

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
June 9, 2016

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, June 9, 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
Patricia Hunter, Claimant; Mario Perrino, Claimant's CPA
Nancy Pedrucci, Claimant's sister

Minutes of the Previous Meeting

The minutes of the May 12, 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 May, 2016 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of May, 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 has 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.

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

Gary D. Black – Creditable Service

Gary D. Black, along with his attorney James P. Baker, was present for a personal appeal before the May, 2016 Executive Committee. He is attempting to establish creditable service for a period of time that he was appointed as a mine officer at Natural Resources and military service credit.

There are human resource employees in both the Comptroller's Office and the Department of Natural Resources. In regard to the military service credit, Mr. Black did not make an inquiry while an active employee as required by law. Military service is referenced on pages 11 and 12 of the SERS handbook that Mr. Black received shortly after becoming a member of the System.

After reviewing the facts, the case was referred to SERS' attorney, Steve Bochenek, for a Recommendation.

At the June, 2016 meeting, Attorney Bochenek presented Recommendation No. 2016-5 for the Committee to deny the appeal of Gary Black as to his request that he be eligible to purchase military service credit after leaving employment with the State of Illinois. Chairman Iglarsh moved to adopt Recommendation No. 2016-5, seconded by Executive Secretary Blair. All were in favor.

Marie Mealman - Year of Birth

Marie Mealman retired effective June 1, 2008. She chose the level income option for age 66 years of age.

Ms. Mealman recently contacted SERS because she had discovered her year of birth was incorrect. At the time of her application for retirement, the Certification of Birth on file for Ms. Mealman showed a date of birth of September 5, 1951. This document certified that the information was correct based on the original document on file at Vital Statistics. Ms. Mealman recently received a copy of her actual birth certificate on file and this document states she was born on September 5, 1953. Ms. Mealman spoke to Pension staff employee Neal Young and advised she always believed she was born in 1951. In 1974 Ms. Mealman completed a Membership Record and wrote her year of birth as 1951. The statement from Social Security that SERS used for level income purposes also shows a year of birth of 1951.

Due to the change in the year of birth, the additional amount provided to Ms. Mealman from the level income option is incorrect. This would create an overpayment of \$9,866.29. With continuing to use a 1951 date of birth, her pension would be reduced in 2017 for level income. If we use a 1953 year of birth, her pension would be reduced in 2019 for level income.

In addition, Marie Mealman receives a survivor annuity from her deceased husband, Timothy Mealman. Ms. Mealman's survivor benefit was reactivated when SERS believed she was turning 50 years old. By activating the benefit two years early, an overpayment of \$10,505.88 has occurred.

The Pension and Death Claims Section is seeking the opinion of the Executive Committee. Should there be an overpayment of retirement benefits and/or survivor benefits? Should we continue to pay the level income as originally processed and reduce the benefit in 2017?

At the April, 2016 meeting the case was discussed and it was agreed to defer the case pending further discussion with SERS' attorney, Steve Bochenek.

At the June, 2016 meeting, after discussing the case with Attorney Bochenek, it was agreed to leave the date of birth as September 5, 1951, since that birthdate was consistent with the weight of the evidence reviewed by the committee.

New Business

Patricia Hunter – SSA Overpay – Backpay Amount

At the July 9, 2015 Executive Committee meeting Ms. Hunter appeared with her CPA, Mario Perrino. Ms. Hunter was appealing to the Executive Committee to have her monthly payback amount again decreased.

Ms. Hunter will be eligible for a pension January 2017. Her pension will be slightly less than her disability benefit, but social security disability will not be offset.

After listening to Ms. Hunter and Mr. Perrino, the Executive Committee voted to put a 6 month hold on collecting Ms. Hunter's overpayment. This was to give her time to get her expenses in order.

Shortly after the July meeting Ms. Hunter began receiving social security disability. She did not inform SERS she was again receiving social security benefits. This has created an additional overpayment of \$1,897.00 a month from July 2015 through February 2016.

Beginning with her March, 2016 benefit check, deposited on April 19, 2016, SERS began offsetting Ms. Hunter's non-occupational check; her gross monthly benefit has been reduced to \$1,598.00. SERS began deducting \$1,148.00 per month to satisfy the overpayment. This will allow the overpayment to be paid back in 60 months.

A letter dated March 23, 2016 was sent to Ms. Hunter and her representative Mario Perrino detailing the offset and the payback amount. Ms. Hunter, through her representative Mario Perrino, has requested a personal appearance to discuss Ms. Hunter's finances.

Ms. Hunter and her sister, Nancy Pedrucci, were present at the June, 2016 Executive Committee, along with Mario Perrino, Ms. Hunter's CPA.

After discussing the facts of the case, a motion was made by Chairman Iglarsh to reduce the monthly repayment amount of Ms. Hunter's overpayment to \$500.00 per month through December 2016, when Ms. Hunter will be eligible for a monthly retirement annuity and the amount of the monthly repayment can be increased. This motion was seconded by Vice Chairperson Morris. All were in favor.

Valerie Fischer – Nonocc – Waive 90 day filing period

Valerie Fischer works as a Human Service Case Worker for DHS. She last worked on August 20, 2010 and began a medical leave of absence on August 30, 2010.

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

After some discussion, Chairman Iglarsh made a motion to approve Ms. Fischer's request for the waiver of the 90 day filing rule, seconded by Vice Chairperson Morris. All were in favor.

Alfreda Noble – Occ – Waive 12 month filing period

Alfreda Noble works as a Mental Health Technician II at Elizabeth Ludeman Center for the State of Illinois Department of Human Services. She was injured on November 22, 2014 while working after falling on ice outside her worksite. She stopped working on December 11, 2014 and began a medical leave of absence on December 14, 2014. She has since returned to work on April 15, 2016.

Ms. Noble was entitled to SERS' occupational disability benefits since December 14, 2014, the time she was placed on maintenance and TTD through the IWCC. She states that she was given false information by her agency regarding her retirement benefits and was told that applying for a SERS occupational benefit would drain her retirement fund. She would like to appeal the 12

month filing limitation and requests that SERS pay her an occupational disability benefit for the December 14, 2014 through April 14, 2016 time period.

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

Trisha Williams – Occ – Waive 12 month filing period

Trisha Williams works as a Juvenile Justice Specialist for the Department of Juvenile Justice. She last worked on March 28, 2010 and began a medical leave of absence on September 30, 2011.

Ms. Williams has requested a written appeal to the Executive Committee for the 12 month filing limitation can be waived. She was paid TTD for this time period.

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

Mary Mixen – Occ – Waive 12 month filing period

Mary Mixen works as a Mental Health Tech for DHS. She last worked on December 15, 2013 and began a medical leave of absence on December 16, 2013.

Her attorney has requested a written appeal to the Executive Committee for the 12 month filing limitation can be waived. She was paid TTD for this time period.

After some discussion, a motion was made by Chairman Iglarsh to approve Mary Mixen's appeal of the 12 month filing period, seconded by Vice Chairperson Morris. All were in favor.

John Vicich – Occ – Waive 12 month filing period

John Vicich works as a correctional officer for IDOC. He last worked on December 17, 2007 and began a medical leave of absence on December 17, 2007.

He has requested a written appeal to the Executive Committee for the 12 month filing limitation can be waived. He was paid TTD December 17, 2007 to May 25, 2008 for this impairment.

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

Gregory Maynerich – Purchase 6 months

Gregory Maynerich has requested a written appeal with the Executive Committee. He is requesting that he be allowed to purchase his 6 month qualifying period with interested calculated through November, 2015.

After discussing the case, a motion was made by Chairman Iglarsh to deny Mr. Maynerich's request that he be allowed to purchase his 6 month qualifying period, with interest calculated only through November, 2015, seconded by Vice Chairperson Morris. All were in favor.

Cheryl L. Wohlers – Reinstatement

This account became eligible for a write-off in June, 2009. Contributions in the amount of \$13,014.56, widow/survivors' in the amount of \$1,625.34, and 198 months of creditable service were written off on June 26, 2009. Ms. Wohlers has requested that her account be reinstated so she could eventually receive a pension.

After some discussion, Executive Secretary Blair made a motion to approve Ms. Wohler's request that her account be reinstated, seconded by Chairman Iglarsh. All were in favor.

Add on:

Nigel Phelps – Occ – Waive 12 month filing period

Nigel Phelps works as a correctional officer for the Department of Corrections in Shawnee. He was injured at work on December 31, 2014 and paid TTD benefits for this injury. He was placed on a service connected leave of absence on January 8, 2015 and subsequently returned to work on May 23, 2015. He is now asking that the 12 month filing limitation be waived so that he can apply for occupational disability benefits. He thought his agency had taken care of this matter.

After some discussion, a motion was made by Chairman Iglarsh to approve Mr. Phelps' request to waive the 12 month filing period, 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 10:17 a.m.

The next meeting of the Executive Committee is scheduled for July 14, 2016, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice Chairperson

Timothy Blair, Executive Secretary