

**MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
July 7, 2011**

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, July 7, 2011, at 8:30 A.M. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee members present:

Loren Iglarsh, Chairman  
Lori Laidlaw, Vice Chairperson  
Timothy Blair, Executive Secretary

Others Present:

Steve Bochenek, Attorney  
Kathy Yemm, Manager, Claims Division  
Joseph Maggio, Manager, Service & Refunds Division  
Nicholas C. Merrill, Manager, Accounting Division  
Chris Silver, Disability Supervisor  
Michael Noblet, Supervisor Pensions & Deaths  
Kerry Walker, Assistant Supervisor, Disability Section  
Dawn Blakeman, Recording Secretary

Minutes of the Previous Meeting

The minutes of the June 14, 2011 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 seconded by Vice Chairperson Laidlaw 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 2011 were presented for approval. Following review and discussion, Executive Secretary Blair moved acceptance of the Routine Claims and Denials Report for the period of June, 2011. Chairman Iglarsh seconded the motion, which passed unanimously.

Old Business

Robert Ruiz Pension

Mr. Ruiz is receiving a retirement annuity from SERS. He retired effective February 1, 2009 using reciprocity with the County Employees' Annuity & Benefit Fund of Chicago (CEA&BF).

Based on a review of the file and information submitted, the Committee finds Robert Ruiz worked for a state agency and retired under the Reciprocal Act.

On October 1, 2009, Robert Ruiz returned to full-time work for the State of Illinois, therefore, SERS and CEA&BF suspended his benefits. Mr. Ruiz is requesting his original reciprocal agreement be cancelled so he can still collect his pension benefits from the County Employees' Annuity & Benefit Fund of Chicago.

A personal hearing was requested in a letter dated November 19, 2009. This hearing continues to be deferred based on the request of Mr. Ruiz.

Steve R. Stalcup

Service Lay off Credit

Steve Stalcup through his attorney, Jon K. Ellis, requested a personal hearing to establish creditable service for a lay off from July 1, 1995 through June 30, 2000 under provisions of House Bill 5262, Public Act 96-1320.

After an extensive search, the Service & Refunds Division could not verify that Mr. Stalcup was on a lay off for the requested period. Therefore, his request was denied.

Steve Stalcup appeared before the Committee during the June 14, 2011 meeting. He was accompanied by his attorney, Mr. Jon K. Ellis.

Following discussion, the Committee agreed to refer this matter to SERS' Attorney for recommendation based on the facts and findings in file for presentation at the next meeting.

SERS Attorney reviewed information provided and he has determined that Mr. Stalcup should be allowed to purchase his time.

Based on a review of information and after some discussion, Executive Secretary Blair moved to approve the appeal of Steve Stalcup. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Jill Gordon

Nonoccupational Disability

Jill Gordon works for a state agency. She began a medical leave of absence on 06/25/10.

Disability benefits were suspended based upon the results of an independent medical examination performed at the Retirement Systems request.

Based upon a review of the file and information submitted, the Executive Committee finds the employee's job description and work location are as stated and Jill Gordon was granted a medical leave of absence.

On March 28, 2011, Ms. Gordon participated in an independent medical examination at the Retirement Systems request.

Based upon the results of this examination disability benefits being paid to Ms. Gordon were scheduled to be suspended on June 30, 2011.

Jill Gordon requested a personal appeal pursuant to the suspension of disability benefits.

On May 9, 2011 the file was reviewed by the Retirement Systems Medical Consultant. This review indicated there was no objective evidence of a disability.

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

On June 20, 2011 SERS medical consultant reviewed the entire file with the new medical information and concluded that the additional information failed to substantiate a disabling condition.

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.

Beverly Hoaglin

Nonoccupational Disability

Beverly Hoaglin works for a state agency and a medical leave of absence was granted.

Ms. Hoaglin has received non-occupational disability benefits since 07/07/2007. She turned age 66 in February, 2010 and, at that time, the amount of her unreduced social security benefit should have been subtracted from the monthly amount of her SERS non-occupational disability check.

This has created an overpayment of nonoccupational disability benefits being paid by SERS.

Based upon a review of the file and information submitted, the Executive Committee finds the employee's work location is as stated and Beverly Hoaglin was granted a medical leave of absence.

Ms. Hoaglin requested an appeal of the overpayment of non-occupational disability benefits.

Following a review of the file and some discussion, Executive Secretary Blair moved that the appeal of Beverly Hoaglin be deferred so SERS can calculate what her monthly pension and effective date would be compared to the amount of her non-occupational disability. The Manager of the Claims department will then contact Ms. Hoaglin with the numbers in order for her to choose between the two options. Vice Chairperson Laidlaw seconded the motion, and all were in favor.

New Business

David Lewis

Occupational Disability

David Lewis works for a state agency and a service connected leave of absence was granted.

Mr. Lewis's 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 David Lewis 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. Lewis 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, the Committee recommends approving David Lewis's appeal for a waiver of the twelve month filing limitation.

Following a review of the file and some discussion, Executive Secretary Blair moved approval of the appeal of David Lewis for a waiver of the twelve month filing time limit for occupational disability benefits. Vice Chairman Laidlaw seconded the motion and all were in favor.

David Hall Nonoccupational Disability

David Hall works for a state agency and a medical leave of absence was granted.

Mr. Hall's claim for disability benefits was denied due to failure to apply for nonoccupational disability benefits within the proper time frame.

Based upon a review of the file and information submitted, the Committee finds David Hall works for a state agency, and was granted a medical leave of absence.

The System did not receive the employee's application for disability benefits in the allowed time frame. Since the application was received beyond the ninety day filing limitation as noted in 40 ILCS 5/14-124, the application was denied.

David Hall requested a written appeal pursuant to the denial of disability benefits due to the late filing. Information was received with the appeal request which lists the reasons the employee did not file on a timely basis.

Based on the facts of this case and information submitted, the Committee recommends approving David Hall's appeal for disability benefits. Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of David Hall for a waiver of the 90 day filing limitation for nonoccupational disability benefits. Vice Chairman Laidlaw seconded the motion and all were in favor.

Joseph Dorsey Pension

Joseph Dorsey worked for a state agency prior to retiring.

Mr. Dorsey's claim for pension benefits was denied due to his age.

Based upon a review of the file and information submitted, the Committee finds Joseph Dorsey worked for a state agency prior to retiring.

The System received Mr. Dorsey's application for pension benefits April 12, 2011 to retire May 31, 2011. While entering his information in the computer it was found that Mr. Dorsey did not have the qualified amount of alternative formula credits (20 years) to retire at age 55, at that time June 16, 2011 Mr. Dorsey was notified he was not eligible for pension.

Mr. Dorsey requested a written appeal pursuant to the denial of pension benefits, he stated no one said he was not eligible until after he resigned.

Based on the facts of this case and information submitted, the Committee recommends denial of the appeal for Joseph Dorsey to retire under the alternative formula and to approve the request to waive the age and let Mr. Dorsey retire using his final average.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of retirement at age 55 for Joseph Dorsey. Vice Chairman Laidlaw seconded the motion and all were in favor.

J. Thomas Johnson

Pension – SS Offset removal

J. Thomas Johnson began receiving a retirement annuity as of December 1, 2006.

Mr. Johnson's election to participate in P.A. 095-1043 was not received. Therefore, when he contacted SERS after receiving his annual statement stating he was not participating in the social security offset his request to participate was denied.

Based upon a review of the file and information submitted, the Executive Committee finds J. Thomas Johnson began receiving a retirement annuity as of December 1, 2006.

Public Act 95-1043 allowed certain annuitants to elect to reduce their monthly retirement annuity in order to remove the Social Security offset from an SERS widow's or survivor benefit. Election forms were required to be returned by May 31, 2009 in order to determine participation by the effective date of the Public Act (July 1, 2009).

Mr. Johnson's election form was not received, so his request to participate in P.A. 095-1043 was denied however, Mr. Johnson produced a copy of the faxed participation form that was faxed to an employee here on May 31, 2009.

After discussion the Executive Committee recommended approval of Mr. Johnson's appeal for participation in P.A. 095-1043.

Following a review of the file, Public Act and some discussion, Chairman Iglarsh moved approval of J. Thomas Johnson's appeal to participate in P.A. 095-1043. Trustee Laidlaw seconded and the motion passed unanimously.

Kittie Noll

Service

Ms. Noll is requesting a written appeal before the Executive Committee She is attempting to establish creditable service for a leave of absence that was not less than one (1) year.

House Bill 313 allows a member to establish service for periods of less than one year. Her request is for the period of June 2, 2009 thru November 11, 2010 which is over one year. Therefore, her request was denied.

Based on the facts of this case and information submitted, the Committee recommends denying the appeal of Kittie Noll to purchase creditable service.

Following discussion, Trustee Laidlaw moved denial of the appeal of Kittie Noll to establish creditable service over one year. Chairman Iglarsh seconded the motion, and all were in favor.

Frances Alexander

Service – Write-Off

This account became eligible for a write off in June, 1996. Contributions in the amount of \$31.40 were written off on June 25, 1996. Ms. Alexander has contacted us regarding her account and has requested a refund.

The Service & Refunds Division is requesting the Executive Committee to approve the reinstatement of this account so that a refund may be paid.

Following a review of the file and some discussion, Chairman Iglarsh moved that the appeal of Frances Alexander be approved. Executive Secretary Blair seconded the motion, and all were in favor.

Donald Snyder/Leecia Snyder

Pension/QUILDRO

Following the felony conviction, the former spouse filed an amended QILDRO allowing her to receive 100% of the marital portion of any termination refund. The 100% marital portion formula was stated on the QILDRO to include 'regular' and 'permissive' service.

ERI contributions are considered permissive service. The ERI contributions received from Mr. Snyder's lump sum (\$1,320.45) are included in the termination refund payable totaling \$59,891.88.

The 24 month reductions of \$1,672.57 totaling \$40,141.74 are not included in the refund amount.

Leecia Snyder, represented by her attorney Eric Altman, is of the opinion she is entitled to receive the value of the reductions totaling \$40,141.74.

SERS is requesting an opinion from the Executive Committee to determine if there is an obligation to pay Ms. Snyder the reductions totaling \$40,141.74 when in reality no money was physically received or posted to the account of Mr. Snyder.

Assuming the reductions should be paid, the only method available to pay this amount is through the benefit system as an adjustment to the QILDRO payment.

The contribution refund currently payable in the amount of \$59,891.88 may be tax sheltered as a lump sum distribution. If the committee finds Ms. Snyder is eligible for the ERI reduction

adjustment payment, it will not be eligible for rollover as it is considered a benefit adjustment and will be paid out as ordinary (taxable) income.

	Amount	Eligible for Rollover
Contributions on Deposit	\$58,571.43	
ERI Lump Sum Payment	\$ 1,320.45	
Total contributions	\$59,891.88	Yes
ERI Reduction	\$40,141.74	No

Following a review of the file and some discussion, Chairman Iglarsh moved that the appeal of Snyder/Snyder be deferred. Executive Secretary Blair seconded the motion, and all were in favor.

Linda Sosinski Pension/Level Income

Linda Sosinski is currently receiving a retirement annuity from the System.

During the application process for her retirement annuity, Ms. Sosinski failed to elect participation in the level income option with her pension to be reduced at age 62.

Based upon a review of the file and information submitted, the Executive Committee finds Linda Sosinski is receiving a retirement annuity as of April 1, 2011 and during the application process for her retirement annuity, she did not indicate she wanted to retire under the level income optioning for age 62.

Ms. Sosinski is requesting a change in her application for pension on the level income to 62.

The office received a written request from Ms. Sosinski dated July 6, 2011 wanting the level income option.

After discussion and following a review of the file, The Committee agreed to approve this request.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of Linda Sosinski to change her pension application to level income at 62 years 1 month. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Susie Welch Beneficiary Death Waiver

Ms. Susie Welch passed away on March 29, 2011.

Ms. Welch has no survivor and her sister Pauline Darrah is the primary beneficiary. Pauline Darrah's son Roy Darrah is her power of attorney and he sent in a written request to waive the \$500.00 death benefit for Pauline.

Based on the facts of this case and information submitted and after some discussion the committee has agreed to approve the waiver of \$500.00 death benefit to Pauline Darrah. Executive Secretary Blair moved for approval. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Subrogation

Disability Policy

Section 14-129 of the Illinois Pension Code states that SERS is entitled to be reimbursed for sums paid to a member who receives an award from a third party lawsuit. Should SERS attempt to collect the previous benefits paid when the member was never informed of our policy? The Disability Section is requesting guidance from the Executive Committee to adopt a policy so that we may document our procedures. The Committee agreed that we should not attempt to collect the money if the member was never made aware of our policy through correspondence and publications. The Disability Section is currently updating all correspondence and publications and the target date for having everything updated is August 1, 2012. Steve Bochenek will draft a letter for the Disability Section to use in order to give notice to all members when they are approved for occupational disability.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:A.M.

The next meeting of the Executive Committee is scheduled for Thursday, August11, 2011, 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