health. She last worked on January 26, 2016. She began a medical leave of absence on February 18, 2016 and returned to work on May 10, 2016.

She requested a written appeal to the Executive Committee to have the 90 day filing limitation waived. Medical information has been obtained.

After discussing the file, a motion was made by Chairman Iglarsh to approve Ms. Coney's request to waive the 90 day filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Kimberly Berg – Request reduced payment for overpayment

Roger Berg, a state retiree, died on July 26, 2015. His surviving spouse, Kimberly Berg, is receiving disabled widow's benefits from the Social Security Administration.

The monthly survivor annuity paid should have been reduced due to the social security offset, creating an overpayment from August 1, 2015 through April 30, 2016 in the amount of \$1,317.82.

Ms. Berg is asking for the overpayment to be repaid by applying payments from her survivor annuity of \$20.00 per month, which would take almost 66 months to complete the repayment.

After some discussion, a motion was made by Vice Chairperson Morris to approve Ms. Berg's request to have her overpayment repayment amount reduced to the amount of \$50.00 per month, seconded by Chairman Iglarsh. All were in favor.

Jeanette Harris – Request to retire reciprocally

Jeanette Harris retired April 1, 2016. She did not choose reciprocity on her pension application. Ms. Harris is asking to have her pension calculated reciprocally with the County Employees' Annuity and Benefit Fund of Cook County. There would be no change to her benefit amount from SERS.

After some discussion, Chairman Iglarsh moved for approval of Ms. Harris' request to retire reciprocally, seconded by Vice Chairperson Morris. All were in favor.

Thomas Cianferri – Waiver of death benefits

Rosalie Cianferri, a retired state employee, died on December 10, 2013. A death benefit is payable to the beneficiaries. Ms. Cianferri listed four beneficiaries; her three brothers and one sister. Her brother, Thomas Cianferri, is requesting a waiver of his portion of the death benefit.

After reviewing the case, a motion was made by Vice Chairperson Morris to approve the request of Thomas Cianferri to waive his portion of the death benefit, seconded by Chairman Iglarsh. All were in favor.

Gregory Peters, Waiver of death benefits

Gary Peters, an active state employee, died on April 3, 2016. A death benefit is payable to the beneficiary(ies). Mr. Peters listed a primary beneficiary, his mother, Nancy Jo Teel. She predeceased him on November 26, 2014. Mr. Peters' contingent beneficiary is his brother, Gregory Peters.

Gregory Peters is requesting a waiver of the death benefit so it will be payable to the estate of Gary Peters instead. Gary Peters left a will and Gregory Peters would like the benefits paid to the estate so the money can be distributed according to the will.

After some discussion, a motion was made by Chairman Iglarsh to approve Gregory Peters' request to waive his portion of the death benefits, seconded by Vice Chairperson Morris. All were in favor.

Thomas Micetich – Reinstate write-off

A payroll in 1981 was entered under the wrong SSN for Thomas Micetich. Contributions in the amount of \$28.82 were written off in 1996. There was no service credit written off as the second pay period was correct and Mr. Micetich received a full month of service credit under the correct SSN. Mr. Micetich retired effective June 1, 2016. The Pension and Death Section is requesting

the Executive Committee to approve the reinstatement of this account so the contributions can be moved to the correct account.

After some discussion, a motion was made by Chairman Iglarsh to approve the reinstatement of Mr. Micetich's account, seconded by Vice Chairperson Morris. All were in favor.

Paullette L. Birmingham – Service Credit

Ms. Birmingham has requested a written appeal before the Executive Committee. She is attempting to establish creditable service under provisions of HB5262, Public Act 96-1320.

The bill allowed an employee who was laid-off, but returned to any State employment to establish service for the period of layoff, not to exceed three years. The applicant had to apply for the creditable service within six months after the effective date of the Amendatory Act. The deadline to apply for the creditable service was January 27, 2011.

Ms. Birmingham was on the State payroll during the time that both SERS-O-GRAMs were issued and mailed. She did not contact us regarding her layoff either time by the deadline required by the bill.

After some discussion, a motion was made by Executive Secretary Blair to deny Ms. Birmingham's request to establish creditable service for the period of layoff, seconded by Vice Chairperson Morris. All were in favor.

Ronald Scott – Guidance Regarding Survivor Contribution Refund Repayment

Ronald Scott, a state retiree, died on July 1, 2016. At the time of his retirement, he did not have an eligible survivor so he received a refund of his survivor contributions.

Mr. Scott requested the cost to repay the survivor contribution refund on June 2, 2016. He did not contact SERS again to set up a payment schedule or submit a check. Does the spouse have 30 days to pay the survivor contribution refund so she may receive a survivor benefit?

After some discussion, direction was given to staff that an inquiry for an estimate is not considered a request to repay the refund.

Roseanne Serpe – Wants lump sum death benefit paid to her

Member: Ferdinand Serpe SSN: xxx-xx-1451

Ferdinand Serpe signed a beneficiary form on November 24, 2015. Per his spouse, Roseanne Serpe, this form was mailed to the Secretary of State along with other documents. A copy of the beneficiary form was then apparently forwarded to SERS. This was returned to the member as SERS is unable to accept a photocopy of a beneficiary form. The original beneficiary form was received by SERS on December 14, 2015; however, the member had died on December 5, 2015.

The lump sum death benefit was claimed by Roseanne Serpe as the executor of Ferdinand Serpe's estate. The benefit payment was made payable to the Estate and has not been cashed.

Edward Pascelli, Mrs. Serpe's attorney, telephoned Kathy Yemm to determine why the payment was made payable to the member's estate and not to Roseanne Serpe.

A letter of explanation was mailed to Mrs. Serpe on May 24, 2016. Mrs. Serpe telephoned Cory Mitchell to request an informal conference. Cory asked Roseanne why there was a problem with the payment being made to the estate. Roseanne said that there were liens against the estate and her husband wanted the money to go to her, not his creditors.

An informal conference was held by telephone on June 9, 2016. Mrs. Serpe and her attorney, Edward Pascelli, stated Ferdinand Serpe was an attorney and their intention is to keep his pension money separate from his estate which holds funds from his profession as an attorney. This issue could not be resolved at the informal conference so Mrs. Serpe is requesting an appeal to the Executive Committee to have the payment issued to her and not to the member's estate.

After discussing the file, a motion was made by Executive Secretary Blair to deny the request for the payment to go to the estate, 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 9:55 a.m.

The next meeting of the Executive Committee is scheduled for August 11, 2016, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice Chairperson

Timothy Blair, Executive Secretary