

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
March 15, 2012

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, March 15, 2012, 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, Supervisor, Disability Section
Michael Noblet, Supervisor, Pensions & Deaths Section
Dawn Blakeman, Recording Secretary
Barbara A. Carnduff- Curtner, Hearing
Josh Carnduff, Grandson
Brad Carnduff, Son
Lisa Mott, Friend

Minutes of the Previous Meeting

The minutes of the February 9, 2012 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 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 January, 2012 were presented for approval. Following review and discussion, Chairman Iglarsh moved acceptance of the Routine Claims and Denials Report for the period of February, 2012. On motion by Chairman Iglarsh seconded by Executive Secretary Blair and by unanimous vote, the minutes were approved as submitted.

Old Business

Robert Ruiz

Pension

Robert Ruiz requested a personal hearing with the Executive Committee in a letter dated November 19, 2009, regarding the reciprocal agreement be cancelled so he can still collect his pension benefits from the County Employees' Annuity & Benefit Fund of Chicago pension fund.

Mr. Ruiz through a telephone conversation in December, 2011 with Michael Noblet, Supervisor of the Pension and Death Division has requested another hearing continuance.

Accordingly, this case continues to be deferred.

Diane Pignato

Non-Occupational Disability

Diane Pignato works for a state agency. She was granted a medical leave of absence. Ms. Pignato's application for disability benefits was denied based upon the results of a review of medical information in her file.

Medical information on file was reviewed by the System's medical consultant on July 8, 2011 and again on September 22, 2011. Based upon this review, a disability was not documented. 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 that she was granted a medical leave of absence.

Ms. Pignato's claim for non-occupational disability benefits was denied due to medical information failing to substantiate a disability. Ms. Pignato requested a written appeal pursuant to the denial of disability benefits.

During the October 6, 2011 meeting, the Committee agreed to defer Ms. Pignato's appeal so that additional medical records could be provided.

Johnny Rigdon

Survivor-Beneficiaries

Johnny Rigdon passed away on August 15, 2011 at the time of his death he was receiving an occupational disability benefit. At the time of his death he had a qualified survivor.

Surviving spouse Julie Rigdon's mother and Power of Attorney completed the survivor application for Mrs. Rigdon who is the sole survivor and beneficiary of Johnny Rigdon.

On September 12, 2011 before any benefits were paid Julie Rigdon passed away. Since Mrs. Rigdon died subsequent to Mr. Rigdon, her benefits would be payable to her named beneficiary son Cory Michael Glispie.

Johnny Rigdon's two children are appealing to the committee to have the benefits paid to them instead.

Following discussion, the Committee agreed to defer this matter at this time.

A request for a waiver of benefits by Cory M. Glispie was submitted for review to the Executive Committee. The waiver states the three children have agreed to have the benefit paid to the executor of the estate of Julie Rigdon.

Following a review of the file and some discussion, Chairman Iglarsh moved that the appeal for a waiver of benefits for Cory M. Glispie be approved, Vice Chairman Laidlaw seconded the motion and all were in favor.

Nikki Malley

Non-Occupational Disability

Nikki Malley works for a state agency and a medical leave of absence was granted.

Ms. Malley's claim for disability benefits was denied based on a review of medical documentation from treating medical sources.

Ms. Malley's file was reviewed by the System's medical consultant on November 16, 2011. Based on the medical documentation available, her claim for disability benefits was denied.

Nikki Malley requested a personal appeal pursuant to the denial of disability benefits.

Ms. Malley requested and attended a personal hearing with the Executive Committee pursuant to the denial of disability benefits.

She explained she had more medical information and would send it soon.

The Executive Committee agreed to have Ms. Malley send the additional information to the Disability Supervisor for review.

Following a review of the file and some discussion, Chairman Iglarsh moved that the appeal of Nikki Malley be deferred so additional information could be submitted. Trustee Laidlaw seconded the motion, and all were in favor.

Additional information was submitted and again the entire file was reviewed by the System's medical consultant who determined that the medical information failed to substantiate a disabling condition.

Following discussion, the Committee referred this matter to SERS Attorney for recommendation based on the facts and findings in file for presentation at the next meeting.

Philip Mark Seimer

Pension – SS Offset

Mr. Seimer has been receiving a retirement annuity since September, 2001 at that time he had a survivor.

When Mr. Seimer received the letter to participate in the Social Security Offset P.A. 095-1043 he contacted SERS and he explained he was widowed at the time, however, he could possibly marry at a later date. He was advised not to participate in the program at this time. He was told to contact the office 1 year after he was married to sign up for participation. One year to the day he contacted our office and was told an error had been made that he could not participate in the Social Security Offset.

Mr. Seimer submitted a written appeal and asking the Executive Committee to approve his participation in the offset removal. He believes he did the right thing contacting the office when he received the information and that the appeal is based on his reliance on the erroneous information given to him over the phone by SERS in 2009.

Based upon a review of the file and information submitted, the Executive Committee finds Philip Mark Seimer began receiving a retirement annuity as of September, 2001 and had a survivor at the time of retirement.

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).

Following a review of the file and some discussion, the Executive Committee recommends deferring Mr. Seimer's appeal for participation in P.A. 095-1043.

Based on facts and with additional information submitted by Mr. Seimer the Executive Committee approved the appeal for participation in P.A. 095-1043. Vice Chairman Laidlaw moved approval of Philip Mark Seimer's appeal to participate in P.A. 095-1043. Chairman Iglarsh seconded and the motion passed unanimously.

New Business

Annette Vaughn

Occupational Disability

Annette Vaughn works for a state agency and a service connected leave of absence was granted.

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

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

Member Carl Curtner retired in 1998 at the time of his retirement he did not have a surviving spouse and took the widow/survivor refund.

Barbara A. Carnduff-Curtner was married to Carl Curtner from 1982 to 1986. However, they continued to live together. On May 11, 2011 they were remarried. On March 3, 2012 Carl Curtner passed away.

Mrs. Curtner has been denied survivor benefit. She is requesting the Committee let her repay the survivor/widow benefit refund so she could start receiving the survivor benefit. She is stating even though they were divorced from 1986 to May 10, 2011, they had lived together as husband and wife.

In a letter dated March 8, 2012, Mrs. Curtner sent in a written appeal to appear before the Executive Committee with additional documentation pursuant to the denial of survivor benefits.

Barbara A. Carnduff-Curtner along with her son Brad Carnduff, grandson Josh Carnduff and friend Lisa Mott appeared before the Committee during the March 15, 2012 meeting. A personal hearing was accomplished and a record of this hearing has been made a part of the member's file.

Mrs. Curtner stated even though they were not married they did everything together as thou they were. She stated they had been together for 43 years and raised her two children together and during that time they shared the same residence.

Following discussion, the Committee referred this matter to SERS Attorney for recommendation based on the facts and findings in file for presentation at the next meeting.

M. Carol McCann passed on November 23, 2005. There is a \$500.00 lump sum death benefit payable on her account.

Ms. McCann named her two children as beneficiaries to share equally.

In a written appeal letter Ms. Floeter would like to waive her portion so the benefit would be given to her brother the remaining primary beneficiaries.

Based on the facts of this case and information submitted and after some discussion the committee has agreed to approve the waiver of death benefit to Rebecca Floeter. Chairman Iglarsh moved for approval. Executive Secretary Blair seconded the motion and all were in favor.

Raymond Robin is currently receiving a retirement annuity from the System.

During the application process for his retirement annuity, Mr. Robin had elected participation in the level income option with his pension to be reduced at age 62.

Based upon a review of the file and information submitted, the Executive Committee finds Mr. Robin is receiving a retirement annuity as of July 1, 2006 and during the application process for his retirement annuity, Mr. Robin indicated he wanted to retire under the level income option for age 62.

Mr. Robin was notified by letter dated January 18, 2012 in accordance with the election at the time of retirement that his benefit would be reduced starting March, 2012 per his request on the pension application.

At the time of retirement Mr. Robin produced his form from the Social Security Administration showing he would receive \$674.00 at age 62, so his level income was based on that amount.

Raymond Robin has submitted a written appeal to the Executive Committee to amend his application to not elect the level income option stating the estimate of his SSA benefits was incorrect because it assumed he would keep working until age 62. He is stating he was sick at the time he applied for his pension and had not realized the 1st estimate from Social security was based on working until age 62. Alternatively, he is requesting the Committee to change the Social Security estimated amount used from \$674.00 to \$488.00 and allowing him to repay the overpayment of \$7,485.94 over 114 months.

After discussion and following a review of the file, the Committee agreed to deny Raymond Robin's request to opt out of level income and to deny his request to change the social security estimate. Chairman Iglarsh moved to deny the written appeal of Raymond Robin. Executive Secretary Blair seconded the motion and all were in favor.

Terry Simms

Pension/Sick & Vacation Credit

Terry Simms requested a retirement annuity packet on October 17, 2011.

Based upon a review of the file and information submitted, the Executive Committee finds Terry Simms has requested a retirement annuity.

Prior to his retirement annuity application process, Mr. Simms was told that he needed to purchase his 6 months qualifying period.

Mr. Simms talked with his retirement coordinator and was told he would arrange for payment with Mr. Simms' deferred compensation. So Terry Simms resigned his position on 12/31/2011.

However, the transaction was not completed. Mr. Simms has requested in a written appeal that the Executive Committee approve the purchase of six (6) month of creditable service.

Following a review of the file and some discussion, Chairman Iglarsh moved to approve the appeal of Terry Simms to purchase six months of creditable service. Vice Chairman Laidlaw seconded the motion and all were in favor.

On January 1, 2012, Ms. Feld retired under the Reciprocal Act with the State Employees' Retirement System (SERS) and State University Retirement Fund (SURS).

Based upon a review of the file and information submitted, the Executive Committee finds Alla Feld is receiving a retirement annuity as of January 1, 2012 and during the application process for her retirement annuity, she indicated she wanted to retire under the reciprocal option.

Ms. Feld requested and received a reciprocal estimate combined monthly pension with SERS and SURS and was quoted approximately 684.49 if she retired reciprocally and a combined monthly pension of 648.00 from both systems if she retired independently. Since the reciprocal estimate was higher she chose that way.

Upon retiring she was advised that in addition to a concurrent reduction there would be another reduction in her SURS service due to being part time. SERS Pension Supervisor stated they were not aware of the part time reduction at the time the estimate was prepared.

In a written appeal letter dated March 2, 2012, Ms. Feld is asking the Executive Committee to amend her pension application and that her pension be recomputed and processed as an independent pension rather than a reciprocal.

The Supervisor of the Pension Department contacted the SURS office to verify that Ms. Feld could change her retirement to independent pension with SERS and he was told she could if both Retirement Systems approved to retroactively process her pension without the reciprocal provisions of the law.

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

Juan Rodriguez began receiving his retirement annuity effective 04/01/2010.

As of December 31, 2011, his benefit was suspended, following the conviction of a felony arising out of his duties as a state employee.

Mr. Rodriguez is requesting in a written appeal that the Executive Committee reinstate his pension.

It was noted File No. 11-004 from the Office of The Attorney General:
Section 14-149 of the Pension Code provides, with respect to members of the State Employees' Retirement System:

Felony conviction: None of the benefits herein provided for shall be paid to any person who is convicted of any felony relating to or arising out of or in connection with his service as an employee.

After discussion and following a review of the file, the Committee agreed to deny Juan Rodriguez's appeal for reinstatement. Vice Chairperson Laidlaw moved to deny the written appeal of Juan Rodriguez and approve the termination of pension benefits. Executive Secretary Blair seconded the motion and all were in favor.

Robert Oliver, Jr.

Service

On April 8, 2010 Mr. Oliver requested a personal appearance before the Executive Committee. Due to video conference troubles, Mr. Oliver agreed an audio meeting would be fine.

Robert Oliver, Jr. is requesting a refund of \$8,086.56 that he paid for 24 months of military service he purchased (requested in 1992 and elected to pay over a 3 year period) prior to retirement, Mr. Oliver stated at the time of retirement (August 2001) he did not need the 24 months of military service and is now in a letter dated March 11, 2010 requesting the money be refunded to him.

Following discussion, the Committee agreed to refer this matter to SERS' Attorney for a recommendation based on the facts and findings in file for presentation at the next meeting.

At the May 13, 2010 Executive Committee meeting, 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, and following discussion, on motion by Executive Secretary Blair, seconded by Vice Chairperson Laidlaw and by unanimous vote, the Committee accepted Recommendation No. 2010-006 in the matter of Robert Oliver, Jr. A copy of this recommendation has been made a part of this member's file.

In a letter dated February 28, 2012 Mr. Oliver is requesting a re-rehearing to his denial of the refund of 24 months of military service he purchased.

Following a review of the file and some discussion, Chairman Iglarsh moved that the re-appeal of Robert P. Oliver, Jr. be denied. Vice Chairperson Laidlaw seconded the motion, and all were in favor.

Randall Vogt

Non-Occupational Disability

Randall Vogt works for a state agency and was granted a medical leave of absence.

Mr. Vogt's claim for disability benefits has been suspended do to "non compliance".

Based upon a review of the file and information submitted, the Committee finds Randall Vogt works for a state agency, and was granted a medical leave of absence.

Mr. Vogt was mailed letters dated November and December, 2011, requesting he apply for social security benefits or his benefits would be suspended. In January a letter was mailed to him stating his disability benefits were suspended as of 12/31/11. Mr. Vogt returned to work on January 30, 2012.

Mr. Vogt requested a written appeal pursuant to the suspension of disability benefits. He submitted a letter stating he had moved and requested an address change with the postal service that he had always complied with SERS request in the past. Randall Vogt is requesting the

Executive Committee reinstate his disability so he can receive his final disability check for January 2012.

Following a review of the file and some discussion, Chairman Iglarsh moved that the appeal of Randall Vogt to have his disability reinstated be approved. Vice Chairperson Laidlaw seconded the motion, and all were in favor.

Crissaundra Mottley Non-Occupational Disability (90 days)

Crissaundra Mottley works for a state agency. She was granted a medical leave of absence on November 30, 2011.

Non-occupational disability benefits prior to receipt of her application was denied due to the application not being received within the ninety day time frame.

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 she was removed from her agency's payroll on November 30, 2011.

On November 21, 2011, the Retirement System received a request from Ms. Mottley for non-occupational disability forms.

Ms. Mottley's application for non-occupational disability benefits was received on March 12, 2012. This was subsequent to the ninety-day time limit for applying for non-occupational disability benefits.

Since the application had not been received within the ninety day time limit, non-occupational disability benefits became effective upon receipt of the application (03/12/12). (40 ILCS 5/14-124)

Crissaundra Mottley subsequently requested a written appeal pursuant to the denial of disability benefits prior to receipt of her application. She indicated she had surgery and was on medicine at the time and that made it difficult to make decisions.

Based upon the facts of this case and the information submitted, the Executive Committee recommends approving Ms. Mottley's request for a waiver of the ninety day time frame pursuant to her application for non-occupational disability benefits.

Following a review of the file and some discussion, Chairman Iglarsh moved to approve the appeal of Crissaundra Mottley. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Stacey Pitts Survivor Disabled Adult Earnings Limitation

Stacey Pitts has been receiving a Survivor disabled adult benefit from her mother since January 1, 2012.

Survivor disabled adult benefits were suspended due to earnings which exceeded the System's calendar quarterly earnings limitations.

Based upon a review of the file and information submitted, the Committee finds Stacey Pitts is receiving a Survivor disabled adult.

Information was received that Ms. Pitts works part time and that her earnings have exceeded the System's calendar quarterly earnings limitations; therefore, disabled adult benefits were suspended.

Ms. Pitts has sent in a written appeal on the suspension of her benefits due to the earnings limitation.

The overpayment created by the employee exceeding the calendar quarterly earnings limitations is consistent with the System's Regulations (80 Ill. Admin. Code 1540.80(e)).

Based on the facts of this case and information submitted and after some discussion the Committee recommends Stacey Pitts's appeal regarding the violation of the System's quarterly calendar earnings limitation be approved.

Vice Chairman Laidlaw moved to approve the appeal of Stacey Pitts for reinstatement of Survivor disabled adult benefit. Chairman Iglarsh seconded the motion and all were in favor.

Dana Davis Survivor Disabled Adult Earnings Limitation

Dana Davis has been receiving a Survivor disabled adult benefit from her mother since May 1, 2012.

Survivor disabled adult benefits were suspended due to earnings which exceeded the System's calendar quarterly earnings limitations.

Based upon a review of the file and information submitted, the Committee finds Dana Davis is receiving a Survivor disabled adult.

Information was received that Ms. Davis works part time and that her earnings have exceeded the System's calendar quarterly earnings limitations; therefore, disabled adult benefits were suspended.

Ms. Davis has sent in a written appeal on the suspension of her benefits due to the earnings limitation.

The overpayment created by the employee exceeding the calendar quarterly earnings limitations is consistent with the System's Regulations (80 Ill. Admin. Code 1540.80(e)).

Based on the facts of this case and information submitted and after some discussion the Committee recommends approval of Dana Davis' appeal regarding the violation of the System's quarterly calendar earnings limitation.

Vice Chairman Laidlaw moved to approve the appeal of Dana Davis for reinstatement of Survivor disabled adult benefit. Chairman Iglarsh seconded the motion and all were in favor.

Ms. Jones is requesting a written appeal with the Executive Committee. She is asking for the return of the money paid to purchase her 5.25 month qualifying period and an 18.75 month refund on 02/28/12.

Ms. Jones was advised by the Teachers' Retirement System that she would max out with them and our credit would be of no value.

Based upon the facts of this case and the information submitted, the Executive Committee recommends approving Ms. Jones' appeal. Executive Secretary Blair motioned for approval and Chairman Iglarsh seconded the motion. The motion was carried with unanimous approval.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:00AM. The next meeting of the Executive Committee is scheduled for Thursday April 12, 2012, in the Springfield office, with video conferencing in Chicago if needed.

Loren Iglarsh
Chairman

Lori Laidlaw
Vice Chairperson

Timothy Blair
Executive Secretary