

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

June 11, 2020

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, June 11, 2020 at 8:45 a.m. in the System's Springfield office at 2101 S. Veterans Parkway and by videoconference as allowed under Executive Order 2020-7, as amended by Executive Orders 2020-33 and 2020-39.

Committee Members:

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

Others Present:

Jeff Houch, Assistant to the Executive Secretary
James Stivers, General Counsel
Eric Glaub, Manager, Claims Division
Steve Bochenek, System Attorney
Aaron Evans, Attorney, Sorling Northrup
Jessica Blood, Recording Secretary

Minutes of the Previous Meeting

The minutes of the May 14, 2020 meeting of the Executive Committee were presented by Chairman Iglarsh for approval. Copies of the minutes were previously emailed to Committee members for review. There being no additions or corrections, on motion by Vice-Chairperson Morris, 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 May 2020 was presented. Following review and discussion, the Routine Claims Report for the period of May 2020, as prepared by staff, was received by the Executive Committee.

Old Business

Kirk Schoenbein – Appeal to Retire Reciprocally – Recommendation

Kirk Schoenbein is a member of the Illinois Municipal Retirement Fund (IMRF), SERS and JRS, but is not independently vested with JRS.

Mr. Schoenbein retired reciprocally with IMRF effective March 1, 2017 and is deferred with SERS until March 1, 2022 when he reaches age 60. He elected not to retire reciprocally with JRS.

Mr. Schoenbein is appealing that SERS undo his reciprocal pension with IMRF and instead retire reciprocally with JRS.

The case was deferred at the Committee's September and October 2019 meetings pending further research into the case. It was again deferred at the Committee's November and December 2019 and January, February, March, and April 2020 meetings pending a decision from IMRF. At their February meeting, IMRF reached the decision not to approve Mr. Schoenbein's appeal to undo his reciprocal pension.

After further discussion at their May 14, 2020 meeting, the Committee decided to refer the case to Attorney Bochenek for recommendation.

Attorney Bochenek presented recommendation No. 2020-4 to deny Mr. Schoenbein's request to rescind his reciprocal retirement. After some discussion, a motion was made by Executive Secretary Blair to adopt the recommendation. The motion was seconded by Chairman Iglarsh and all were in favor.

Vicki Dunlap – Appeal for Service Credit Purchase – Recommendation

Vicki Dunlap is currently receiving non-occupational disability benefits. Recently, Ms. Dunlap requested to purchase service credit related to a leave of absence that occurred from January 26, 2015 to March 1, 2016. Subsection (l) of Section 14-104 of the Illinois Pension Code (40 ILCS 5/14-104(l)) provides that an employee may establish service credit for "periods of less than one year spent on authorized leave of absence from service". Because Ms. Dunlap took a leave of absence that was longer than one year, statute prohibits her from purchasing such leave.

Ms. Dunlap has requested a personal hearing as she contends her actual leave was from March 2, 2015 through March 1, 2016 because she was told by her agency that her time spent on leave covered by the Family Medical Leave Act (FMLA) does not count toward the one year period.

After hearing Ms. Dunlap present her case at their May 14, 2020 meeting, the Committee decided to refer the case to Attorney Bochenek for recommendation.

Attorney Bochenek presented recommendation No. 2020-5 to deny Ms. Dunlap's

request. After reviewing the facts presented and some discussion, a motion was made by Executive Secretary Blair to adopt the recommendation. The motion was seconded by Chairman Iglarsh and all were in favor.

New Business

Eugene Klasing Jr. – Appeal Level Income Reduction Overpayment

Eugene Klasing Jr. retired June 1, 2008 and chose the level income option for age 66 years and 0 months.

Mr. Klasing Jr.'s date of birth is June 1, 1954. Since his date of birth is on the first of the month, he is eligible to begin receiving Social Security Administration (SSA) benefits the month prior to his birth month.

Staff contends that Mr. Klasing Jr.'s benefit was not properly reduced in May 2020 for the level income option, which created an overpayment. Mr. Klasing Jr. is appealing the overpayment.

After some discussion, a motion was made by Executive Secretary Blair to approve Mr. Klasing Jr.'s request. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Ernestine Jackson – Appeal of SSA Award Overpayment Repayment Terms

Ernestine Jackson was approved for non-occupational benefits from SERS effective May 16, 2001 through April 30, 2002 (half-time ceased).

In May 2003, Ms. Jackson was approved for a retroactive Social Security Administration (SSA) disability benefit effective October 1, 2001. The retroactive benefit created an overpayment to SERS from October 1, 2001 through April 30, 2002. The overpayment is due per 40 ILCS 5/14-125 of the Pension Code.

On April 16, 2004, Ms. Jackson entered into a Repayment Contract agreement of \$20.00 per month with payments to be remitted to SERS. The last payment was received by SERS in May 2013. Ms. Jackson is requesting the overpayment be forgiven.

After discussing the facts presented, a motion was made by Executive Secretary Blair to deny the request. The motion was seconded by Chairman Iglarsh and all were in favor.

Gwendolyn Jones - Appeal of SSA Award Overpayment Repayment Terms

Gwendolyn Jones was approved for a non-occupational disability benefit from SERS effective November 16, 2017. In February 2020, SERS was notified that Ms. Jones was

approved for a retroactive Social Security Administration (SSA) disability benefit effective March 1, 2019. The retroactive benefit created an overpayment to SERS from March 1, 2019 through January 31, 2020. The overpayment is due in accordance with 40 ILCS 5/14-125 of the Pension Code.

SERS sent Ms. Jones a notification letter on March 2, 2020 that explains the calculation of the overpayment and what is due. A repayment plan letter was sent on April 20, 2020.

Ms. Jones's disability benefit has a half-time cease date of November 30, 2021. The Overpayment Section is to deduct the amount required to repay the overpayment prior to the ceasing of her benefit. SERS is currently deducting for the overpayment to be paid in 19 months (1 year, 7 months). Ms. Jones is requesting a payment plan of \$100.00 per month. The overpayment would be paid in 192 months (16 years).

After discussing the facts of the case, a motion was made by Chairman Iglarsh to deny Ms. Jones' request and adjust the repayment amount to half her current gross benefit. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Linda Lawrence – Appeal Disability Benefit Overpayment Repayment Terms

Linda Lawrence was approved for a non-occupational disability benefit from SERS effective October 23, 2019. On March 18, 2020, SERS was notified that Ms. Lawrence returned to work on February 18, 2020. It was confirmed by Department of Juvenile Justice that she returned to agency payroll on said date. This information was received after the check for February had been issued. The untimely notification of the return resulted in an overpayment for the period of February 18, 2020 through February 29, 2020.

SERS sent Ms. Lawrence a notification letter on April 3, 2020 that explains the reason for the overpayment and total amount due. Ms. Lawrence is an active state employee. The Overpayment Section is to deduct from Ms. Lawrence's income to apply to the overpayment owed to SERS. The current deduction will repay the overpayment in 4 months. Ms. Lawrence has requested a payment plan of \$50.00 per pay period (\$100.00 per month) which will repay the overpayment in 16 months (1 year, 4months).

After reviewing the facts of the case and some discussion, a motion was made by Vice-Chairperson Morris to approve the request. The motion was seconded by Chairman Iglarsh and all were in favor.

Angelia Sowell – Appeal Disability Benefit Overpayment Repayment Terms

Angelia Sowell was approved for a non-occupational disability benefit from SERS effective October 7, 2018. On March 14, 2019, SERS was notified that Ms. Sowell returned to work October 29, 2018. It was confirmed by Department of Human Services that she returned to agency payroll on said date. The untimely notification of

the return resulted in an overpayment for the period of October 29, 2018 through February 28, 2019.

SERS sent Ms. Sowell a notification letter on March 14, 2019 that explains the reason for the overpayment and total amount due. She appealed to the Executive Committee and her case was considered at the May 9, 2019 meeting. The committee approved the request to pay \$150.00 per month, to take effect on June 1, 2019. Ms. Sowell failed to comply with these arrangements as approved by the Executive Committee. A deduction card was submitted to her agency with a signature date of February 19, 2020.

Ms. Sowell is an active state employee. Per the Executive Committee's recommendation, the Overpayment Section is to deduct \$75.00 per pay period (\$150.00 per month) to repay the overpayment owed to SERS. SERS is to deduct \$75.00 per pay period (\$150.00 per month) to apply to the overpayment, which will be paid in 23 months (1 year, 11 months). Ms. Sowell has requested the payment plan be suspended.

After discussing the facts of the case, a motion was made by Executive Secretary Blair to deny Ms. Sowell's request and keep the current repayment agreement. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Wendy Tripp - Appeal of SSA Award Overpayment Repayment Terms

Ms. Tripp was approved for a non-occupational disability benefit from SERS effective March 29, 2016. On December 18, 2018, SERS was notified Ms. Tripp returned to work October 22, 2018. It was confirmed by her agency. Untimely notification of the return resulted in an overpayment for the period of October 22, 2018 through November 30, 2018. SERS sent Ms. Tripp a notification letter on December 21, 2018 to explain the reason for the overpayment and total amount due.

In February 2020, Ms. Tripp was approved for a retroactive Social Security Administration (SSA) disability benefit effective July 1, 2016. The retroactive benefit created an overpayment to SERS from July 1, 2016 through October 21, 2018. SERS sent Ms. Tripp a letter February 4, 2020 to explain the calculation of the overpayment and the amount due. A second letter was sent March 9, 2020 to outline the required repayment terms.

Ms. Tripp is an active state employee. The Overpayment Section is to deduct 20% of Ms. Tripp's gross pay to be applied to the combined overpayment owed to SERS. The current deduction will repay the overpayment in 38 months (3 years, 2 months). She has requested a lowered repayment amount.

After discussing the facts of the case, a motion was made by Executive Secretary Blair to deny the request. The motion was seconded by Chairman Iglarsh and all were in favor.

Discussion on Policy Change – Payment of Refunds with Interest

The Committee discussed the possibility of pursuing rulemaking or policy change with regards to the payment of refunds with interest.

Discussion on Procedures with Worker’s Compensation Benefit Payouts

The Committee discussed the improvement of processing member disability benefits whereby the Worker’s Compensation would have prior communication with SERS regarding a potential award payout. Per statute, the Worker’s Compensation Commission is required to provide direct payment to SERS from initial awards to members. Executive Secretary Blair stated that he would have an update for the Committee at their next meeting following a discussion with the Worker’s Compensation Commission.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:37 a.m.

The next meeting of the Executive Committee is scheduled for July 9, 2020, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary