

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
July 13, 2017

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, July 13, 2017 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members:

Loren Iglarsh, Chairman (Absent)
Jeremy Tad Hawk, Trustee
Timothy Blair, Executive Secretary

Others Present:

Jeff Houch, Assistant Executive Secretary
Emily Reid-Peterson, SERS Attorney
Kathy Yemm, Manager, Claims Division
Don Williams, Supervisor, Disability Section
Neal Young, Acting Executive II, Pension and Death Section
Joe Maggio, Manager, Service and Refunds Division (Absent)
Jessica Blood, Recording Secretary (Absent)
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the June 8, 2017 meeting of the Executive Committee were presented by Executive Secretary Blair for approval. Copies of the minutes were previously mailed to Committee members for review. There being no additions or corrections, on motion by Trustee Hawk, 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 June, 2017 was presented. Following review and discussion, the Routine Claims Report for the period of June, 2017, as prepared by staff, was received by the Executive Committee.

Old Business

Donmonique Brown – Appeal Denial of Non-Occupational Disability

Donmonique Brown works as a Correctional Officer for IDOC. She last worked on January 13, 2017. She began a medical leave of absence on January 14, 2017 due to medical issues.

Ms. Brown's claim was sent to a SERS medical consultant for review. Per the consultant, it was determined that Ms. Brown has the ability to perform her job duties.

At the June 8, 2017 Executive Committee meeting, the Executive Committee asked for additional vocational information from the member's agency. This information was received and provided to our medical consultant. The medical consultant's decision remained unchanged.

After reviewing the facts of the case, a motion was made by Executive Secretary Blair to deny Ms. Brown's appeal of the denial of non-occupational disability benefits. The motion was seconded by Trustee Hawk and all were in favor.

Carol Corgan – Appeal to Receive a Survivor Annuity – Member, Candice Kane Personal Hearing – 9:00 a.m. Springfield

Candice Kane retired effective January 1, 2003. Ms. Kane did not have an eligible survivor and received a survivor contribution refund of \$9,352.77.

Ms. Kane was married in May, 2014. She did not repay the refund prior to her death on March 3, 2017. A \$500.00 death benefit was paid to Ms. Corgan as the named beneficiary.

Ms. Kane's wife, Carol, is requesting a survivor annuity.

After discussion, the Executive Committee agreed to defer Ms. Corgan's case and refer it to Attorney Bochenek for a recommendation.

Wenona McKeown - Non-Occupational Disability – Personal Hearing – 9:30 a.m. Chicago

Wenona McKeown works as an Employment Security Program Representative for the Illinois Department of Employment Security. She last worked June 12, 2014 and began a medical leave of absence on June 13, 2014. She has not returned to work.

She attended an Independent Medical Exam on May 13, 2017. The physician who performed her evaluation noted that he did not find her disabled from performing her job duties at this time.

She attended a second Independent Medical Exam on May 27, 2017. The physician who performed this evaluation noted that he did not find her disabled from performing her job duties at this time. He stated that based on the job duties outlined, she does not appear to be disabled from her position.

Her non-occupational disability benefit, as of this date, will be suspended effective July 31, 2017. Ms. McKeown disagrees with the temporary denial of her benefits and at this time is asking for a personal hearing.

After hearing Ms. McKeown's case, the Executive Committee agreed to defer it until Ms. McKeown presented additional medical documentation to be reviewed.

Dave Oleson - Occupational Disability – Re-appeal for 12 Month Waiver - Deferred

Brad Grotefendt - Occupational Disability – Waiver of 12 Month Filing Period - Deferred

Julie Landrus – Occupational Disability – Waiver of 12 Month Filing Period - Deferred

Claudia Kemple – Non-Occupational Disability – Waiver of 90 Day Filing Period - Deferred

Venasa Veal – Occupational Disability – Waiver of 12 Month Filing Period - Deferred

Joseph Nardiello – Non-Occupational Disability – Appeal to Return to Work by IME - Deferred

Carmen Parker – Appealing SSA Overpayment Repayment Amount

With the assistance of Midwest Disability, Carmen Parker was approved for a retroactive Social Security disability benefit effective April 1, 2015. The retroactive benefit created an overpayment with SERS totaling \$31,986.00 for the period of April 1, 2015 through September 30, 2016.

Ms. Parker is appealing for a reduction in the monthly repayment amount. During a recent telephone conversation with Ms. Parker, she stated that she is paying \$850.00 in rent, \$593.00 per month car payment, car insurance at \$149.00 per month and electricity at \$40.00 per month. She received \$894.00 per month in SERS disability benefits and \$1,777.00 from SSA. SERS is offsetting her monthly benefit by \$447.00 (half the gross). She currently has a balance of \$31,539.00. The initial calculation for the offset was incorrect. The \$447.00 per month will not repay the overpayment within 60 months. The offset should have been \$533.10 per month.

SERS began notifying Ms. Parker of the overpayment on October 25, 2016 but there has been no response. Due to staffing changes, the record was not reviewed again until May 16, 2017 and a letter was sent stating that since there had been no response, SERS would offset her disability benefit to reduce the liability owed. A deduction of \$447.00 per month (1/2 of the member's gross benefit) began on her June 2017 check.

Ms. Parker can retire but the gross would be \$20.00 less than what she is receiving in disability benefits. She currently has 10 full years of service which means she will pay more in insurance premiums at retirement.

After some discussion, a motion was made by Executive Secretary Blair to continue with the current \$447.00 monthly repayment and deny Ms. Parker's appeal of her SSA overpayment repayment amount. The motion was seconded by Trustee Hawk and all were in favor.

Vanessa Lopez - Appealing SSA Overpayment Repayment Amount

Vanessa Lopez was approved for a non-occupational disability benefit September 1, 2016.

Ms. Lopez had initially been approved for a non-occupational disability benefit May 22, 2016 but had filed for Illinois Workers' Compensation making her ineligible for non-occupational benefit effective May 22, 2016 and creating her first overpayment in the amount of \$3,429.82 for the time period of May 22, 2016 through June 19, 2016. A contract agreement was signed to allow a deduction from her disability benefit in the amount of \$200.00 per month effective September 1, 2016. Ms. Lopez had paid \$1,600.00 toward the \$3,429.82 overpayment when the second overpayment occurred.

With the assistance of a law group, Ms. Lopez was approved for a retroactive Social Security disability benefit effective September 1, 2016. The retroactive benefit created an overpayment with SERS totaling \$10,848.75 for the period of September 1, 2016 through March 31, 2017.

The total owed to SERS for the first and second overpayments is \$11,919.57.

SERS began notifying Ms. Lopez of the second overpayment on April 18, 2017. Ms. Lopez contacted SERS on May 12, 2017 and spoke with the overpayment section. She was given information about the repayment policy and that deductions of \$759.00 per month (1/2 of the gross) would begin on her June 2017 check. She said she could not afford that deduction.

Ms. Lopez is appealing to lower her monthly deductions to \$100.00 per month until the lesser overpayment is paid and then raise the payment to \$300.00 per month at that time.

Ms. Lopez is not eligible for a pension at this time.

Following a review of the case and some discussion, a motion was made by Executive Secretary Blair to deny Ms. Lopez's appeal to lower her monthly deduction amount. The motion was seconded by Trustee Hawk and all were in favor.

Sharon Travis - Appealing SSA Overpayment Repayment Amount

With the assistance of a private law group, Sharon Travis was approved for a retroactive Social Security disability benefit effective February 1, 2016. The retroactive benefit which created an overpayment with SERS totaling \$13,632.00 for the period of February 1, 2016 through September 30, 2016.

SERS began notifying Ms. Travis of the overpayment on October 31, 2016. She contacted SERS on October 3, 2016 and the SERS disability caseworker explained the SSA process.

Ms. Travis was told she would owe SERS. After that conversation, she never responded to SERS that she had received a check from Social Security. Due to staffing changes, the record was not reviewed again until May 17, 2017 and a letter was sent stating that since there had been no response, SERS would offset her disability benefit to reduce the liability owed. A deduction of \$515.50 (1/2 of the gross less taxes) began on the June 2017 check.

Ms. Travis is not eligible for a pension at this time.

Ms. Travis is appealing to lower the monthly deduction to \$100.00 per month which would take 136 months to repay. Her current income is \$2,735.00 per month (\$1,301.00 from SERS and \$1,704.00 from SSA) and expenses equal \$2,800.00 per month.

Based on a review of the case, a motion was made by Executive Secretary Blair to deny Ms. Travis's appeal to lower her monthly deduction amount. The motion was seconded by Trustee Hawk and all were in favor.

Conor White – Waiver of Future Survivor Benefits – Member: Loren White

Conor White is currently receiving monthly survivor benefits in the amount of \$1,426.08 based upon his mother's account (Ginger White, 2906 – DOD: January 18, 2017). Conor is a full time student and will no longer be eligible for survivor benefits when he turns age 22 in August of 2018.

Conor's father, Loren White, is now retiring and requesting the widow/survivor contribution refund. In the event Conor's father passes away within the next 13 months, Conor would normally be entitled to the "higher" survivor benefit of approximately \$1,928.

Conor is requesting to waive any possible future survivor benefits based upon his father's membership account and continue to receive survivor benefits from his mother's account. Conor came into the office and signed an agreement to waive any portion of the survivor benefit based upon his father's account.

After some discussion, a motion was made by Trustee Hawk to approve Mr. White's request to waive future survivor benefits. The motion was seconded by Executive Secretary Blair and all were in favor.

Helene Hoffman – Reverse Service Purchase

Helene Hoffman is requesting to reverse her recent purchase of her qualifying period and approve her retirement effective date retroactive to September 1, 2012. She did not understand that the purchase of additional service credit would change her pension benefit period and had confirmed that it would not affect her pension benefits with our office.

After reviewing the facts of the case, a motion was made by Trustee Hawk to approve Ms. Hoffman's request to reverse the recent purchase of her qualifying period and change the effective date of her retirement to September 1, 2012. The motion was seconded by Executive Secretary Blair and all were in favor.

Larry Meyer – Request Return of Refund Payment

Larry Meyer is requesting a written appeal with the Executive Committee. He is asking for return of \$1,318.90 that he paid for the repayment of a refund. He was advised by IMRF that the time was concurrent employment.

After some discussion, a motion was made by Trustee Hawk to approve Mr. Meyer's request for return of the repayment of his refund. The motion was seconded by Executive Secretary Blair and all were in favor.

Cynthia Janzen-Sanchez – Appeal to Receive a Survivor Annuity Member, Salomon Sanchez, Jr.

Salomon Sanchez, Jr., retired effective November 1, 2001. Mr. Sanchez did not have an eligible survivor and received a survivor contribution refund of \$4,231.24.

Mr. Sanchez was married on September 23, 2010. He did not repay the refund prior to his death on May 18, 2017. A \$500.00 death benefit is due his named beneficiary.

Mr. Sanchez's wife, Cynthia, is requesting a survivor annuity and health insurance through SERS.

Following a review of the case and some discussion, a motion was made by Executive Secretary Blair to deny Ms. Janzen-Sanchez's request for a survivor annuity and health insurance through SERS. The motion was seconded by Trustee Hawk and all were in favor.

Karen Vaccaro – Non-Occupational Disability - Waiver of 90 Day Filing Period - Deferred

John Kowalski – Appeal Denial of Request to Purchase Service Credit

John Kowalski has requested a written appeal before the Executive Committee. He is attempting to establish creditable service for a period of layoff under the alternative formula.

The law allows an employee who was laid-off, but returned to any State employment to establish creditable service for the period of lay off, not to exceed 3 years, provided that (1) the applicant applies for the creditable service within six months after July 27, 2010, and (2) the applicant does not receive credit for that period under any other provisions of this Code. For service established, the requested employee contributions shall be based on the rate of compensation earned by the employee on the date of returning to employment after the layoff and the contribution rate then in effect.

Based on a review of the case, a motion was made by Trustee Hawk to uphold the denial of Mr. Kowalski's request to establish creditable service for a period of layoff under the alternative formula. The motion was seconded by Executive Secretary Blair and all were in favor.

Memo for Payments under \$5.00

Kathy Yemm presented a memo from the Disability Section seeking direction on how to process monthly disability benefits under the \$5.00 threshold which is set by the Illinois Office of the Comptroller.

After some discussion, the members of the Executive Committee chose to establish a policy of making any disability payment under \$5.00 a zero cash benefit.

Add on:

Todd Creviston – Appeal to Receive a Pension Effective May 1, 2017

Todd Creviston retired May 1, 2017.

Prior to his retirement, Mr. Creviston visited the SERS office on April 10, 2017 and met with a Field Services representative. He was provided an estimate with a retirement date of May 1, 2017. This estimate was incorrect however because he was not eligible on this date as he was not yet age 55 with 20 years in the alternative formula and he is short by .25 for the rule of 85.

Mr. Creviston is requesting a pension effective date of May 1, 2017 as he was told by an employee at SERS that he was eligible to retire on this date.

After some discussion, a motion was made by Trustee Hawk to approve Mr. Creviston's request to receive a pension effective May 1, 2017. The motion was seconded by Executive Secretary Blair and all were in favor.

James McGrady – Non-Occupational Disability – Waiver of 90 Day Filing Period - Deferred

Dionice Marshall – Appeal Cessation of Non-Occupational Disability and Overpayment

Dionice Marshall works as a Correctional Officer for the Illinois Department of Corrections, Stateville Correctional Center. She last worked May 3, 2013. She began her leave of absence on May 16, 2013 due to medical issues. She has not returned to work.

Ms. Marshall originally began receiving non-occupational disability benefits effective July 5, 2013 with a half time Benefit Expiration Date of February 22, 2017. After receiving medical records showing an earlier medical onset date, the member's effective date was then corrected and adjusted to June 22, 2013. Though the member's benefit start date was corrected on the second worksheet, the Computed Expiration Date was input incorrectly on the second form, thus making it appear that the member had more accrued benefit time along with the ability to receive a SERS benefit 2 years and 10 months longer than the initial calculation.

On three different occasions – September 25, 2014, March 14, 2016 and October 27, 2016, Ms. Marshall was mailed a written verification letter stating that she is entitled to a SERS

disability benefit until December 31, 2019 as long as she continued to meet the requirements of the SERS program.

Recently SERS was notified that the member was awarded Social Security Disability benefits with an effective date of November 2013. While collecting necessary documentation to calculate Ms. Marshall's new benefit amount, it was noticed that the half time on the adjusted Benefit Calculation Worksheet was incorrect. The examiner first realized this on May 9, 2017 and immediately tried to contact the member. Over two months had passed by the time it was realized that Ms. Marshall's actual half time was February 28, 2017, creating an overpayment of \$2,643.00.

Ms. Marshall is requesting to appeal the cessation of her benefits as well as her overpayment due to misinformation provided by SERS.

After reviewing the facts of the case, a motion was made by Executive Secretary Blair to deny Ms. Marshall's request to appeal her overpayment and the cessation of her benefits. The motion seconded by Trustee Hawk and all were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 12:20 p.m.

The next meeting of the Executive Committee is scheduled for August 10, 2017, in the Springfield office, with video conferencing in Chicago.

Jeremy Tad Hawk, Trustee

Timothy Blair, Executive Secretary