

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS

June 14, 2018

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, June 14, 2018 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members:

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

Others Present:

Jeff Houch, Assistant Executive Secretary
Christine Self, Attorney, Sorling Northrup
Kathy Yemm, Manager, Pension and Death Section
Cory Mitchell, Acting Supervisor, Pension and Death Section
Karen Brown, Supervisor, Disability Section
Jessica Blood, Recording Secretary
Dina Roberts, Claimant
Wayne Chamberlain, Claimant (via teleconference)
Susan Chamberlain, Claimant's Spouse (via teleconference)
John Erbes, Claimant's Attorney (via teleconference)
Brandon Straub, Law Student (via teleconference)

Minutes of the Previous Meeting

The minutes of the May 10, 2018 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 Chairman Iglarsh, seconded by Vice-Chairperson Morris and by unanimous vote, the minutes were approved as submitted.

Routine Claims Report

The Routine Claims Report for the month of May 2018 was presented. Following review and discussion, the Routine Claims Report for the period of May 2018, as prepared by staff, was received by the Executive Committee.

Old Business

Cynthia Janzen-Sanchez – Re-appeal to Receive Survivor Annuity – Recommendation

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 to his named beneficiary.

Based on the documentation provided at the July 2017 meeting, the Executive Committee denied Ms. Janzen-Sanchez's request to receive a survivor annuity. Ms. Janzen-Sanchez requested to re-appeal her case at a personal hearing at the May 2018 meeting of the Committee. Ms. Janzen-Sanchez appeared at the May 2018 meeting of the Committee along with her representative Michael Hagy. Following a review of the facts provided, the Committee referred the case to Attorney Bochenek for recommendation.

Attorney Self presented recommendation No. 2018-6 to the Committee to deny Ms. Janzen-Sanchez's re-appeal to receive a survivor annuity. Following a review of the recommendation and some discussion, a motion was made by Executive Secretary Blair to accept recommendation No. 2018-6. The motion was seconded by Vice-Chairperson Morris and all were in favor.

New Business

Dina Roberts – Appeal to Receive Survivor Annuity – Mbr: Dennis Settles – Personal Hearing – Springfield 9:00am

Dennis Settles, an active state employee, died on July 20, 1995. His surviving spouse, Dina Settles, was 27 years old and ineligible for a survivor annuity until age 50.

A letter was mailed to Ms. Settles on February 5, 2018 to confirm her address and to inquire about remarriages as her 50th birthday was approaching.

Ms. Settles had remarried in 1997 and again in 2000. This was prior to Public Act 91-0887 which eliminated the terminating provision due to remarriage before age 55 for marriages that occur on or after July 6, 2000.

Ms. Roberts (Settles) is requesting a survivor annuity.

After hearing Ms. Roberts' testimony and reviewing the facts of the case, the Committee decided to refer to Attorney Bochenek for a recommendation.

Teresa Rentfrow – Appeal to Receive Survivor Contribution Refund

Teresa Rentfrow retired March 1, 2018. On her retirement application, she listed herself as single with no dependents, but marked the box that she did not want a survivor contribution refund.

Ms. Rentfrow is asking for the survivor contribution refund. She states she did not understand that she was declining the refund.

After discussing the facts of the case, a motion was made by Chairman Iglarsh to approve Ms. Rentfrow's request to receive a survivor contribution refund. The motion was seconded by Vice-Chairperson Morris and all were in favor.

William Minott – Request to Upgrade Service

William Minott retired from the Department of Transportation (IDOT) at age 50, effective April 1, 2018. Mr. Minott had purchased a total of 42.50 months of his military service during his working career. The purchases took place in 2002 (24 months) and 2008 (18.50 months), respectively. During an account review in 2016, this 42.50 months of optional service was incorrectly moved into the Highway coordinator service bucket from the regular coordinated service bucket. When Mr. Minott retired, a follow-up account review was performed and this error was identified. The 42.50 months of optional service was moved back to the regular coordinated service bucket, making Mr. Minott ineligible to retire under the alternative formula at age 50.

Since Mr. Minott has already left payroll and since the SERS error was material and relied upon in his decision, and ultimately caused him to be ineligible for a retirement benefit, the Accounting Division is asking that the Executive Committee consider allowing Mr. Minott to upgrade 36 months of his optional military service purchase from the regular coordinated service bucket to the highway maintainer service bucket making him eligible, by paying the required contributions to SERS. Service upgrades were not available when the original purchases were made.

Following a review of the facts of the case and some discussion, the Committee decided to defer a decision pending SERS staff communicating potential options with Mr. Minott.

Wayne Chamberlain – Appeal SSA Overpayment – Personal Hearing – Teleconference 9:30am

Wayne Chamberlain was approved for a non-occupational benefit from SERS effective October 19, 2016.

Mr. Chamberlain was approved for a retroactive Social Security disability benefit effective February 1, 2017. The retroactive benefit created an overpayment from SERS totaling \$16,335.00 from February 1, 2017 through December 31, 2017.

SERS sent Mr. Chamberlain a notification letter on January 29, 2018 that explained the calculation of the overpayment and what was due SERS.

Mr. Chamberlain's non-occupational benefit ended April 30, 2018 due to half time ceasing. To repay this overpayment in 5 years would require a monthly payment of \$273.00. He is not vested and not eligible for retirement.

Mr. Chamberlain is appealing the total amount he owes for the overpayment. A copy of a certification form submitted by Mr. Chamberlain, signed August 14, 2017, alerted SERS

that he was receiving SSA benefits, but the SERS benefit was not adjusted until January 1, 2018.

Mr. Chamberlain is represented by John Erbes, Attorney at Law, who presented his case during a teleconference personal hearing.

After discussing the facts of the case, the Committee decided to defer pending further communications with Mr. Chamberlain's attorney regarding a refund of contributions and repayment plan.

Darlene Esposito, Deceased – Appeal by Daughter to Approve Non-Occupational Disability Benefits

Darlene Esposito worked at Health and Family Services as an Office Coordinator. Ms. Esposito requested a non-occupational disability packet on September 15, 2017. The packet was mailed to Ms. Esposito on September 16, 2017.

Ms. Esposito had surgery on September 8, 2017. While in the hospital, she suffered complications from her surgery. She remained in the hospital for an additional three months. Ms. Esposito passed away on January 28, 2018.

Ms. Esposito had faxed the front page of her application to SERS on October 23, 2017. The application was incomplete, with very little information on it. SERS tried calling Ms. Esposito on October 23, 2017 and left a voicemail explaining that the application was incomplete and that SERS still had not received the completed Authorization for Release of Information form. SERS did however, receive the necessary medical information, including the surgical report.

Due to the situation stated above, SERS' Disability Section did not approve Ms. Esposito's application for non-occupational disability benefits in accordance with Chapter 40 of the Illinois Pension Code 5/14 – 124(1). It is noted that the Disability Section has never approved a disability benefit without a signed and completed application, as well as a completed Authorization for Release of Information form.

Ms. Esposito's daughter is requesting the Executive Committee review her request for non-occupational disability for her deceased mother from September 6, 2017 through January 27, 2018.

Following a review of the case and some discussion, a motion was made by Chairman Iglarsh to waive the 90-day filing limitation and defer a decision regarding approval of benefits pending receipt of the completed non-occupational disability application as well as legal documentation showing Ms. Esposito's daughter as the administrator of her estate. The motion was seconded by Executive Secretary Blair and all were in favor.

Wileta Brown-Martin – Occupational Disability – 12 Month Waiver

Wileta Brown-Martin works as a Health Facility Surveyor for the Department of Public Health. She last worked on February 3, 2017. She began a medical leave of absence on February 16, 2017 due to a work related medical issue.

Ms. Brown-Martin indicated that she thought worker's comp was the only benefit she was eligible to receive. She stated she was informed by another employee of the occupational disability benefit. Ms. Brown-Martin has requested a written appeal to the Executive Committee so that the 12-month filing limitation can be waived. She was paid TTD for this time. Her request was denied in accordance with Chapter 40 of the Illinois Pension Code 5/14-124(5).

After discussing the facts of the case, a motion was made by Chairman Iglarsh to approve Ms. Brown-Martin's request to waive the 12-month filing limitation. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Edward Mueller – Occupational Disability – 12 Month Waiver

Edward Mueller works as a carpenter for Toll Highway Authority. He last worked on June 6, 2016. He began a service connected leave of absence on June 7, 2016 due to medical issues. He returned to work on September 21, 2016.

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

After reviewing the case, a motion was made by Chairman Iglarsh to approve Mr. Mueller's request to waive the 12-month filing limitation. The motion was seconded by Executive Secretary Blair and all were in favor.

Bonnie Bolen – Appeal Overpayment of Benefits Paid After Age 65

Bonnie Bolen was approved for an occupational disability benefit from SERS effective November 1, 1995.

Mrs. Bolen turned 65 in August of 2017 and her benefit should have ended the end of August 2017. She continued to receive occupational disability benefits and is now overpaid for the months of September 2017 through December 2017.

The original overpayment amount was \$10,183.16. Once insurance premium deductions were reversed, the total amount owed by Mrs. Bolen was \$9,811.16.

As stated in SERS Board policy, the Overpayment Section is to deduct half the gross of any benefit being paid toward an overpayment owed to SERS. The overpayment due is in accordance with 5/14-125 ILCS of the Pension Code.

Mrs. Bolen retired on September 1, 2017 with a monthly gross benefit of \$891.66. The first retirement check was issued for the months of September 2017 through May 2018 and \$4,012.50 was deducted and applied to the overpayment. The amount was calculated by taking half of the first retirement payment of \$8,024.94. The deduction reduced the total overpayment owed to \$5,798.66.

Mrs. Bolen's monthly gross retirement benefit is \$891.66 per month. She has premium free health, no dental and no optional life premiums. SERS is currently reducing her retirement benefit by half in the amount of \$445.83, leaving a net amount of \$445.83.

Mrs. Bolen is appealing the overpayment.

After reviewing the facts of the case and some discussion, a motion was made by Chairman Iglarsh to deny Mrs. Bolen's appeal of her overpayment and allow a minimum repayment amount of \$100.00 per month. The motion was seconded by Executive Secretary Blair and all were in favor.

Monique Stanback – Request Lower Repayment Amount for ARCP Portion of Retirement Payout

Monique Stanback participated in the Alternative Retirement Cancellation Payment (ARCP) that was offered in 2006. This option allowed her to resign state employment and receive payment of double contributions with double interest. Ms. Stanback received \$9,562.84.

Public Act 93-0839 states that if an ARCP recipient returns to state employment, the member must repay the ARCP portion of the payout within 60 days of return to state employment. Ms. Stanback's ARCP portion is \$5,208.23 (\$4,354.61 in contributions plus double interest of \$853.62).

Ms. Stanback returned to state employment January 23, 2018. She was sent a letter on April 11, 2018 requesting repayment of the ARCP portion.

The current policy in place for repayment of ARCP is based upon the amount owed. Ms. Stanback owes \$5,208.23. Based on that amount, her payment should be repaid in 15 months/30 pay periods. The required payment would be \$348.00 per month or \$174.00 per pay period.

Ms. Stanback is requesting a lower payment amount for an extended time.

Following a review of the case, a motion was made by Executive Secretary Blair to deny Ms. Stanback's request for a lower repayment amount over an extended time. The motion was seconded by Chairman Iglarsh and all were in favor.

Reinstatement of Written-off SERS Membership Accounts for the Purpose of Paying a Termination Refund

The following member accounts were written-off in a prior fiscal year. Since then, each member has contacted SERS and requested a termination refund of their applicable SERS contributions.

The Claims Division is requesting that the Executive Committee reinstate the following SERS member accounts that were written off so that the resignation refunds can be processed.

Name	Member ID	Contributions W/O	Widow/Survivor W/O	Service Credit (months) W/O	Date W/O
Jimmy Smith	18-4604120	\$2,573.07	\$233.73	28.25	06/2017
Franklin McKnight	81-5910192	\$3,062.24	\$382.36	41.50	06/2017

Jonathan Correa	15-0622930	\$1,833.13	\$228.88	20.25	06/2017
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After some discussion, a motion was made by Chairman Iglarsh to approve the reinstatement of the written-off member accounts. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Robert Story Jr. – Appeal to Retire Independently

Robert Story retired reciprocally with the Illinois Municipal Retirement Fund (IMRF) on February 1, 2018. Mr. Story is over the maximum amount allowed between both systems, so both systems must proportionally reduce their benefit.

Mr. Story is a deferred annuitant with IMRF until age 55 and will be reduced for age. He is receiving a retirement benefit with SERS of approximately 68.0833% of his rate of pay. If he had retired independently, he would be receiving a pension of 75.0624% of his rate of pay.

Mr. Story is requesting to retire independently as this would be a better benefit for him financially.

After reviewing the facts of the case, a motion was made by Vice-Chairperson Morris to approve Mr. Story's request to retire independently. The motion was seconded by Chairman Iglarsh and all were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:20 a.m.

The next meeting of the Executive Committee is scheduled for July 12th, 2018, in the Springfield office with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary