

MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
June 11, 2015

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, June 11, 2015 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

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

Others Present:

Stephen Bochenek, Attorney  
Kathy Yemm, Claims Manager  
Don Williams, Supervisor, Disability Section  
Kerry Walker, Disability Section  
Cory Mitchelle, Pension and Death Section  
Joe Maggio, Service and Refunds Manager  
Michael Murphy, Claimant (Spfld. hearing)  
Jet Brown, Claimant (Spfld. hearing)  
Colleen Gray, Claimant (Spfld. hearing)  
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the May 14, 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 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 May, 2015 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of May, 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 14<sup>th</sup> 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.

## New Business

### Michael Murphy - Incorrect Rate of Pay

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.

### Jet Brown - Service

Jet Brown had requested a personal appeal with the Executive Committee. She requested that she be allowed to purchase 6 months of optional service credit for her qualifying period even though she retired effective April 1, 2015.

Ms. Brown was offered the option to retire effective July 1, 2015 under the "Rule of 85" requirements and, therefore, withdrew her request for an appeal.

### Colleen Gray – Wants Original Pension Amount

Colleen Gray had requested a personal appeal with the Executive Committee. She retired reciprocally with SERS and SURS effective December 1, 2012. Ms. Gray returned to state employment on July 28, 2014. She retired again effective January 1, 2015.

While processing her pension again in 2015, SERS was notified by SURS that the member had never applied for a pension in 2012 with SURS. Ms. Gray was not eligible to retire independently with SERS in 2012. This has created an overpayment for the whole period of her first pension from December 1, 2012 through July 28, 2014 in the amount of \$14,111.80.

In addition, the 2014 increase would not have been due which created another overpayment in the amount of \$13.40 from January 1, 2015 through April 30, 2015.

Ms. Gray's monthly pension decreased from \$774.83 to \$771.57.

SURS will only back date their pension payment one year, so they will not allow her to apply for a pension retroactive to 2012.

Ms. Gray is requesting to keep the pension paid to her from the first time she retired as she believed she had done everything as required.

After some discussion, Chairman Iglarsh moved for approval of Ms. Gray's appeal to be allowed to keep the pension paid to her, seconded by Vice Chairperson Morris. All were in favor.

#### Edward McGhee, Jr. – Nonoccupational Disability – Lower Repayment Plan

Edward McGhee incurred an overpayment of his nonoccupational disability benefits due to the approval of retroactive social security disability benefits that he had applied for on his own.

Upon receipt of his second billing letter from the Vouchering Section, Mr. McGhee called SERS and stated that he did not have the funds to repay his overpayment in the amount of \$22,410.54 and that the required \$375.00 per month (for 60 months) was unaffordable. He was then informed of the process for appeal at that time.

Mr. McGhee has since sent in copies of bill as evidence that he cannot afford the \$375.00 per month repayment that is required by SERS in order to meet the established guidelines for collection. He indicated that at the most he could only afford a \$200.00 per month repayment plan. Based on the total amount of the overpayment, it would take over nine years to repay the balance owed. The normal time period for repayment is 3 years, with up to 5 years as the maximum.

Mr. McGhee is eligible to receive disability benefits in the monthly gross amount of \$823.16 until January, 2016. He will then be eligible to go directly to a pension at that time. He is currently eligible for a monthly pension in the gross amount of \$703.74.

Based on Mr. McGhee's current retirement account, contributions are on deposit totaling \$18,218.03 and his overpayment balance is \$22,410.54.

The Vouchering Section is asking for guidance on setting up a monthly repayment plan for Mr. McGhee.

After some discussion, a motion was made by Chairman Iglarsh to deny Mr. McGhee's request for a lower repayment amount, seconded by Vice Chairman Morris. All were in favor. They will consider a smaller repayment amount at the time Mr. McGhee goes on his pension at a later date.

### Joyce Fisher – Temporary Disability – Lower Repayment Plan

Joyce Fisher incurred an overpayment of her temporary disability benefits due to the approval of retroactive social security disability benefits (SSA) which were applied for by Midwest Disability on behalf of SERS.

Upon receipt of her second billing letter from the Vouchering Section, Ms. Fisher called SERS and stated that she did not know that she had to pay the funds back to SERS that she had received from SSA. At that time, Scott Ladendorf of the Vouchering section informed her that the longest repayment agreement that SERS could enter into would be for 60 months, which would equal \$635.00 per month. Ms. Fisher indicated that she wouldn't be able to pay her bills with that deduction amount and was then informed about the appeal process.

Ms. Fisher is now requesting a repayment plan in which the deduction would be anywhere from 10% to 15% of her current monthly disability benefit from SERS (currently \$1,840.00 after the SSA offset). A deduction of 10% would equal \$184.00 per month (taking over 17 years to repay), while a deduction of 15% would equal \$276.00, which would equal a repayment over approximately 11.5 years.

Ms. Fisher was eligible to begin drawing a pension effective October 1, 2014 at the rate of \$2,190.00 per month; however, she has remained on disability. Her current estimated gross pension benefit as of May 1, 2015 is \$2,300.00 per month.

A repayment contract would be required to cover both a current monthly installment payment amount and a higher repayment amount once she goes on pension. It would also include terms to cover payroll deduction if she would return to work, applying an amount payable to a survivor, as well as any lump sum refund or death benefit should one become payable. Based on Ms. Fisher's current retirement account, contributions are on deposit totaling \$41,193.57 and her overpayment balance is \$38,080.00.

The Vouchering Section is seeking the opinion of the Committee regarding a suggested monthly repayment amount that would be allowed, both currently while on disability and when Ms. Fisher begins receiving her pension benefit.

After some discussion a motion was made by Chairman Iglarsh to keep the repayment amount the same, seconded by Vice Chairperson Morris. All were in favor.

### Matthew Canon – Occupational 12 Month Waiver

Matthew Canon works as a Correctional Officer at IDOC. He began a service connected leave on August 26, 2010. He was injured at work on August 26, 2010. He was paid workers' compensation benefits from August 26, 2010 through April 30, 2011.

He has requested a written appeal to the Executive Committee so the 12 month filing limitation can be waived. He claims he was unaware there was an occupational benefit through SERS.

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

### Ernest Smith - Nonoccupational 90 Day Waiver

Ernest Smith works as a Mental Health Tech II for DHS. He last worked on September 17, 2013. He began a medical leave of absence on August 14, 2014.

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

Executive Secretary Blair moved for approval of the appeal of the 90 day filing limitation, seconded by Chairman Iglarsh. All were in favor.

### Kathleen Landgrebe – Nonoccupational Disability – 90 day waiver

Kathleen Landgrebe works as a RN II for IDOC. She last worked on July 29, 2008. She began a medical leave of absence on August 4, 2008. She was not aware of disability benefits until she filed for her pension and it was discovered she had a break in service.

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

Chairman Iglarsh moved for approval of the appeal of the 90 day filing limitation, seconded by Vice Chairperson Morris. All were in favor.

### Maxine Coultas - Waiver of Death Benefits

Mark Coultas, an inactive state employee, died on December 19, 2014. A death benefit is payable in the amount of \$31,682.77.

Mr. Coultas listed his primary beneficiary as his mother, Maxine Coultax. He listed two contingent beneficiaries; his sister, Tina Brown, and his nephew, Shawn Brown (a minor).

Maxine Coultas' son, Lawrence Coultas, has Power of Attorney for Maxine. He has signed a waiver of benefits on her behalf so the benefit may be paid to the contingent beneficiaries. Lawrence Coultas stated his mother is in a nursing home and is not in good health to use the money.

It was stated that being a POA does not give authority to sign a disclaimer on behalf of someone else. After some discussion, a motion was made Chairman Iglarsh to deny the waiver of death benefit and pay the death benefit to Maxine Coultas, seconded by Executive Secretary Blair. All were in favor.

Christine Kapus – Reinstatement of Write-off Account

This account became eligible for a write-off in June, 2009.

Contributions in the amount of \$31,124.29, widow/survivors' in the amount of \$3,889.50, and 253.25 months of creditable service were written off on June 26, 2009. Ms. Kapus has provided identifying information and has requested a pension.

After some discussion, Chairman Iglarsh moved for approval of the request to reinstate her account to pay Christine Kapus a pension, 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 12:25 p.m.

The next meeting of the Executive Committee is scheduled for Thursday, July 9, 2015, in the Springfield office, with video conferencing in Chicago.

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Loren Iglarsh, Chairman

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David Morris, Vice Chairperson

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Timothy Blair, Executive Secretary