

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

March 12, 2020

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, March 12, 2020 at 8:45 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
James Stivers, General Counsel
Eric Glaub, Manager, Claims Division
Cory Mitchell, Acting Supervisor, Pension and Death Section
Karen Brown, Supervisor, Disability Section
Steve Bochenek, System Attorney
Jessica Blood, Recording Secretary
Steven Meyer, Claimant

Minutes of the Previous Meeting

The minutes of the February 13, 2020 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 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 February 2020 was presented. Following review and discussion, the Routine Claims Report for the period of February 2020, as prepared by staff, was received by the Executive Committee.

Old Business

Kirk Schoenbein – Appeal to Retire Reciprocally

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 and February 2020 meetings pending a decision from IMRF.

Jeff Houch provided an update on Mr. Schoenbein's case, stating that IMRF had reached a decision not to approve his appeal to undo his reciprocal pension. After some discussion, the Committee decided to defer the case pending further communication with Mr. Schoenbein.

Timothy Haslett – Appeal Pension Amount – Recommendation

Timothy Haslett retired on March 1, 2012. In September 2019 while reviewing his file for back wage adjustment, it was discovered that his final average compensation included vacation pay which created an overpayment of benefits.

The Pension & Death section adjusted Mr. Haslett's pension amount going forward, which included a reduction of his former amount. Mr. Haslett requested a personal hearing to appeal the adjustment of his pension.

Attorney Bochenek presented recommendation No. 2020-02 at the Committee's February meeting. After discussing the recommendation presented, the Committee decided to defer a recommendation pending further consideration of the facts of the case.

After further discussion regarding the facts and recommendation previously presented, the Committee decided to refer the case to Attorney Bochenek for a revised recommendation.

Kevin Acosta – Appeal Occupational Disability Offset – Recommendation

Kevin Acosta received a 7T benefit from SERS from December 2016 through January 2019, when Tristar terminated his TTD. Mr. Acosta did not return to work and he did

not go on SERS' temporary benefit. In August 2019, SERS was informed of Mr. Acosta's settlement provided by CMS and prepared an estimate to show how his settlement would be offset from his future occupational benefit.

When SERS was informed the settlement had been finalized, the Disability Section processed the estimated settlement amount, not realizing the settlement with CMS was for a lower amount. After Mr. Acosta's attorney requested an appeal, the Disability Section reviewed the file and discovered the estimated settlement amount had been used in the calculation. A corrected calculation has been prepared with the actual settlement amount and the monthly offset is based on Mr. Acosta's average weekly wage.

Mr. Acosta's attorney, Thomas Crosby, presented Mr. Acosta's case at the Committee's February meeting via teleconference. After hearing Mr. Crosby present Mr. Acosta's case and some discussion, the Committee decided to refer his case to Attorney Bochenek for a recommendation.

Attorney Bochenek presented recommendation No. 2020-3 to deny Mr. Acosta's appeal. After review of the recommendation 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

Adam Due – Request for Re-Appeal of Denial of Non-Occupational Disability

Adam Due retired reciprocally with SURS and IMRF. He was subsequently denied Non-Occupational Disability benefits from SERS because his service credit with those systems had been exhausted through his retirement.

Mr. Due appealed his denial through a personal hearing at the October 2019 meeting of the Executive Committee. After review, Mr. Due's case was referred to Attorney Bochenek for a recommendation.

The Executive Committee approved recommendation 2019-17 at their November 2019 meeting, denying Mr. Due's appeal. Mr. Due is now requesting a re-appeal of his case through a personal hearing.

After reviewing the case and determining a lack of new information provided, a motion was made by Executive Secretary Blair to deny Mr. Due's request for a re-appeal. The motion was seconded by Chairman Iglarsh and all were in favor.

Steven Meyer – Appeal for Reversionary Annuity – Personal Hearing – Chicago – 9:00am

Steven Meyer applied for a retirement benefit to be effective January 1, 2020. Prior to his retirement he states he informed SERS numerous times that he wanted to take a

reversionary annuity. Upon receipt and cashing of his first pension check, Mr. Meyer noticed it appeared to not have been reduced for the reversionary annuity. Mr. Meyer's records on file in the Springfield and Chicago offices were reviewed, but a signed reversionary annuity election form was not located. Mr. Meyer is appealing to receive his pension with the election of a reversionary annuity.

After discussing the facts presented, a motion was made by Executive Secretary Blair to convert Mr. Meyer's case to a written appeal and approve the request. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Mollie Hosea – Appeal for Marriage Verification for Survivor Annuity – Deceased Mbr: John Hosea

John Hosea was receiving a retirement annuity from SERS until his death on November 24, 2019 was reported. Mr. Hosea has a surviving spouse, Mollie Hosea, who is due a survivor annuity.

Due to a medical condition, Mrs. Hosea is unable to recall exactly when the marriage took place. It is assumed to have taken place in Missouri, but vital records dated prior to July 1, 1948 are not available. A copy of the obituary was provided as proof of the marriage.

The Administrative Code states that if no records exist, the following options are acceptable: a notarized statement from the individual that performed the marriage, a notarized statement from at least two individuals in attendance or certification from the Social Security Administration (SSA) accepting the marriage and date.

SSA has confirmed that they are paying a survivor benefit to Mrs. Hosea. The Pension and Death section is appealing that the Executive Committee approve acceptance of this as proof of marriage and allow for processing of the survivor annuity due to Mrs. Hosea.

After discussing the facts presented, a motion was made by Chairman Iglarsh to approve the appeal. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Rodney Bruenger – Appeal for Retroactive Occupational Disability Benefit

Rodney Bruenger retired from SERS June 1, 2019. He was previously injured at work in the fall of 2017. He was off work due to this injury from January 29, 2018 through March 18, 2018, during which time he used his available sick days. Mr. Bruenger subsequently reached a settlement with Worker's Compensation wherein he was required to repay the money received from those sick days.

When the service credits were reversed, Mr. Bruenger no longer had enough credit to retire June 1, 2019. The Accounting Division discovered the issue and suggested rather than buying back his leave of absence, he could possibly be granted a disability

benefit.

The Disability Section is requesting permission to grant Mr. Bruenger a retroactive occupational disability benefit to allow him to earn the service credit necessary for him to retire on June 1, 2019.

After discussing the facts of the case, a motion was made by Vice-Chairperson Morris to approve the request. The motion was seconded by Executive Secretary Blair and all were in favor.

Allen Mays Jr. – Request Reinstatement of Written-Off Account

The account of Allen Mays Jr. was written-off in a previous fiscal year. The Claims Division is requesting reinstatement of his account so he may retire reciprocally.

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

Lynne Davis – Request Reinstatement of Written-Off Account

The account of Lynne Davis was written-off in a previous fiscal year. The Claims Division is requesting reinstatement of her account so she may update her beneficiaries on file.

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

Darlene Knowles – Appeal of SSA Overpayment Repayment Terms

Darlene Knowles was approved for a non-occupational benefit from SERS effective April 22, 2015. Ms. Knowles was approved for a retroactive Social Security disability benefit effective September 1, 2015 which created an overpayment of benefits.

SERS sent Ms. Knowles a notification letter on December 30, 2019 explaining the calculation of the overpayment and what is due. A repayment plan letter was sent on February 4, 2020. As stated in SERS Board policy, the Overpayment Section is to deduct half of the member's gross benefit to be applied against the overpayment owed to SERS.

Ms. Knowles is retired and receiving a benefit from Social Security. Ms. Knowles is requesting a reduced repayment plan of \$200.00 per month.

After discussing the facts of the case, a motion was made by Chairman Iglarsh to deny Ms. Knowles' request and instead offer a repayment plan of \$282.83, which will repay the overpayment in three years. The motion was seconded by Executive Secretary Blair and all were in favor.

Claudia McAllister – Appeal of SSA Overpayment Repayment Terms

Claudia McAllister was approved for a non-occupational disability benefit from SERS effective January 30, 2016 through September 30, 2019. She was approved for a retroactive Social Security disability benefit effective July 2016, which resulted in an overpayment of benefits.

SERS sent a notification letter to Ms. McAllister on May 30, 2019 explaining the calculation of the overpayment and what is due in accordance with SERS Board policy. A repayment plan letter was sent on July 5, 2019. SERS began applying the total gross of her disability benefit to the overpayment. Upon her disability benefit ceasing, Ms. McAllister was sent a letter on November 4, 2019 explaining the remaining balance due. A final notice was sent on January 22, 2020.

As stated in current SERS Board policy, a payment of \$400.00 per month (not to exceed five years) is required for inactive members. Under this repayment schedule the overpayment will be paid in 45 months (3 years, 9 months). Ms. McAllister is requesting a reduced repayment amount of \$10.00 per month.

After reviewing and discussing the facts, a motion was made by Executive Secretary Blair to deny Ms. McAllister's appeal and instead offer a repayment plan of \$297.88 per month to repay the overpayment within five years. The motion was seconded by Chairman Iglarsh and all were in favor.

Loleta Black – Appeal of Disability Overpayment Repayment Terms

Loleta Black received a 7T occupational disability benefit from December 8, 2016 through January 6, 2017 and a 6P temporary disability benefit from January 7, 2017 through July 13, 2017.

Ms. Black reached a settlement with Workers' Compensation, which was received by SERS on October 31, 2018. Due to the conversion from a 6P temporary benefit to a 7T occupational benefit, an overpayment was created. SERS sent a notification letter to Ms. Black on December 21, 2018 explaining the calculation and what is due. A second notification letter was sent on March 4, 2019.

As stated in SERS Board policy, the Overpayment Section is to deduct 20% of the member's gross pay to be applied to the overpayment. Ms. Black is requesting a reduced repayment amount of \$200.00 per month.

After some discussion of the facts presented, a motion was made by Chairman Iglarsh to deny Ms. Black's request and instead offer a repayment plan of \$279.48 per month to repay the overpayment within three years. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Andrea Poston – Appeal of SSA Overpayment Repayment Terms

Andrea Poston was approved for a non-occupational disability benefit from January 19, 2019 through September 30, 2019. Ms. Poston was approved for a retroactive Social Security benefit effective June 1, 2019, which created an overpayment.

Ms. Poston was sent a notification letter on February 10, 2020 explaining the calculation and what is due. Ms. Poston is inactive and per SERS Board policy, is required to repay at least \$400.00 per month toward any overpayment of benefits. Ms. Poston is requesting a reduced repayment amount of \$200.00 per month.

After some discussion, a motion was made by Chairman Iglarsh to approve Ms. Poston's request. The motion was seconded by Executive Secretary Blair and all were in favor.

Lisa Westbrooks – Appeal of SSA Overpayment Repayment Terms

Lisa Westbrooks was approved for a non-occupational disability benefit from August 23, 2013 through November 30, 2019. Ms. Westbrooks was approved for a retroactive Social Security benefit effective January 1, 2016, which created an overpayment.

Ms. Westbrooks was sent a notification letter on April 4, 2018 explaining the calculation and what is due. Based upon the Executive Committee decision approved in May 2018, SERS was applying \$500.00 per month against the overpayment. Upon the benefit ceasing, a notification letter was sent to Ms. Westbrooks on January 31, 2020 explaining the remaining overpayment balance and requesting remittance of payment to SERS.

As stated in SERS Board policy, a repayment of \$400.00 per month is required of inactive members. Ms. Westbrooks is requesting a reduced repayment amount of \$50.00 per month.

After some discussion, a motion was made by Executive Secretary Blair to deny Ms. Westbrooks' request and instead offer a repayment plan of \$243.60 per month to repay the overpayment within five years. The motion was seconded by Chairman Iglarsh and all were in favor.

Kamlesh Ramchandani – Appeal for Pension to Remain Uncapped

Kamlesh Ramchandani retired on January 1, 2014. While reviewing his file for a back-wage adjustment, it was discovered that his final average compensation should have been capped and his future pension amount was adjusted.

Mr. Ramchandani is requesting that his pension be restored to the previous amount.

After some discussion, a motion was made by Executive Secretary Blair to deny Mr. Ramchandani's request. The motion was seconded by Chairman Iglarsh and all were

in favor.

Mary Wiley – Appeal to Remove Social Security Offset Reduction

Mary Wiley retired under the Early Retirement Incentive Buy and Quit program. Her pension was effective February 1, 2010. Ms. Wiley elected to reduce her pension by 3.825% so any survivors would not be offset by Social Security upon her death.

Mrs. Wiley's husband, who was also a state retiree, died on May 9, 2015. She receives a survivor annuity from his account along with their child, Morgan Wiley. Morgan will no longer be eligible for survivor benefits effective April 30, 2020 due to turning age 22. Mrs. Wiley is requesting the 3.825% reduction be removed from her account, and reductions since May 9, 2015 be refunded.

After some discussion, a motion was made by Chairman Iglarsh to deny Mrs. Wiley's request. The motion was seconded by Executive Secretary Blair and all were in favor.

Lyida Kalulu, Ruth Pierre Mauppin, Emmanuelle Pierre – Appeal to Waive Death Benefits – Deceased Mbr: Marguerite Hesley

Marguerite Hesley, a retiree, died on December 13, 2017. Ms. Hesley listed six beneficiaries for her death benefit.

Three of the beneficiaries – Lyida Kalulu, Ruth Pierre Mauppin and Emmanuelle Pierre live in France. They are requesting their portion of the death benefit be waived and paid to the remaining three beneficiaries in the United States. They do not have Social Security numbers and do not wish to pursue getting a tax identification number.

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

Anthony Arboleda – Appeal Denial of Disability Benefit

Anthony Arboleda has worked for the Department of Human Service since 2005. He recently applied for a non-occupational disability benefit with SERS. SERS had to deny his application because his agency will not grant him a medical leave of absence, which is required by 40 ILCS 5/14-124 (4).

The agency is following CMS personnel rules that state a member who is found to be permanently disabled cannot be placed on a leave of absence.

Mr. Arboleda has been diagnosed by his physician with an impairment that is permanent, progressive and incurable. Mr. Arboleda's son Jonathan, who is also his power of attorney, is requesting the Executive Committee waive the requirement for a medical leave of absence from the agency, since the medical evidence clearly shows he is disabled from performing his State job.

After some discussion, a motion was made by Chairman Iglarsh to approve Mr. Arboleda's request. The motion was seconded by Vice-Chairperson Morris and all were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:52 a.m.

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

Loren Iglarsh, Chairman

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary