

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

May 10, 2018

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, May 10, 2018 at 8:30 a.m. in the System's Springfield office at 2101 S. Veterans Parkway.

Committee Members:

Loren Iglarsh, Chairman  
Jeremy Tad Hawk, Trustee  
Timothy Blair, Executive Secretary

Others Present:

Jeff Houch, Assistant Executive Secretary  
Steve Bochenek, SERS Attorney  
Christine Self, Attorney, Sorling Northrup  
Karen Brown, Supervisor, Disability Section  
Cory Mitchell, Acting Supervisor, Pension and Death Section  
Jessica Blood, Recording Secretary  
Cynthia Janzen-Sanchez, Claimant  
Sue Janzen, Claimant's Associate  
Michael Hagy, Claimant's Representative  
Douglas Lyon, Claimant

Minutes of the Previous Meeting

The minutes of the April 12, 2018 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 Trustee Hawk and by unanimous vote, the minutes were approved as submitted.

Routine Claims Report

The Routine Claims Report for the month of April 2018 was presented. Following review and discussion, the Routine Claims Report for the period of April 2018, as prepared by staff, was received by the Executive Committee.

## Old Business

### Marietta Shepard – Appeal for Survivor Benefit – Mbr. Ricky Shepard – Recommendation

Ricky Shepard retired effective January 1, 2003. He had a QILDRO on file and the alternate payee, Marietta Shepard, received a monthly benefit and the entire survivor contribution refund.

Marietta and Ricky remarried in 2014.

Mr. Shepard died on November 12, 2017. The survivor contribution refund was not repaid. A \$500.00 death benefit is due to his named beneficiary.

Marietta Shepard is requesting a survivor annuity.

At their April 2018 meeting, the Executive Committee referred Ms. Shepard's case to Attorney Bochenek for recommendation.

Attorney Bochenek presented recommendation No. 2018-5 to the Committee to deny Ms. Shepard's appeal to receive a survivor annuity. Following a review of the recommendation and some discussion, a motion was made by Executive Secretary Blair to accept recommendation No. 2018-5. The motion was seconded by Trustee Hawk and all were in favor.

### Cynthia Janzen-Sanchez –Re-appeal to Receive Survivor Annuity

Salomon Sanchez Jr. retired effective November 1, 2001. Mr. Sanchez did not have an eligible survivor and received a survivor contribution refund of \$4,231.24.

Mr. Sanchez was married on September 23, 2010. He did not repay the refund prior to his death on May 18, 2017. A \$500.00 death benefit is due to his named beneficiary.

Based on the documentation provided at the July 2017 meeting, the Executive Committee denied Ms. Janzen-Sanchez's request to receive a survivor annuity. Ms. Janzen-Sanchez requested to re-appeal her case at a personal hearing at the May 2018 meeting of the Committee. Ms. Janzen-Sanchez appeared at the May 2018 meeting of the Committee along with her representative Michael Hagy.

After reviewing new information presented by Ms. Janzen-Sanchez and pending the receipt of further documentation, the Committee agreed to refer her case to Attorney Bochenek for recommendation.

## New Business

### Douglas Lyon – Appeal to Rescind Level Income Option – Personal Hearing – 9:30a.m. Springfield

Douglas Lyon retired effective October 1, 2017. He chose the level income option which increases his pension by \$571.70 per month.

Mr. Lyon is requesting to revoke the level income option.

After discussing the facts of the case, a motion was made by Trustee Hawk to approve Mr. Lyon's request to revoke the level income option from his pension contingent on his repayment of the overpayment caused by the difference in pension amounts. The motion was seconded by Executive Secretary Blair and all were in favor.

#### Michael Wiant – Request to Rescind Social Security Offset Removal

Michael Wiant retired January 1, 2018 and chose the Social Security Offset Removal. This reduces his pension by 3.825% so an eligible survivor would not have an offset for Social Security.

Mr. Wiant was married on January 1, 2018. Due to a QILDRO on file, he was not allowed to waive the survivor contribution refund. Currently, a survivor benefit would not be payable.

Mr. Wiant is requesting to revoke the Social Security Offset Removal option from his pension benefit. After reviewing amounts with Social Security, any survivor benefit that may be payable in the future to his spouse would be offset by \$58.00 per month; whereas the reduction to his pension is \$191.62 per month.

After reviewing the facts of the case and some discussion, a motion was made by Chairman Iglarsh to approve Mr. Wiant's request to rescind the Social Security Offset Removal from his pension. The motion was seconded by Executive Secretary Blair and all were in favor.

#### Alex Jordan – Appeal for FAC Recalculation

Alex Jordan retired on January 1, 2018. Prior to his retirement, he came into the SERS office on two different occasions and was provided pension estimates.

While processing his pension, a staff member noticed unusually high amounts of wages in June of each year for several years. The employing agency was contacted to determine the reason for the high wages. The employee had accrued comp time and was cashing it in at the end of every fiscal year.

A breakdown of wages earned for each month of comp time was provided to SERS. These wages were placed in the months earned to determine a revised Final Average Compensation of \$9,820.93.

Mr. Jordan is requesting his pension be based on an FAC of \$10,155.86.

After discussing the facts of the case, a motion was made by Chairman Iglarsh to deny Mr. Jordan's request for a recalculation of his FAC. The motion was seconded by Executive Secretary Blair and all were in favor.

#### Robert Story – Appeal to Purchase Service Credit after Separation

Robert Story Jr. retired effective February 1, 2018. He met the Rule of 85 with reciprocal service. Mr. Story had 296.25 months of alternative formula service and was 52 years and 3 months old.

Mr. Story needs an additional 3.75 months of alternative formula service to be eligible for his pension annuity to be calculated using 3% and rate of pay.

Mr. Story is requesting to purchase an additional 4 months of service credit to meet the alternative formula eligibility.

After reviewing the facts of the case and some discussion, a motion was made by Chairman Iglarsh to approve Mr. Story's appeal to purchase service credit after separation contingent on him purchasing the service credit within 60 days. The motion was seconded by Trustee Hawk and all were in favor.

#### Cornell Hudson – Appeal to Retire Reciprocally

Cornell Hudson separated from state service on September 30, 2017. On January 2, 2018, he was mailed a letter regarding the required minimum distribution. Mr. Hudson claims he did not receive the letter.

Mr. Hudson emailed the SERS office on January 15, 2018 to begin the retirement process. A staff member replied to him about several options, but he did not respond.

A refund was issued on April 4, 2018 due to the required minimum distribution.

Mr. Hudson has returned the refund payment and is requesting to retire reciprocally.

After reviewing the facts of the case, a motion was made by Trustee Hawk to approve Mr. Hudson's request to retire reciprocally. The motion was seconded by Chairman Iglarsh and all were in favor.

#### Tricia Harris – Occupational Disability – 12 Month Waiver

Tricia Harris worked as a Security Therapy Aide I for the Illinois State Department of Human Services, Elgin Mental Health Center. She last worked on November 29, 2005, the date that she was attacked by a patient at work. She was placed on extended benefits from December 6, 2005 through December 5, 2006. She began a service connected leave of absence on December 6, 2006 through November 30, 2009 and received Occupational benefits from SERS until she was terminated by Risk Management on November 30, 2009.

Ms. Harris never returned to work, nor did she ever apply for the SERS Temporary Disability benefit. She received a Life Award on March 23, 2012 with an effective date of August 20, 2009. This award would be offset if her disability is approved. Mr. Harris was made aware that she was eligible to apply for SERS Occupational Disability benefits in 2015, but never completed the application process.

Ms. Harris currently suffers from multiple medical issues due to her attack at work. She is currently applying for SERS retroactive Occupational benefits beginning December 1, 2009. If approved, Ms. Harris may be eligible for benefits through April 30, 2035.

Ms. Harris' request was denied in accordance with Chapter 40 of Illinois Pension Code 5/14-124(5). She is requesting the Executive Committee waive the 12-month filing limitation.

After reviewing the facts of the case, a motion was made by Trustee Hawk to approve Ms. Harris' request to waive the 12-month filing limitation. The motion was seconded by Chairman Iglarsh and all were in favor.

#### Miriam Furlong – Non-Occupational Disability – 90 Day Waiver

Miriam Furlong is appealing the denial of disability benefits based on the 90-day filing rule. Ms. Furlong was removed from payroll on April 24, 2017. Her 90 days expired on July 22, 2017. The notification was received by SERS on October 27, 2017. SERS sent the forms to Ms. Furlong on October 27, 2017. Ms. Furlong's medical documentation was also received October 27, 2017. She returned to work September 16, 2017 and her application was received March 23, 2018.

Ms. Furlong's claim was denied in accordance with Chapter 40 of Illinois Pension Code 5/14-124(1).

After discussing the facts of the case, a motion was made by Chairman Iglarsh to approve Ms. Furlong's request to waive the 90-day filing limitation. The motion was seconded by Trustee Hawk and all were in favor.

#### Lisa Westbrooks – Appeal SSA Overpayment

Lisa Westbrooks was approved for a Non-Occupational Disability benefit from SERS effective August 26, 2013.

Ms. Westbrooks was approved for a retroactive Social Security disability benefit effective January 1, 2016. The retroactive benefit created an overpayment to SERS totaling \$24,116.00 from January 1, 2016 through February 28, 2018.

SERS sent Ms. Westbrooks a notification letter on April 4, 2018 that explains the calculation of the overpayment and what was due SERS.

As stated in the SERS Board Policy, the Overpayment Section is to deduct half the gross of any benefit being paid toward an overpayment owed to SERS. The overpayment due is in accordance with 5/14-125 ILCS of the Pension Code.

Ms. Westbrooks' current monthly gross disability payment is \$1,926.97. Monthly deductions of \$178.40 federal tax, \$232.00 state health insurance, \$17.00 state dental insurance and \$73.21 state life insurance reduces the net pay to \$1,426.36. There have been no deductions from her disability annuity for repayment toward the overpayment due to her appeal. Based on SERS Board Policy, Benefit Support is instructed to deduct half the gross of Ms. Westbrook's annuity which would be \$963.50. This would reduce her monthly net pay to \$462.86 and the overpayment would be repaid in 25 months.

Ms. Westbrooks' half time ceases November 30, 2019 and she is eligible to retire August 1, 2025.

Ms. Westbrooks is appealing to the Committee to forgive the total amount she owes for the overpayment.

After reviewing the facts of the case and some discussion, a motion was made by Executive Secretary Blair to deny Ms. Westbrooks' appeal to forgive her SSA overpayment,

but rather to propose a \$500.00 per month repayment amount. The motion was seconded by Chairman Iglarsh and all were in favor.

#### Dennis Maroon – Appeal to Reduce Monthly Overpayment Repayment Amount

Dennis Maroon was approved for Occupational Disability benefits from SERS effective October 1, 2010.

Mr. Maroon's benefit was higher due to the credit for attorney fees which should have ceased October 1, 2017, reducing his monthly benefit. The credit did not cease until February 1, 2018 when it was discovered. Mr. Maroon was overpaid \$2,270.84 for the period of October 1, 2017 through January 31, 2018.

SERS sent Mr. Maroon a notification letter on March 27, 2018 that explains the calculation of the overpayment and what was due SERS.

As stated in the SERS Board Policy, the Overpayment Section is to deduct half the gross of any benefit being paid toward an overpayment owed to SERS. The overpayment due is in accordance with 5/14-125 ILCS of the Pension Code.

Mr. Maroon's current monthly gross disability payment is \$900.65. Monthly deductions of \$282.00 state health insurance, \$19.50 state dental insurance and \$27.15 state life insurance reduces the net pay to \$572.00. Half of the monthly gross pension would be \$450.00 per month, reducing the net pay to \$122.00 per month. SERS is not currently deducting the \$450.00 due to Mr. Maroon's appeal.

Mr. Maroon is eligible to retire November 1, 2023.

Mr. Maroon is appealing to reduce the monthly repayment amount from \$450.00 to \$200.00. Deducting \$450.00 per month will repay the overpayment in 5 months. Deducting \$200.00 per month will repay the overpayment in 12 months.

After discussing the facts of the case, a motion was made by Chairman Iglarsh to approve Mr. Maroon's request to reduce his monthly overpayment repayment amount. The motion was seconded by Trustee Hawk and all were in favor.

#### Policy Discussion – Occupational Disability Cost of Living Increase with Break in Disability

Karen Brown presented to the Committee to discuss whether Occupational Disability recipients should keep their previous monthly increases when there has been a break in receiving benefits due to gainful employment.

After some discussion, a motion was made by Executive Secretary Blair to adopt the policy that if a member has a break in SERS Occupational Disability benefits due to gainful employment but continuously received TTD, the member is entitled to the previous monthly increases. The motion was seconded by Chairman Iglarsh and all were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:35a.m.

The next meeting of the Executive Committee is scheduled for June 14<sup>th</sup>, 2018, 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