

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

June 14, 2011

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Tuesday, June 14, 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
Chris Silver, Disability Supervisor
Michael Noblet, Supervisor Pensions & Deaths
Kerry Walker, Assistant Supervisor, Disability Section
Dawn Blakeman, Recording Secretary
Steve Stalcup, Hearing
Jon K. Ellis, Attorney for Stalcup
Jill Gordon, Hearing
Steve Berg, Attorney for Gordon

Minutes of the Previous Meeting

The minutes of the May 12, 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 Chairman Iglarsh 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 May 2011 were presented for approval. Following review and discussion, Vice Chairperson Laidlaw moved acceptance of the Routine Claims and Denials Report for the period of May, 2011. Executive Secretary Blair 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.

Fascia Edwards Nonoccupational Disability

The System's attorney submitted a recommendation of denial based on the facts and findings on file in this case for the Committee's review. Following discussion, on motion by Vice Chairman Laidlaw, seconded by Chairman Iglarsh, and by unanimous vote, the Committee accepted Recommendation No. 2011-11 in the matter of Fascia Edwards. A copy of this recommendation has been made a part of this member's file.

Rosebud Walker Nonoccupational Disability

The System's attorney submitted a recommendation of denial based on the facts and findings on file in this case for the Committee's review. Following discussion, on motion by Chairman Iglarsh, seconded by Vice Chairman Laidlaw, and by unanimous vote, the Committee accepted Recommendation No. 2011-10 in the matter of Rosebud Walker. A copy of this recommendation has been made a part of this member's file.

Stephen R. Stalcup Service Lay-off Credit

Steve Stalcup through his attorney, Jon K. Ellis, requested a personal hearing to establish creditable service for 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.

Sharmin Doering Accounting - Credit

Sharmin Doering requested and attended a personal hearing to establish optional service credits for accumulated sick leave, vacation, and personal days.

After discussion, the Committee agreed to defer this matter to conduct a research and to re-discuss at the July meeting.

New Business

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 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.

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.

Roger Vandeburg Occupational Disability

Roger Vandeburg works for a state agency and a service connected leave of absence was granted.

Mr. Vandeburg'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 Roger Vandeburg 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. Vandeburg 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 Roger Vandeburg's appeal for a waiver of the twelve month filing limitation.

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

Basheer Ahmed Nonoccupational Disability

Basheer Ahmed works for a state agency and a medical leave of absence was granted.

Mr. Ahmed'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 Basheer Ahmed 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.

Basheer Ahmed 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 Basheer Ahmed's appeal for disability benefits. Following a review of the file and some discussion, Vice Chairman Laidlaw moved approval of the appeal of Basheer Ahmed for a waiver of the 90 day filing limitation for nonoccupational disability benefits. Chairman Iglarsh seconded the motion and all were in favor.

Howard Ziegler

Occupational Disability

Howard Ziegler works for a state agency and a service connected leave of absence was granted.

Mr. Ziegler'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 Howard Ziegler 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. Ziegler 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 Howard Ziegler's appeal for a waiver of the twelve month filing limitation.

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

Kelley Miller

Occupational Disability

Kelley Miller works for a state agency and a service connected leave of absence was granted.

Ms. Miller'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 Kelley Miller worked 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.

Ms. Miller 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 Ms. Miller's appeal for a waiver of the twelve month filing limitation.

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

Jennifer Clark Occupational Disability

Jennifer Clark works for a state agency and a service connected leave of absence was granted.

Ms. Clark'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 Jennifer Clark 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.

Ms. Clark 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 Jennifer Clark's appeal for a waiver of the twelve month filing limitation.

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

Carol Knowles Laid-off Service Request

Carol Knowles has requested a written appeal before the Executive Committee. She is requesting to establish creditable service under provisions of House Bill 5262, Public Act 96-1320.

This bill allows an employee who was laid-off, but returned to any state employment to establish creditable service for the period of lay off, not to exceed three years. The applicant had to apply for the creditable service within six months after the effective date of the Amendatory Act. The deadline to apply was January 27, 2011.

After discussion and following a review of the file, Vice Chairman Laidlaw moved that the request be approved. Executive Secretary Blair seconded the motion, and all were in favor, provided payment is made within 30 days of our billing notice.

Wayne Straza Pension

Wayne Straza is currently receiving a retirement annuity from the System.

During the application process for his retirement annuity, Mr. Straza had elected to participate in the reciprocal option.

Based upon a review of the file and information submitted, the Executive Committee finds Mr. Straza was receiving a retirement annuity under the ERI and returned to state service on July 7, 2003.

During the application process for his retirement annuity, Mr. Straza indicated he wanted to retire reciprocally with 105 months under non-coordinated alternative formula which included 60 months from the ERI. Since he did not have 20 years of service in the alternative formula, a refund of the difference was issued.

Mr. Straza returned to work on 07/07/03 under a regular formula position. Based on appeal he repaid his pension without interest, he did lose the 60 months of ERI service but otherwise repaid all he had received, except the alternative formula refund. It came to the pension supervisor's attention sometime later that an error had been made and that Mr. Straza should pay the alternative formula refund back.

Mr. Noblet, supervisor of the Pension & Death Benefit Claims Division explained rather than ask Mr. Straza to repay money that would have to be refunded upon retirement, permission to waive the refund amount now is being requested.

Following a review of the file and some discussion, Chairman Iglarsh moved to approve the waiver of the repayment for Wayne Straza. Vice Chairperson Laidlaw seconded the motion and all were in favor.

John Micheli Pension/Overpayment/Reciprocal

On June 1, 2001, Mr. Micheli retired under the Reciprocal Act with the State Employees' Retirement System (SERS) and Illinois Municipal Retirement Fund (IMRF).

Mr. Micheli returned to work with an employer who participated in IMRF on August 12, 2004. IMRF failed to notify SERS until November 24, 2009. Once SERS discovered Mr. Micheli had returned to work with an employer who participated in the IMRF, the SERS benefits were suspended. This created an overpayment with SERS.

John Micheli requested a personal hearing and appeared with his attorney Mr. Thomas Tonozzi at this meeting.

He gave a history of his retirement from SERS and IMRF and his subsequent return to work with the city of Peru. Neither IMRF nor the city of Peru told him he needed to report his return to work to SERS. Upon receiving notice of an overpayment with SERS, he called both IMRF and the City of Peru who indicated they knew nothing of the situation. Mr. Micheli had indicated he attended a seminar for retirees last year provided by SERS. When he indicated his retirement with SERS and IMRF, he was told the IMRF retirement had nothing to do with SERS.

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

On September 16, 2010 Mr. Micheli and his Attorney Mr. Thomas Tonozzi appeared before the Executive Committee requesting guidance in the overpayment.

Executive Secretary Blair explained that SERS has communicated with IMRF in an attempt to resolve the situation. To date the overpayment of SERS benefits has not been resolved. That Mr. Micheli should contact IMRF legal to see if he can retire independently with each system. If so the overpayment would be minimal to IMRF compared to the SERS overpayment.

This case was referred to the Attorney for a recommendation based on the facts and findings in file for presentation at the next meeting. On October 7, 2010, the System's attorney submitted a recommendation based on the facts and findings on file in this case for the Committee's review. Following discussion, on motion by Chairman Iglarsh, seconded by Executive Secretary Blair, and by unanimous vote, the Committee accepted Recommendation No. 2010-012 to deny Mr. Micheli's request. A copy of this recommendation has been made a part of the member's file.

Once again Mr. Micheli is appealing to the Executive Committee. However, this time the appeal is to change his pension application from reciprocal to independent based on the fact that IMRF has allowed him and if SERS removes the reciprocal we will actually owe him monies.

Following a review of the file and some discussion, Executive Secretary Blair moved that Mr. Micheli's claim be approved for a waiver to overturn the reciprocal contract and waive the overpayment. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Helen Spradlin Survivor Benefit/Joshua Witherbee

Helen Spradlin passed away on February 18, 2011.

Ms. Spradlin's surviving son Joshua Witherbee has sent in a written request to waive his rights to survivor benefits, he is over eighteen and not a full time student and has no plans to enter college.

Based on the facts of this case and information submitted and after some discussion has agreed to approve to waive survivor benefits. Executive Secretary Blair moved for approval. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Zader Garner Occupational Disability/12 month

Zader Garner works for a state agency and a service connected leave of absence was granted.

Ms. Garner'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 Zader Garner 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.

Ms. Garner 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 Zader Garner's appeal for a waiver of the twelve month filing limitation.

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

Louvenia Moore Nonoccupational Disability/Overpayment

Louvenia Moore works for a state agency and was granted a medical leave of absence.

Ms. Moore received a retroactive disability benefit from the Social Security Administration (SSA) which 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 Ms. Moore was granted a medical leave of absence.

Upon receipt of the information regarding the SSA disability benefits award, Ms. Moore was contacted regarding the overpayment of non-occupational disability benefits. A contract was issued for signature and not returned.

This overpayment was in accordance with 40 ILCS 5/14-125 and Section 1540.90 of the Illinois Administrative Code which indicate nonoccupational disability benefits paid by the System are reduced by the SSA disability benefit.

Ms. Louvenia Moore requested an appeal of the overpayment of nonoccupational disability benefits.

After discussion the Executive Committee recommended to deny the written appeal regarding the overpayment of nonoccupational disability benefits.

Following a review of the file and some discussion, Chairman Iglarsh moved that the appeal of Louvenia Moore be denied. Vice Chairman Laidlaw seconded the motion, and all were in favor.

John Danehy Pension/PA095-1043

John Danehy has been receiving a retirement annuity since 2002.

Mr. Danehy failed to request participation in P.A. 095-1043 within the proper time frame. Therefore, his request to participate was denied.

Based upon a review of the file and information submitted, the Executive Committee finds John Danehy began receiving a retirement annuity as of 2002.

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 June 30, 2009 (with an extension to 12/31/09) in order to determine participation by the effective date of the Public Act (July 1, 2009).

Since Mr. Danehy's request to participate in P.A. 095-1043 was not returned, his request was denied.

Based upon the facts of this case and the information submitted, the Executive Committee recommends denying John Danehy's appeal for participation in P.A. 095-1043.

Following a review of the Public Act and some discussion, Chairman Iglarsh moved denial of Mr. Danehy's appeal to participate in P.A. 095-1043. Executive Secretary Blair seconded and the motion passed unanimously.

Jason Walker Survivor Benefit/Adult Child

Member Melvin R. Walker passed away on April 25, 2011. At the time of his death he had a disabled adult son.

We have received a written appeal from Mr. Walker's ex-wife with enough dependent verification to substantiate the claim.

Following a review of the file and discussion, Executive Secretary Blair moved approval of the request of the Claims Division to pay survivor benefits to the disabled adult son of Melvin Walker. Vice Chairman Laidlaw seconded the motion, and all were in favor.

Linda Susini Survivor Benefit/Adult Child

Member Luciano Susini passed away on May 28, 2009. At the time of his death he had a qualified survivor and disabled adult daughter. Dependent verification is needed to substantiate the claim.

We have received a written appeal from the spouse Theresa B. Susini requesting payments be made to the adult son.

Following a review of the file and some discussion, Executive Secretary Blair moved that the appeal of Theresa B. Susini be denied until verification as required by 180 IL Administrative Code 1540-150d can be obtained. Chairman Iglarsh seconded the motion, and all were in favor.

Proof of Birth Acceptable Documents Policy

Section 1540-100 regarding Birth Date Verification: We have made limited exceptions for people born out of the country by accepting copies of, Naturalization papers or passports without a letter of “no record exists”.

Based on an email from the Claims Division Manager at that time ,in 2008 the policy was reviewed by the Executive Committee and was approved at that time to accept DD 214’s, Naturalization papers and immigration papers in lieu of a birth certificate without the necessity of obtaining a statement of “No Record Exists” from the state of birth. This decision cannot be located.

Recently it was found that some employees of the Claims Division are accepting only birth records or a letter stating “no record exist” with a copy of military papers, Naturalization papers, passport and other records with a date of birth on them.

All staff should be consistent and use the same documentation requirements for birth certificates. . Staff is asking the committee for direction on whether they can accept DD214’s and passports as proof of date of birth without the “No Record Exists” certification form the member’s state of birth. Staff is also asking the Committee to clarify if a hospital record is acceptable as proof of birth date. This matter was referred to the Executive Secretary at his request to do further research.

Concurrent reduction between IMRF & SERS SLEP Time Policy

Staff is asking the committee to approve an exception to the Reciprocal Principles based on an interpretation by IMRF’s attorney that service in their SLEP formula is not subject to concurrent reduction. Under the principles only periods of six months or less can be assigned to the system with the best formula.

SLEP time is similar to SERS alternative formula in that after 20 years in the formula a person gets 2.5% per year of service. As with our alternative formula Reciprocal service does not count toward the 20 year requirement. Mike Noblet, Supervisor of the Pension and Death section disagrees with IMRF’s position that SLEP time is not subject to concurrent reduction. However, staff is requesting they be allowed to reduce SERS service by all concurrent service in those cases where our service is under the regular formula (not one of the alternative formulas) and IMRF SLEP service is involved since it would benefit the member and would not harm the SERS trust fund.

After some discussion this matter was referred to the Attorney to research the ramifications of adopting this policy and advise the Committee at their next meeting.

Clarification is requested regarding social security (SSA) offsets.

1. Should SRS offset the total (primary) amount of a member's SSA disability benefits from the SRS disability benefit? The Executive Committee determined that our current policy of deducting the gross SSA disability amount should continue as current practice.

2.

Should SRS offset the amount of the SSA unreduced retirement benefit the member would be eligible to receive at full retirement age, even though the member is not receiving that amount? The Executive Committee determined that the current policy, as outlined in rules, should continue. SRS should calculate based upon what the member would have received had the member waited to draw at full retirement age. It was also noted that SRS needs to change the current language used for retirement age (currently noted as age 65, should be changed to "full retirement age."

There being no further business to be brought before the Committee, the meeting was adjourned at 1:30PM.

The next meeting of the Executive Committee is scheduled for Thursday, July 7, 2011, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh
Chairman

Lori Laidlaw
Vice Chairperson

Timothy Blair
Executive Secretary