

MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
May 9, 2013

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, May 9, 2013, at 8:30 A.M. in the System's Springfield office at 2101 S. Veterans Parkway with videoconferencing in SERS Chicago Office.

Committee members present:

Loren Iglarsh, Chairperson  
Timothy Blair, Executive Secretary  
Lori Laidlaw, Vice Chairperson

Others Present:

Michelle P. Clatfelter, Attorney  
Kathy Yemm, Manager, Claims Division  
Joseph Maggio, Manager, Service & Refunds Division  
Michael Noblet, Supervisor, Pensions & Deaths Section  
Don Williams, Supervisor, Disability Section  
Kerry Walker, Assistant Supervisor, Disability Section  
Cory Mitchelle, Assistant Supervisor, Pensions & Deaths Section  
Daniel G. Forness, Hearing  
Robert G. Jones, Attorney for Daniel G. Forness  
Dawn Blakeman, Recording Secretary

Minutes of the Previous Meeting

The minutes of the April 11, 2013 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 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 April, 2013 were presented. Following review and discussion, the Routine Claims and Denials Report for the period of April, 2013, as prepared by staff was received by the Executive Committee.

Old Business

Phillip J. Saupe

Pension/Reciprocal

On June 1, 2012, Mr. Saupe retired under the Reciprocal Act with the State Employees' Retirement System (SERS) and State Universities Retirement System (SURS).

Based upon a review of the file and information submitted, the Executive Committee finds Phillip Saupe is receiving a retirement annuity as of June 1, 2012 and during the application process for his retirement annuity, he indicated he wanted to retire under the reciprocal option.

Mr. Saupe was initially paid \$5,883.76. After the reciprocal exchange was complete it was determined a proportional reduction was necessary because his combined benefits exceeded the 80% maximum. His benefit from SERS was reduced to \$5,491.01.

In a letter dated November 9, 2012, Mr. Saupe sent in a written request to appear before the Executive Committee to appeal the reduction of his SERS pension.

Mr. Phillip J. Saupe along with his friend, Mr. Bruce Bialorucki, appeared before the Committee during the December 6, 2012 meeting. A personal hearing was accomplished and a record of this hearing has been made a part of the member's file.

He stated he doesn't believe that he made any errors and that he should not be punished for our errors.

Following a review of the file and some discussion, the Committee has recommended that the appeal of Phillip J. Saupe be deferred so that the Supervisor of the Pension Section can contact the SURS office to verify that Mr. Saupe could change his retirement within the provisions of the law. He also wants to transfer creditable service to SERS under the provisions of SB65 providing the Police Funds of Benton and Mt. Vernon approve the repayment and transfer under the provisions of SB65.

### **New Business**

#### **Daniel G. Forness Service**

Daniel G. Forness applied for retirement to start January 1, 2013. He previously requested to purchase 14 months of military service and for the money to be taken from his sick & vacation lump sum payment.

When Mr. Forness called inquiring on payment he was told that we didn't get the payment and he didn't have enough time to retire at that time and that his pension is deferred for 13 months. Per a telephone conversation to the Service & Refunds Division, on January 22, 2013, Mr. Forness said he was under the understanding from a previous visit to the office that his Military time would be arranged for payment through the 1404 form. However the 1404 form is for vacation & sick credit only. Through misunderstanding Mr. Forness does not have enough time to retire effective January 1, 2013 as intended.

Mr. Forness' Attorney Robert G. Jones in a letter dated February 11, 2013 is requesting a personal appearance before the Executive Committee. He is asking that Mr. Forness be allowed to purchase the necessary time to reach 20 years of service time even though he retired effective January 1, 2013. By law, optional service credit must be purchased prior to retirement.

Following a review of the file and some discussion, Chairman Iglarsh moved to approve the purchase provided that the payment is made within 30 days of the billing notice date. Vice Chairperson Laidlaw seconded the motion and all were in favor.

James Durham Service

Mr. Durham has requested a written appeal with the Executive Committee. He is requesting that he be allowed to purchase 1 month of military service even though he retired effective August 1, 2011.

Mr. Durham requested and was approved in the November 2011, Executive Meeting to purchase the required military time to reach the 20 years of alternative formula with the stipulation that the “payment is made within 30 days of the billing notice”.

1. On November 22, 2011 a letter was sent to Mr. Durham and was returned by the post office;
2. On December 19, 2011 a second letter was sent out and signed by Mr. Durham’s spouse;

Following a review of the file and some discussion, Secretary Blair moved to deny James Durham’s request to purchase 1 month of military service. Chairman Iglarsh seconded the motion and all were in favor.

Laura Esparza Non-Occupational Disability/90day

Laura Esparza works for a state agency and a medical leave of absence was granted.

Ms. Esparza's claim for disability benefits was denied due to failure to apply for non-occupational disability benefits within the proper time frame.

Based upon a review of the file and information submitted, the Committee finds Ms. Esparza 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 within the time limitation pursuant to non-occupational disability benefits as noted in 40 ILCS 5/14-124. Therefore, the application was denied.

She has requested an 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 Laura Esparza's appeal for the waiver of the 90 day filing limitation.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved approval of the appeal of Laura Esparza for a waiver of the 90 day filing limitation for non-occupational disability benefits. Chairman Iglarsh seconded the motion and all were in favor.

Robert Malburg Occupational Disability/12months

Robert Malburg works for a state agency and a service connected leave of absence was granted.

Mr. Malburg’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 Robert Malburg 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. Malburg 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 Robert Malburg's appeal for a waiver of the twelve month filing limitation.

Based on the facts of this case and information submitted, Chairman Iglarsh moved approval of the appeal of Robert Malburg for a waiver of the twelve month filing limitation for occupational disability. Vice Chairperson Laidlaw seconded the motion, and all were in favor.

Glenn Johnson Pension

Mr. Johnson is receiving a retirement annuity from the System, with a retirement date of October 1, 2008.

During the application process for his retirement annuity he elected to participate in the level income option with his pension reduced at age 62.

Based upon a review of the file and information submitted, the Executive Committee finds Mr. Johnson is receiving a retirement annuity as of October 1, 2008 and during the application process for his retirement annuity, Mr. Johnson elected the level income option for age 62 on his retirement application.

Mr. Johnson was notified in accordance with his election at the time of retirement that his benefit would be reduced at age 62 by the amount of his SSA retirement annuity in accordance with Section 14-112 of the Illinois Pension Code.

Glenn Johnson requested a re- appeal before the Executive Committee. He is requesting that his level income option be revoked and the overpayment this will cause be waived.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved to deny Mr. Johnson's request to re-appeal. Secretary Blair seconded the motion and all were in favor.

Bobby Gray Survivor Refund

Bobby Gray is currently a deferred retiree with a pension effective date of May 1, 2013.

Based upon a review of the file and information submitted, the Executive Committee finds Bobby Gray is in a deferred status. Also noted is his retirement application dated October 5, 2011 indicated he had two (2) sons as dependent children.

In his appeal letter, Mr. Gray has indicated at the time the application was completed he had two (2) children as full time students and is now requesting a refund of his widow/survivor benefit.

Based upon the facts of this case and the information submitted, the Executive Committee has recommended deferring the request for further research.

Following a review of the file and some discussion, Executive Secretary Blair moved to defer the appeal of Bobby Gray. Chairman Iglarsh seconded the motion, and all were in favor.

Debra Warden Pension/Level Income

Debra Warden is currently receiving a retirement annuity from the System.

Based upon a review of the file and information submitted, the Executive Committee finds Debra Warden began receiving a retirement annuity as of January 1, 2012. During the application process for her retirement annuity she elected not to participate in the level income option.

Ms. Warden stated during the application process for her retirement annuity that at the time of retirement the level income option was not in her best interest; however circumstances have changed and she would now like to participate in the level income option. Ms. Warden has now submitted a written appeal asking the Executive Committee to approve her request for her retirement annuity to be retroactively calculated under the level income option.

After discussion, the Executive Committee recommended denial of Debra Warden's appeal to participate in level income.

Following a review of the file and some discussion, Secretary Blair moved to deny the written appeal of Debra Warden. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Steven Martin Non-Occupational Disability/SS Overpayment

Steven Martin works for a state agency and was granted a medical leave of absence.

Mr. Martin received a retroactive disability benefit from the Social Security Administration (SSA) which created an overpayment of non-occupational 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 that he was granted a medical leave of absence.

Upon receipt of the information regarding Mr. Martin's SSA disability benefits award, he was contacted regarding the overpayment of non-occupational disability benefits. This overpayment was in accordance with 40 ILCS 5/14-125 and Section 1540.90 of the Illinois Administrative Code which indicate non-occupational disability benefits paid by the System are reduced by the SSA disability benefit.

Steven Martin requested an appeal of the reduction of his non-occupational disability benefits and overpayment of non-occupational disability benefits.

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

Ms. Flowers had a personal appeal on October 11, 2012. She was appealing the denial of her future occupational benefits. Her claim was deferred so additional evidence could be obtained. The additional medical was submitted and reviewed by the System's medical consultant on December 16, 2012 who determined that the medical information failed to substantiate a disabling condition. On February 14, 2013, the Executive Committee reviewed the appeal of the denial and denied her claim. Ms. Flowers is now requesting a re-appeal of the denial.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved to approve Ms. Flowers request to re-appeal the denial. Chairman Iglarsh seconded the motion and all were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:00A.M.

The next meeting of the Executive Committee is scheduled for Thursday June 13, 2013, in the Springfield office, with video conferencing in Chicago if needed.

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Loren Iglarsh  
Chairman

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Lori Laidlaw  
Vice Chairperson

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Timothy Blair  
Executive Secretary