

MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
May 8, 2014

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, May 8, 2014 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members Present:

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

Others Present:

Steve Bochenek, Attorney  
Don Williams, Supervisor, Disability Section  
Kerry Walker, Disability Section  
Michael Noblet, Supervisor, Pension and Death Section  
Cory Mitchell, Pension and Death Section  
Joseph Maggio, Manager, Service & Refunds Division  
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the April 10, 2014 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 and 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, 2014 were presented. Following review and discussion, the Routine Claims and Denials Report for the period of April, 2014, as prepared by staff, was received by the Executive Committee.

## Old Business

### Alice Short – Occupational Disability

Alice Short works for a state agency and was granted a medical leave of absence. Ms. Short's claim for disability benefits was denied based on a review of medical documentation.

Alice Short had a personal hearing at the February 6, 2014 meeting, represented by her attorney Steven W. Berg, to appeal the denial of occupational disability benefits.

Based on her job duty descriptions, our medical consultant did not find Ms. Short to be disabled from performing the duties of her job. Ms. Short claims the Job Duty Statement was not completed accurately.

At the February 6, 2014 meeting, Ms. Short's appeal was deferred and it was decided that SERS would request a new job duty statement from Ms. Short's supervisor and set up another evaluation with the System's medical consultant using the new job duty statement.

SERS received an updated job duty statement and it was sent to our medical consultant for review. Ms. Short's agency indicated that help is available to her for heavy and above the shoulder lifting. Our medical consultant reviewed the updated job description and the agency's willingness to provide assistance when needed and opined she could return to work. It was agreed that Attorney Berg will be given an opportunity to depose our medical consultant.

This matter was deferred by the Committee.

### David Harris

David Harris worked at the Department of Financial and Professional Regulations before he retired. The System previously denied Mr. Harris' request to be allowed to retire under the alternative formula. Mr. Harris appealed to the circuit court and this matter was remanded to the System for additional consideration.

Mr. Rhine, Mr. Harris' attorney, is requesting a pre-hearing conference for Mr. Harris. Our attorney, Steve Bochenek, advised Mr. Rhine that such a conference could be set up either at our Springfield office or via video conference with Chicago. Mr. Rhine was advised to contact Mr. Bochenek with suggested dates.

The Committee agreed that there is no further action to take until the pre-hearing conference requested by attorney Rhine is scheduled.

This matter was deferred by the Committee.

### John Hartnett – Level Income – RTW

John Hartnett originally retired May 1, 2003 electing the Level Income Option and subsequently returned to work September 4, 2012. Upon his return, SERS refunded his ERI contributions and adjusted his service credit. Mr. Hartnett is currently working and is contemplating retiring again.

The Pension Division is seeking advice as to whether his “second” retirement would be calculated using the Level Income Option.

Steven Bochenek, SERS’ attorney, recommends working up figures on different scenarios to propose to Mr. Hartnett. Tim will send the facts of the case to Attorney Bochenek for review and consideration of policy changes.

### New Business

#### Judy Daniels – Occupational Disability 12 month waiver

Judy Daniels worked as a Mental Health Technician for the Department of Human Services, Murray Developmental Center. She last worked on December 7, 2009 and returned to work from a service connected leave on August 23, 2010. She went back on a service connected leave September 23, 2010 and remained on that leave until November 28, 2011. Ms. Daniels then settled her workers’ compensation claim on May 1, 2012.

Ms. Daniels’ is asking the Executive Committee to waive the 12 month filing period for the service connected leave periods of December 7, 2009 through August 22, 2010 and September 23, 2010 through November 28, 2011.

Ms. Daniels’ claim for disability benefits was denied due to failure to apply for the benefit within the 12 month filing period.

Ms. Daniels has requested a written appeal of the denial of her occupational disability due to the 12 month filing limitation.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of Judy Daniels. Vice Chairperson Laidlaw seconded the motion and all were in favor.

#### Barbara Vanzuiden – Occupational Disability 12 month waiver

Barbara Vanzuiden works as a dietary supervisor for Dixon Correctional Center. She last worked on June 3, 2012 and began a service connected leave on September 17, 2013. She returned to work on September 21, 2013. She was paid TTD for this time period.

Ms. Vanzuiden’s claim for disability benefits was denied due to failure to apply for the benefit within the 12 month filing period.

Ms. Vanzuiden has requested a written appeal of the denial of her occupational disability due to the 12 month filing limitation.

Following a review of the file and some discussion, Chairman Iglarsh moved approval of the appeal of Barbara Vanzuiden. Vice Chairperson Laidlaw seconded the motion and all were in favor.

#### Rhonda Swinney – Vouchering

Ms. Swinney incurred an overpayment of her nonoccupational disability in the amount of \$30,366.00 due to the approval of retroactive social security disability benefits. SERS began applying her gross disability benefit effective with her check issued in July, 2012. At the time her benefit ceased in January, 2014, there remained a balance of \$24,091.25.

Ms. Swinney is now requesting a voluntary repayment arrangement at the rate of \$200.00 per month, which would take approximately 10 years to satisfy the overpayment.

SERS has drafted a Repayment Contract which allows for collection of the overpayment balance in the event Ms. Swinney would receive any future benefit payment, leave state service and take a refund, or her survivor(s) would receive a benefit upon Ms. Swinney's death.

Since a \$200.00 per month repayment amount would take over five years to repay, the Vouchering Section is seeking the opinion of the Committee regarding the proposed repayment plan.

After a review of her case and some discussion, it was suggested by the Committee to find out if she works (and where) to possibly modify the agreement. Ms. Swinney needs to send in pay stubs for verification of employment. The Committee deferred the case until we receive this information.

#### Aubra Hall – Adult Disabled Child

Joyce Appling retired from the State of Illinois effective January 1, 2006. Upon her death on October 12, 2012, we were contacted by her son, Aubra Hall, indicating he wanted to apply for disabled adult child benefits on his mother's account.

Mr. Hall is receiving disabled child benefits from the Social Security Administration on his mother's account. When Joyce Appling originally returned her pension application she did not list any disabled adult children. Later, she listed Aubra Hall as a disabled adult child.

Aubra Hall submitted medical information in order to qualify for benefits. Mr. Hall was seen by a SERS medical consultant, who stated the medical evidence in file does not establish the presence of a disabling impairment.

Even if Mr. Hall can establish that is medically disabled, he does not have access to her tax records or any other financial information that may prove he was dependent upon her financially.

Mr. Hall has follow-up appointments with his physicians on May 29<sup>th</sup>. We will fax medical release forms to the doctors and to Mr. Hall to take to his appointments. Also, Mr. Hall will look for school records and any tax information he can find that may help support his case.

Mr. Hall signed a Waiver of Procedures form. The Committee has deferred this case until we receive any new information for review.

#### Eddie Ice –Pension - Social Security Overpayment

Eddie Ice incurred an overpayment of nonoccupational disability benefits due to approval for retroactive social security disability benefits. The overpayment totaling \$77,742.00 covered the period of November 1, 2003 through January 31, 2009.

Ms. Ice spent her retroactive award and entered into a mutually agreed on repayment contract with SERS. The current remaining balance owed is \$69,542.00.

Ms. Ice was eligible for a pension effective November 1, 2011; however, she did not return the application to process the benefit. After speaking with Ms. Ice regarding the eligibility, she requested that she be allowed to keep some of the retroactive pension and to change her agreement to allow her to keep a portion of the monthly payment to meet living expenses. Since a contract is already in place, guidance from the Committee was requested on how to collect the overpayment from any benefits or refund that may be payable to her.

The Claims Division is requesting guidance regarding the staffs' prior decision regarding an overpayment of benefits.

The Committee suggested that SERS apply the retroactive pension, widow/survivor benefit, and alternative formula refund towards the overpayment and deduct \$400.00 per month from Ms. Ice's future benefits.

#### Patricia Kimmel – Pension – Approval to Waive Overpayment

Patricia Kimmel is currently receiving a retirement annuity from SERS. Ms. Kimmel received wage credit for furlough days. When we adjusted her account, all the wages were included in the FAC, even though some of them should not have been. The error was made April 2011 and was found in December 2013. The Claims Division is asking the Committee to waive the overpayment because it was more than 35 days when the error was discovered. Also, the monthly benefit amount needs to be adjusted.

The Committee agreed to defer the case.

#### Phillip Sapp – Reinstatement – Member Requesting Refund

This account became eligible for a write-off in June, 2005. Contributions in the amount of \$39.93 were written off on June 13, 2005. Mr. Sapp has requested a refund. The Service and Refunds Division is requesting his account to be reinstated so that a refund may be paid.

After review of the file and some discussion, Vice Chairperson Laidlaw moved approval of the appeal of Phillip Sapp for reinstatement of account. The motioned was seconded by Chairman Iglarsh and all were in favor.

### Terrence Lemming – Optional Service Adjustment

Terrence Lemming is requesting a written appeal with the Executive Committee. Mr. Lemming is asking that we adjust the transaction in which we received \$28,583.03 for 49 months of creditable service from the Burbank Police Pension Fund to return 35.50 months of creditable service, along with the contributions and interest.

Mr. Lemming exercised his right to make an optional payment under the provisions of SB-65, which allows a State policeman to elect to establish eligible creditable service for up to 5 years of service as a police officer under Article 3.

After a review of the case and some discussion, Chairman Iglarsh made a motion to deny Terrence Lemming's request, seconded by Executive Secretary Tim Blair. All were in favor.

### Policy - Survivor Issue Regarding Step-children

This issue arose from a case involving a member who had two natural children with his wife, but the wife also had a child from a prior marriage who the member also helped raise, but had never adopted. The mother passed away more than a year before the member died. At the time of the member's (father) death, it was questioned whether the System would be liable to pay the "step-child" a survivor's annuity.

At the March Executive Committee meeting, our attorney, Steve Bochenek, stated that currently there was no definition in the Act of step-child. Legally, there would be no right of the step-child to inherit after death without adoption, as there was no legal relation. He also stated we need to adopt a policy or clarification for use in future similar cases.

At the April meeting Attorney Bochenek stated that the laws don't define the child as a stepchild anymore as there is no longer a legal relationship between the two.

Attorney Bochenek drafted up the following policy for review at the May meeting.

#### POLICY REGARDING STEPCHILDREN OR A STEP-PARENT

The stepchild or step-parent relationship is one created by the marriage of a member to the parent of the child or the son or daughter of the step-parent. As such that relationship continues to exist during the marriage of the member to the parent of the child or to the son or daughter of the step-parent. The policy of the System is that any such stepchild or step-parent relationship ceases to exist upon termination of that marital relationship, whether by death or as a matter of law.

Executive Secretary Blair made a motion to accept the Stepchild Policy, seconded by Chairman Iglarsh. All were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:05 a.m.

The next meeting of the Executive Committee is scheduled for Thursday, June 12, in the Springfield office, with video conferencing in Chicago.

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Loren Iglarsh  
Chairman

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Lori Laidlaw  
Vice Chairperson

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Timothy Blair  
Executive Secretary