

MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
May 12, 2016

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, May 12, 2016 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members:

Loren Iglarsh, Chairperson  
David Morris, Vice Chairperson  
Timothy Blair, Executive Secretary

Others Present:

Steve Bochenek, SERS Attorney  
Jeff Houch, Assistant Executive Secretary  
Kathy Yemm, Claims Manager  
Don Williams, Supervisor, Disability Section  
Kerry Walker, Disability Section  
Cory Mitchelle, Pension and Death Section  
Joe Maggio, Service and Refunds Manager  
Jennifer Staley, Recording Secretary  
Joseph Zappa, Claimant; Carl Draper, Claimant's attorney  
William McCutchen, Claimant; Dorothy McCutchen, Claimant's wife  
Gary D. Black, Claimant; James Baker, Claimant's attorney

Minutes of the Previous Meeting

The minutes of the April 14, 2016 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 and seconded by Vice Chairperson Morris, 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, 2016 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of April, 2016, as prepared by staff, was reviewed and received by the Executive Committee.

## Old Business

### Pamela Wendt – Gainful Employment – Recommendation

Pamela Wendt was present at the February Executive Committee to appeal her suspension of occupational disability benefits due to gainful employment. Pamela Wendt worked for Kevin Elliot Counseling and exceeded the quarterly earnings limit of \$2,490.00 in the 4<sup>th</sup> quarter of 2013 and the 1<sup>st</sup> quarter of 2014.

A review of the October 2015 IDES report indicated no earnings for Ms. Wendt. Our internal auditor did research on Ms. Wendt and it was determined she had started her own counseling business. Further research revealed Ms. Wendt had at least exceeded the \$2,490 limit the 3<sup>rd</sup> quarter of 2014 and the 2<sup>nd</sup> and 3<sup>rd</sup> quarter of 2015 from billings to Health Alliance alone. These earnings do not reflect any income she may have made through billing other insurance companies or cash billings to clients.

Occupational benefits have been suspended as of November 1, 2015.

Ms. Wendt said she works for, but does not own, a counseling company called Creative Solutions. It is a family owned business and she is the sole contractor of the business and earns \$2,000 per quarter. She stated it may appear she makes more due to when the billing actually goes through for payment.

SERS asked Ms. Wendt to send in any additional information that will support her claim, and to supply SERS with 2015 corporate and individual tax records. The case was deferred until we receive such information.

Ms. Wendt sent in additional information for the April Executive Committee meeting and after some discussion the case was referred to SERS' attorney, Steve Bochenek, to review for a Recommendation. There was a consensus of the Executive Committee that the Recommendation should address gainful employment for the period beginning after Ms. Wendt's execution of the Earnings Agreement on July 29, 2015 through November 1, 2015.

At the May, 2016 meeting, Attorney Bochenek presented Recommendation No. 2016-3 for the Committee to deny the appeal of Pamela Wendt as to her request that she be eligible for continued occupational disability benefits from the System. Her disability benefits are to be suspended retroactive to August 1, 2015 and the System shall not seek to obtain a refund of benefits paid for periods prior to August 1, 2015. Executive Secretary Blair moved to adopt Recommendation No. 2016-3, seconded by Chairperson Iglarsh. All were in favor.

### Charles DeVriendt – Opt out of Pension - Recommendation

Charles DeVriendt had a personal appeal at the April Executive Committee meeting requesting to opt out of the System. Mr. DeVriendt was appointed as Commissioner of the Illinois Workers' Compensation Commission effective October 16, 2011 and was reappointed March 1, 2016. The Governor Appointees do not have the option if they are reappointed to the same position.

Mr. DeVriendt explained his employment chain of events. After the committee discussed the case, it was referred to our attorney, Steven Bochenek, for a Recommendation.

At the May, 2016 meeting, Attorney Bochenek presented Recommendation No. 2016-4 for the Committee to deny the appeal of Charles DeVriendt as to his request that he be eligible to opt out of the System.

After some discussion, Vice Chairperson Morris moved to adopt Recommendation No. 2016-4, seconded by Chairperson Iglarsh. All were in favor.

## **New Business**

### Joseph Zappa – Disability Denial/Felony

Joseph Zappa was present at the May 2016 Executive Committee meeting, along with his attorney, Carl Draper. Joseph Zappa is an Environmental Specialist III for EPA. His last day worked was January 27, 2016. Mr. Zappa has applied for a nonoccupational disability benefit. The Disability Section has denied his application for disability.

Joseph Zappa was convicted of a felony on July 7, 1995 which was directly related to his employment with the Secretary of State. He was sentenced to a term of 36 months of probation. He successfully completed his sentence on July 2, 1998. He returned to state employment and has continuously been employed with the Illinois Environmental Protection Agency since June 16, 1999.

After Attorney Draper presented his case, the Executive Committee discussed the case and it was decided to refer to SERS' attorney, Steve Bochenek, to review.

### William McCutchen – Gainful employment overpayment

Mr. McCutchen, along with his wife Dorothy McCutchen, was present for a personal appeal at the May, 2016 Executive Committee meeting. William McCutchen worked as a highway maintainer for the Department of Transportation. He last worked March 15, 2000 and began receiving occupational disability benefits since that time.

Mr. McCutchen has a long history of exceeding earnings limitations and, once again, exceeded the earnings limitation in the first and fourth quarter of 2015. Therefore, SERS suspended occupational disability benefits back to March 31, 2015, the last day of the 1<sup>st</sup> quarter of 2015.

Because Mr. McCutchen has exceeded the earnings limitation for a second time following the August 17, 2015 contract, SERS considers him gainfully employed creating an overpayment of benefits paid from April 1, 2015 through February 29, 2016 in the amount of \$44,334.95.

Mr. McCutchen advised the committee that he is not appealing the fact he exceeded the earnings limit by \$816.84, but is appealing the overpayment of \$44,334.95. He explained that he drives a bus for the Head Start program on a part-time basis and that he advised his

employer not to pay him for holidays and bereavement pay. Mr. McCutchen turned 65 in February (2016) and has applied for retirement.

After discussing the case, Chairman Iglarsh made a motion to allow Mr. McCutchen to begin his retirement annuity effective March 1, 2016 and reduce the first payment by \$816.84. The motion was seconded by Vice Chairperson Morris. All were in favor.

Vickie Adkins – Survivor benefits, William Adkins, 9221

William Adkins, an active state employee, died in May, 1999. A nonoccupational lump sum death benefit was paid to his spouse, Vickie Adkins, in the amount of \$105,571.14. Ms. Adkins claims she was never given the option between a monthly survivor benefit and a lump sum benefit including the state's portion.

SERS is unable to locate any paperwork regarding the application for the death benefit. The Executive Committee denied Ms. Adkins' appeal in December, 2015. Ms. Adkins is requesting a re-appeal to receive a survivor benefit and repay the nonoccupational lump sum death benefit.

After some discussion, a motion was made by Executive Secretary Blair to deny Vickie Adkins' request for a monthly survivor benefit, seconded by Vice Chairperson Morris. All were in favor.

Lorna Simon, Request to waive overpayment, SS#: xxx-xx-7121

Lorna Simon retired reciprocally with the Illinois Municipal Retirement Fund (IMRF) effective October 1, 2013. Ms. Simon's last employment was with IMRF and the average earnings from IMRF were used to calculate the SERS retirement benefit.

IMRF has been reporting wages incorrectly to SERS. They have been including wages paid after the member left employment. Some of this money is wages from the last payroll; however, it also includes sick and vacation pay that SERS cannot use in the calculation of a Final Average Compensation. IMRF is unable to provide a breakdown of wages to show the amount that is salary so SERS has begun to exclude the last month of earnings and include one previous month of earnings to compute a FAC. This created an overpayment for Ms. Simon for the period of October 1, 2013 through March 31, 2016 in the amount of \$687.15. Her monthly pension was reduced by \$22.50 from SERS but was increased by \$22.50 from IMRF.

Ms. Simon is requesting her pension not be reduced and the overpayment be removed.

After some discussion, Chairman Iglarsh made a motion to deny Lorna Simon's request to remove the pension reduction, seconded by Vice Chairperson Morris. All were in favor.

### Barbara Nudo – Nonoccupational Disability

Barbara Nudo works for the State of Illinois Department of A & R Shared Services Center as a telemarketer. She stopped working on May 20, 2015 and began a medical leave of absence on June 1, 2015. She returned to work on December 28, 2015, then went back on nonoccupational disability effective February 14, 2016 and continues to receive this benefit.

Ms. Nudo is appealing the denial of her disability benefits. She is requesting that the 90 day filing rule be waived. She states that she was unaware of the 90 day filing rule and is asking the Committee to grant her nonoccupational disability benefits for the past closed period of May 20, 2015 through December 27, 2015.

After discussing the case, Chairman Iglarsh made a motion to deny Barbara Nudo's request for the waiver of the 90 day filing rule, seconded by Vice Chairperson Morris. All were in favor.

### Robert Jones – Nonoccupational Disability

Robert Jones works as a Library Program Specialist for the Secretary of State. He last worked on August 24, 2015. He began a medical leave of absence on August 25, 2015.

Mr. Jones has requested a written appeal to the Executive Committee to waive the 90 day filing limitation.

After some discussion, Executive Secretary Blair made a motion to approve Robert Jones' appeal to waive the 90 day filing limitation, seconded by Vice Chairperson Morris. All were in favor.

### Nicole Foreman – Waiver of 12 month rule

Nicole Foreman works as a Correctional Officer for Logan Correctional Center. She last worked on May 29, 2009 and began a medical leave of absence on June 17, 2009. She was paid TTD for this time period.

Ms. Foreman has requested a written appeal to the Executive Committee so the 12 month filing limitation can be waived.

After some discussion, a motion was made by Chairman Iglarsh to approve Nicole Foreman's appeal of the 12 month filing period, seconded by Vice Chairperson Morris. All were in favor.

### Kristen Taylor – Occupational Disability Benefits

Kristen Taylor worked as an External Affairs Liaison for the Department of Transportation. She suffered a work related injury on April 7, 2006 and was paid workers' compensation for the time period April 13, 2006 through October 22, 2006 and March 12, 2007 through April 20, 2007.

Ms. Taylor states she was unaware of her rights with SERS and is requesting the Executive Committee waive the 12 month filing rule.

After some discussion, a motion was made by Chairman Iglarsh to approve Kristen Taylor's appeal of the 12 month filing period, seconded by Executive Secretary Blair. All were in favor.

### Vincent Cirrintano, Request to receive pension March 1, 2016

Vincent Cirrintano resigned February 20, 2016 with a retirement effective date of March 1, 2016. Once Mr. Cirrintano's service purchases of paid sick and vacation days and the qualifying period were posted to his account, his file was entered for payment. When the calculation was produced it was discovered that Mr. Cirrintano was 2.50 months short of meeting the Rule of 85.

Mr. Cirrintano is requesting a pension effective March 1, 2016 as he was told by his agency that he was eligible to retire and the ineligibility was not caught by the Pension Department.

After discussing the case, a motion was made by Chairman Iglarsh to allow Mr. Cirrintano to keep his service credit for paid sick and vacation days after the 90 day limitation, which will allow him to retire effective June 1, 2016. The motion was seconded by Vice Chairperson Morris. All were in favor.

### Stormie DeJaynes – Waiver of additional interest charged

Stormie DeJaynes (xxx-xx-0747) requested and was provided an estimate for the purchase of a resignation refund. Ms. DeJaynes completed all the documentation to roll over funds necessary to pay for the refund of contributions and the applicable charged interest. In mid-March, she submitted the rollover documentation, along with a check from the rollover entity made payable to the State Employees' Retirement System.

Based on documents submitted by Ms. DeJaynes, the certified letter was received and signed for by SERS, but the check was never received by the Accounting Division and the Service and Refunds Division did not receive any correspondence either. The check is only good for 90 days and has not been cashed.

After some discussion, a motion was made by Executive Secretary Blair to approve Ms. DeJaynes' request to submit contributions and interest for the repayment of her refund with no additional interest charged, provided she pays within 30 days from the date of notification. The motion was seconded by Chairman Iglarsh. All were in favor.

Gary D. Black – Creditable Service

Mr. Gary D. Black, along with his attorney James P. Baker, was present for a personal appeal before the Executive Committee. He is attempting to establish creditable service for a period of time that he was appointed as a mine officer at Natural Resources and military service credit.

There are human resource employees in both the Comptroller's Office and the Department of Natural Resources. In regard to the military service credit, Mr. Black did not make an inquiry while an active employee as required by law. Military service is referenced on pages 11 and 12 of the SERS handbook that Mr. Black received shortly after becoming a member of the System.

After reviewing the facts, the case was referred to SERS' attorney, Steve Bochenek, for a Recommendation.

There being no further business to be brought before the Committee, the meeting was adjourned at 12:02 p.m.

The next meeting of the Executive Committee is scheduled for June 9, 2016, in the Springfield office, with video conferencing in Chicago.

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Loren Iglarsh, Chairman

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David Morris, Vice Chairperson

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Timothy Blair, Executive Secretary