

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

May 9, 2019

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, May 9, 2019 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  
Kathy Yemm, Manager, Claims Division  
Karen Brown, Disability Supervisor, Claims Division  
Cory Mitchell, Acting Supervisor, Pension and Death Section  
Alan Fowler, Manager, Accounting Division  
Steve Bochenek, System Attorney  
Jennifer Staley, Recording Secretary  
Janet Sampson, Claimant  
Eric Ewald, Claimant (Lynne Ewald, spouse)  
Michael Breslin, Claimant  
Timothy Talbert, Claimant  
John P. King, Claimant (Jeff Moran, spouse)  
Thomas V. Brenner, Claimant

Minutes of the Previous Meeting(s)

The **revised** minutes of the March 14, 2019 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 Vice-Chairperson Morris and by unanimous vote, the minutes were approved as submitted.

The minutes of the April 11, 2019 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 Vice-Chairperson Morris and by unanimous vote, the minutes were approved as submitted.

### Routine Claims Report

The Routine Claims Report for the month of April 2019 was presented. Following review and discussion, the Routine Claims Report for the period of April 2019, as prepared by staff, was received by the Executive Committee.

### Old Business

#### Christopher Fritsche – Occ-Dis – Gainful Employment Inquiry

Christopher Fritsche worked as a Correctional officer for Menard Correctional Center. Mr. Fritsche last worked on January 24, 2018. He was on extended benefits until January 31, 2019. Mr. Fritsche began a service connected leave on February 1, 2019.

Mr. Fritsche has requested a written appeal to the Executive Committee to approve his occupational disability benefit with the understanding he is part owner of a company but does no physical labor.

After some discussion, the Committee requested that SERS obtain his prior tax return to establish his role/involvement in the business. The case is deferred until such documentation showing his earnings is received for review.

### New Business

#### Janet Sampson – Appeal to Retain Estimated FAC – Personal Hearing

Janet Sampson retired January 1, 2019. When Governor Quinn froze wages in July 2011, Ms. Sampson was working for DHS. When those frozen wages were paid, they were placed in 3 different months instead of being allocated in the correct months where the money was due. In addition, Ms. Sampson was paid for comp time in a lump sum which needed to be allocated to the correct months where the money was earned. She says she was not allowed to use the comp time as time off or cash it in each pay period.

Ms. Sampson was given estimates at SERS on two different occasions using the Final Average Compensation (FAC) on the system which included the larger salaries placed in single months instead of spread over the correct months.

When Janet Sampson's pension was being calculated, SERS requested a breakdown of comp time from the agency and used what information was known regarding the back wages to calculate the FAC. The FAC used to calculate Ms. Sampson's pension was \$8,936.49.

After receiving the Notice of Preliminary Retirement Annuity Approval the member came in to the SERS office to question the FAC. She was told that SERS would try to obtain further information from DHS about the back wages as several months were missing and the pay reported had decreased in FY13 compared to FY12. Once this information was received from DHS, it was apparent that more wages needed to be removed from the FAC period, resulting in a lower FAC of \$8,917.15.

Ms. Sampson is requesting her pension be based on the estimated FAC provided to her during her office visits.

After some discussion, Executive Secretary Blair moved to refer the matter for recommendation. Vice Chairperson Morris seconded the motion. All were in favor.

#### Eric Ewald – Appeal to Retain Estimated FAC – Personal Hearing

Eric Ewald retired January 1, 2019. When Governor Quinn froze wages in July 2011, Mr. Ewald was working for IDOC. When those frozen wages were paid, they were placed in 3 different months instead of being allocated in the correct months where the money was due. In addition, Mr. Ewald was paid for 196.75 holidays in a lump sum, which is not pensionable. He was also paid a lump sum for comp time which needed to be allocated to the correct months where the money was earned.

Mr. Ewald was given estimates at SERS on two different occasions using the Final Average Compensation (FAC) on the system which included the larger salaries placed in single months instead of spread over the correct months, including the holiday pay which shouldn't have been included at all.

When Mr. Ewald's pension was being calculated, SERS requested a breakdown of comp time from the agency and removed the back wages paid as IDOC hasn't provided any information as to where this money is due. The pay for holidays was excluded as well. The FAC used to calculate Mr. Ewald's pension was \$8,201.32.

IDOC was contacted after the pension was paid to obtain a breakdown of back wages. Once those were placed in the correct months, holiday pay was removed and comp time was left as is, the FAC increased to \$8,303.28.

Mr. Ewald is requesting his FAC include holiday pay, comp time and back wages.

After some discussion, Executive Secretary Blair moved to refer the matter for recommendation. Vice Chairperson Morris seconded the motion. All were in favor.

### Michael Breslin – Appeal of Salary Cap – Personal Hearing

Michael Breslin retired January 1, 2019. When calculating his pension, a salary cap was applied to his Final Average Compensation (FAC) because the last 12 months of earnings exceeded the FAC by more than 25 percent. The calculated FAC was \$11,788.05

Mr. Breslin is requesting a cap not be applied to his FAC. If denied, he is requesting a refund of the contributions paid after the salary limit was met.

After some discussion, Executive Secretary Blair moved to refer the matter for recommendation. Vice Chairperson Morris seconded the motion. All were in favor.

### Timothy Talbert – Public Act 100-611 Upgrade – Personal Hearing

Public Act 100-611 provides that members who were participating under the alternative formula prior to being transferred from IDOC/IDJJ to CMS or DoIT as a result of certain executive orders shall receive service credit under the alternative formula for service after the transfer. Public Act 100-611 created the definition of “transferred employee” under **40 ILCS 5/14-110(c)(20)**, and such position is now eligible for coverage under the alternative formula.

(20) “Transferred employee” means an employee who was transferred to the Department of Central Management Services by Executive Order No. 2003-10 or Executive Order No. 2004-2 or transferred to the Department of Innovation and Technology by Executive Order No. 2016-1, or both, and was entitled to eligible creditable service for services immediately preceding the transfer.

In November of 2011, Timothy Talbert was transferred to CMS by executive order 2003-10. Mr. Talbert remained at CMS for 44 months, and effective July 1, 2015 retired from the State. At the time of retirement, Mr. Talbert had 21.9792 years under the regular formula, and 5.1667 years under the alternative formula. His benefit was calculated so that 5.1667 years were calculated under the higher formula (2.5% for each year of service) and the 21.9792 years were calculated under the regular formula (1.67% for each year of service).

This benefit calculation was permitted because such service was related to employment as “security employee” of the Department of Corrections, and there is an explicit statutory provision that permits this calculation in situations in which the member has less 20 years in the alternative formula, but at least 20 years of total state service. Subsections (h) and (j) of 40 ILCS 5/14-108 permit security employees to get the higher benefit formula for years spent as a security employee even if they have less than 20 years in a position under the alternative formula.

(h) In the case of a member who is a covered employee, the retirement annuity for membership service as a security employee of the Department of Corrections or security employee of the Department of Human Services shall be: if retirement occurs on or after January 1, 2001, 2.5% of final average compensation for each year of creditable service; if retirement occurs before January 1, 2001, 1.67% of final average compensation for each of the first 10 years of service, 1.90% for each of the next 10 years of service, 2.10% for each year of service in excess of 20 but not exceeding 30, and 2.30% for each year in excess of 30.

(j) The retirement annuity computed pursuant to paragraphs (g) or (h) shall be

applicable only to those security employees of the Department of Corrections and security employees of the Department of Human Services who have at least 20 years of membership service and who are not eligible for the alternative retirement annuity provided under Section 14-110. However, persons transferring to this System under Section 14-108.2 or 14-108.2c who have service credit under Article 16 of this Code may count such service toward establishing their eligibility under the 20-year service requirement of this subsection; but such service may be used only for establishing such eligibility, and not for the purpose of increasing or calculating any benefit.

This same treatment does not apply to the newly defined term of “transferred employee”. Said different, for a “transferred employee” to get the higher benefit formula multiplier, he or she would need at least 20 years of service in a position covered under the alternative formula. In Mr. Talbert’s case, his years of service in a position that meets the definition of “security employee” plus his years of service in a position that meets the definition of “transferred employee” does not total at least 20 years of service, therefore the years of service as a transferred employee is not eligible to be upgraded. Mr. Talbert has requested a personal hearing seeking retroactive adjustments to his service credit associated with his time as a transferred employee.

After some discussion, Executive Secretary Blair moved to refer the matter for recommendation. Vice Chairperson Morris seconded the motion. All were in favor.

#### John P. King – Survivor Contribution Refund Repayment – Personal Hearing

John King retired effective January 1, 2014, at which time he did not have a qualified survivor. He was paid a refund of survivor contributions on February 25, 2014 totaling \$4,706.50. He married on December 8, 2018. Following his marriage, Mr. King inquired about the steps necessary to qualify his spouse for survivor’s benefits. Mr. King was informed that his spouse would not qualify for survivor’s benefits until December 8, 2019. In addition, Mr. King was informed that he would need to repay the amount of the refund plus interest. No estimate has been provided because his spouse, Mr. Moran, is not yet eligible to qualify for survivor’s benefits. Mr. King has requested a personal hearing seeking for the applicable interest to be waived.

Vice-Chairperson Morris recused himself from the case. After some discussion, Chairman Iglarsh moved to refer the matter for recommendation. Executive Secretary Blair seconded the motion. All were in favor.

#### Thomas V. Brenner – Military Service Credit Purchase – Personal Hearing

Thomas Brenner is an active member and requested an estimate to purchase 24.25 months of military service credit. The estimate provided to Mr. Brenner indicated a cost of \$36,811.08, if paid by April 30, 2019. Of that amount, \$23,929.72 was the interest component. Mr. Brenner incurred a disabling condition while serving in the military, and the Department of Veterans Affairs has rated him 100% disabled. Mr. Brenner has requested a personal hearing requesting that the System waive the cost to purchase military service for disabled veterans, or at minimum, to waive the interest associated with the purchase.

After some discussion, Vice Chairperson Morris moved to refer the matter for recommendation. Executive Secretary Blair seconded the motion. All were in favor.

#### Donald Zurinski – Occ Dis – Requesting Waiver of 12 Month Filing Limitation

Donald Zurinski works as a Highway Maintainer for the Illinois State Department of Transportation. He was injured while at work on 12/24/2012 and stopped working on December 26, 2012. He was last paid by his agency on January 2, 2013 and began a service connected leave of absence on January 3, 2013. He returned to work on November 12, 2013.

SERS was originally notified by his agency of his disability in January of 2013. Though an occupational packet was sent to him on two previous occasions, he admittedly did not return the paperwork due to being given inaccurate information. He is now applying for the past time period after speaking with SERS Pension's Department. SERS recently received his application on April 17, 2019. Because he did not apply within 12 months of his last pay from his agency, his application was denied. He is currently asking the Executive Committee to waive the 12 month filing limitation.

Mr. Zurinski's request for occupational disability was denied in accordance with Chapter 40 of Illinois Pension Code 5/14-123(a). He is asking the Executive Committee to please waive the 12 month filing rule, so that he may receive monthly contributions toward his pension for the time period of January 4, 2013 through November 11, 2013.

After review and discussion, Chairman Iglarsh moved to approve Mr. Zurinski's request to waive the 12 month filing limitation, seconded by Vice-Chairperon Morris. All were in favor.

#### Tammy Betts – Social Security Offset Overpayment

Tammy Betts was approved for a nonoccupational benefit from SERS effective March 15, 2015. Effective July 1, 2015, she was awarded retro social security benefits and her benefit was offset by the amount social security was paying. The SSA award created an overpayment of benefits in the amount of \$19,320.00. This overpayment was repaid in 2017.

Ms. Betts returned to work on October 20, 2016 but went back out on a leave of absence May 25, 2017. Her SERS nonoccupational benefit resumed June 22, 2017 but the previously applied social security offset was not applied to the resumed benefits. The offset was applied effective March 1, 2019. From June 22, 2017 through February 28, 2019, SERS should have offset 9 days in June and 20 full months thereafter. This oversight resulted in overpaid benefits in the amount of \$26,755.40.

SERS sent the member a notification letter on April 12, 2019 that explained the reason and calculation of the overpayment and what was due.

As stated in the SERS Board Policy, the Overpayment Section is to deduct ½ the gross of any benefit being paid toward an overpayment owed to SERS or the repayment amount should pay the debt in 60 months. The overpayment due is in accordance with 5/14-125 ILCS.

Ms. Betts' monthly gross disability payment is \$873.50. No federal tax or other insurance/outside deductions are taken. She is paying CMS Premium Collection Unit a total of \$246.00 per month for health and dental.

Ms. Betts' current overpayment balance is \$26,755.40 and she is requesting a payment of \$150 per month which would result in repayment in 179 months (almost 15 years). In order to satisfy the debt in the required time frame of 60 months (5 years), SERS would need to offset her current benefit by \$ 446.00 per month.

After some discussion, Vice Chairperson Morris moved to deduct \$150 from the monthly disability benefit, then deduct half of the gross retirement annuity upon retirement. Chairman Iglarsh seconded the motion. All were in favor.

#### Felysha Jackson – Social Security Administration Overpayment

Felysha Jackson was approved for a nonoccupational benefit from SERS effective February 22, 2018.

Mrs. Jackson was approved for a retroactive social security disability benefit effective October 1, 2018.

The retroactive benefit created an overpayment to SERS totaling \$7,952.00 from October 1, 2018 through January 31, 2019.

SERS sent the member a notification letter on February 22, 2019 that explains the calculation of the overpayment and what was due.

As stated in the SERS Board Policy, the Overpayment Section is to deduct ½ 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.

Felysha Jackson's monthly gross disability payment is \$1,457.97. Federal tax in the amount of \$79.10 is deducted. When ½ of the gross is deducted in the amount of \$722.91, the net paid to Mrs. Jackson is \$655.96. Mrs. Jackson is direct billed from CMS for state insurance premiums in the total amount of \$275.88 per month. As noted in the SSA Award letter, she is also receiving \$1,988.00 per month in social security benefits.

Mrs. Jackson's current overpayment balance is \$7,229.09 and she is requesting a payment of \$50-\$100 per month which would result in repayment over the 5-year allowed repayment policy.

After some discussion, Vice-Chairperson Morris moved to deny the request for a repayment of \$50-100 per month, and propose a repayment plan of \$120 per month. Executive Secretary Blair seconded the motion. All were in favor.

#### Marvin Barnes - Social Security Administration Overpayment

Marvin Barnes was approved for a nonoccupational benefit from SERS effective June 26, 2016.

Mr. Barnes was approved for a retroactive social security disability benefit effective October 1, 2016. The retroactive benefit created an overpayment to SERS totaling \$25,560.00 from October 1, 2016 through December 31, 2017.

SERS sent the member a notification letter on January 25, 2018 that explains the calculation of the overpayment and what was due.

As stated in the SERS Board Policy, the Overpayment Section is to deduct ½ 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. Barnes retired March 1, 2019 and the monthly gross pension payment is \$2,864.82. Federal Tax in the amount of \$153.18 is deducted and when ½ of the gross is deducted for the overpayment in the amount of \$1,432.41, the net paid to Mr. Barnes is \$1,279.23. Mr. Barnes has been terminated from state insurance due to nonpayment of premiums when on leave of absence. He is also receiving \$1,868.00 per month in social security benefits.

Mr. Barnes's current overpayment balance is \$18,861.18 and he is requesting a payment of \$500 per month which would result in repayment in 38 months.

After some discussion, Vice Chairperson Morris moved to approve Mr. Barnes' request for a payment of \$500 per month, seconded by Chairman Iglarsh. All were in favor.

#### Torrence Jones – Overpayment – Return to Work – Untimely Notification

Torrence Jones was approved for a nonoccupational benefit from SERS effective June 11, 2018.

Mr. Jones returned to work August 4, 2018 and did not notify SERS until January 15, 2019. This late notification caused an overpayment of nonoccupational benefits in the amount of \$11,313.70 from August 4, 2018 through December 31, 2018. The member currently owes \$9,006.30. The check that was issued for December in January was returned by the bank and the federal tax was pulled back from that check.

SERS sent the member a notification letter on January 15, 2019 that explains the calculation of the overpayment and what was due. The member failed to respond to this notice and was sent a final notice on March 11, 2019.

Since the January check was returned in addition to reversing federal tax for that month, the amount of the overpayment reduced to \$ \$9,006.30. He was told he would have to pay \$200 per pay which would repay the debt in 23 months. He states he cannot afford \$200 per pay.

Mr. Jones is requesting a repayment plan of \$50 per month (\$25 per pay) which would take 15 years to repay.

After some discussion, Vice-Chairperson Morris moved to deny the request for a repayment of \$50 per month, and propose a repayment plan of \$150 payroll deduction per month. Executive Secretary Blair seconded the motion. All were in favor.

### Angelia Sowell – Overpayment – Return to Work – Untimely Notification

Angelia Sowell was approved for a nonoccupational benefit from SERS effective October 7, 2018.

Ms. Sowell returned to work October 29, 2018 and did not notify SERS until March 14, 2019. This late notification caused an overpayment of nonoccupational benefits in the amount of \$8,127.63 from October 29, 2018 through February 28, 2019. The member currently owes \$4,159.81. The checks that were issued for January and February of 2019 were returned and/or stopped reducing the balance of the overpayment to \$4,159.81.

As stated by the guidelines for installment agreements, Ms. Sowell's required monthly payment is \$200 per month. This payment would repay the overpayment in 21 months (almost 2 years). A payment of \$100 per month would repay the debt in 42 months (3.50 years).

Ms. Sowell is requesting a repayment plan of \$150 per month, which would take roughly 27 months to repay. She further requested the payment begin after May 31, 2019.

After some discussion, Executive Secretary Blair moved to approve the request for a repayment of \$150 payroll deduction per month, seconded by Chairman Iglarsh. All were in favor.

### Jack Vahle – Request to Purchase Service Credit

Jack Vahle retired December 1, 2018. When processing his retirement, it was discovered that he was .25 month short from meeting 20 years of service credit for the alternative formula. He still met eligibility because he was over age 60, but his pension was calculated at 1.67% instead of 2.5%.

Prior to his retirement, in July 2018, Mr. Vahle visited the SERS office and was given an estimate with a retirement date of December 1, 2018. This calculation shows a total of 239.75 months, which is also .25 month short of 20 years of service.

In August 2018 Mr. Vahle was sent the cost to purchase several leaves of absence; however, he did not do so at that time.

Mr. Vahle is requesting to retire with 20 years of service.

After some discussion, Chairman Iglarsh moved to approve Mr. Vahle's request to purchase .50 months of service within 30 days of the billing letter in order to retire with 20 years of service. The motion was seconded by Vice-Chairperson Morris. All were in favor.

### Bernita Harris – Payment of Death Benefit

Bernita Harris, an active state employee, died on February 28, 2019. She is survived by an 18 year-old son, Jarrion Golliday, who is not currently a student, nor does he expect to attend school

in the future. Jarrion is requesting to waive any possible future survivor benefits so a death benefit may be paid with the state's portion. This would increase the death benefit by \$33,498.00.

Additionally, there is an issue with Ms. Harris' beneficiary form. According to the computer system and her annual statements, Ms. Harris completed a beneficiary form in April, 2002 listing her four (4) sons, Christian Golliday, Jamar Golliday, Jarrion Golliday, and Christopher Harris, as primary beneficiaries. This form, however, cannot be located. The most recent beneficiary form that can be located is dated in May, 1997 which lists three (3) of her sons, Christian, Jamar, and Christopher. At that time, Jarrion was not born. All four sons are requesting the death benefit be split equally among them.

After some discussion, Chairman Iglarsh motioned to approve the request for the death benefit to be paid equally among Bernita Harris' four (4) sons, seconded by Vice-Chairperson Morris. All were in favor.

#### Devin Stokes – Request for Re-Appeal

Devin Stokes retired May 1, 2015. He completed the dependent information on this retirement application as single with no applicable dependents. Mr. Stokes received a survivor contribution refund in the amount of \$21,758.84. Mr. Stokes has twins who were born in 2007 and were 8 years old at the time of his retirement. They are currently 12 years old. It was discovered that Mr. Stokes had received this refund and was not eligible for the funds.

Mr. Stokes' case was presented to the Executive Committee at the March 2019 meeting. His appeal was denied.

Mr. Stokes would like to re-appeal, as he feels there were a few statements that were inaccurately presented to the Executive Committee and contends that he was not provided with accurate information at the time he elected a survivor contribution refund.

After some discussion, Executive Secretary Blair moved to deny Mr. Stokes' request for re-appeal, seconded by Chairman Iglarsh. All were in favor.

#### Policy (Accounting) – Optional Military Time Service Purchase Eligibility

Background: Past practice has dictated that the Service Purchase Section of SERS would cost out the optional service of military time provided that the member supplied a DD-214 or appropriate discharge papers verifying active duty military service. There are various characteristics of the discharge listed on the DD-214 (i.e. Honorable, Dishonorable, Under other than honorable conditions, etc.). Dishonorable discharges would not be considered eligible for the optional service purchase of military time.

Additionally, according to desk notes, the long-time Division Manager of Service Purchase determined that the following characteristics of discharge were not acceptable to be eligible for purchase:

- Unqualified for Active Duty
- Discharged other than Honorable Conditions

- Under other than Honorable Conditions

Issue: Since the Service Purchase function was transferred to the Accounting Division on 08/01/2017, following the retirement of its Manager, the sources for these disqualified characteristics of discharge are coming into question.

Compiled statute **40 ILCS 5/14-104(j)** states (highlight added for emphasis):

By paying the contributions otherwise required under this Section, plus an amount determined by the Board to be equal to the employer's normal cost of the benefit plus interest, but with all of the interest calculated from the date the employee last became a member of the System or November 19, 1991, whichever is later, to the date of payment, an employee may establish service credit for a period of up to 4 years spent in active military service for which he does not qualify for credit under Section 14-105, provided that (1) he was not dishonorably discharged from such military service, and (2) the amount of service credit established by a member under this subsection (j), when added to the amount of military service credit granted to the member under subsection (b) of Section 14-105, shall not exceed 5 years. The change in the manner of calculating interest under this subsection (j) made by this amendatory Act of the 92nd General Assembly applies to credit purchased by an employee on or after its effective date and does not entitle any person to a refund of contributions or interest already paid. In compliance with Section 14-152.1 of this Act concerning new benefit increases, any new benefit increase as a result of the changes to this subsection (j) made by Public Act 95-483 is funded through the employee contributions provided for in this subsection (j). Any new benefit increase as a result of the changes made to this subsection (j) by Public Act 95-483 is exempt from the provisions of subsection (d) of Section 14-152.1.

The discharge reasons found to be unacceptable (other than “Dishonorable”) only appear in desk notes of Service Purchase Section employees. There is no reference to their origin other than dates that they were deemed unacceptable by the Manager at the time.

We have unsuccessfully searched for references to the acceptability of discharge other than honorable in rules and past Executive Committee decisions. Furthermore, with not much effort, two cases have been identified that the DD-214 showed “Discharged other than Honorable Conditions” for which the optional service purchase was allowed and the member paid for and was given the service credit.

Possible Resolution: The Accounting Division would like to request the opinion of the Executive Committee on establishing the policy regarding the acceptability of any discharge other than dishonorable.

- In establishing SERS service credit for military service, the member must provide a DD-214 that shows that he / she was not dishonorably discharged from active military service. Acceptable characteristics of discharge include “honorable”, “under other than honorable conditions”, “unqualified for active duty”, and “discharged other than honorable conditions,” as well as any other characteristics that do not indicate a “dishonorable” discharge.

This puts policy in direct line with the statute and eliminates creating policies with no basis in rule or in law.

Chairman Iglarsh moved to accept the policy, seconded by Vice Chairperson Morris. All were in favor.

#### George Gray – Appeal to Retire

George Gray has been an inactive member since July 2014. He was mailed a certified letter on January 7, 2019 regarding the minimum required distribution which gave him the option to either retire, take a refund, or participate in the total buyout.

Mr. Gray contacted Cory Mitchell on February 15, 2019 and stated he would make an appointment with the SERS Chicago office to discuss retirement.

Mr. Gray did not submit a retirement application by the required date, so a refund payment was mailed to this home in April 2019.

Mr. Gray is requesting to return the uncashed refund payment and apply for a retirement annuity. If this is denied, he would like to return the uncashed warrant and have the refund payment rolled into an IRA.

After some discussion, Chairman Iglarsh moved to approve Mr. Gray's request to apply for a pension, seconded by Vice-Chairperson Morris. All were in favor.

#### Rosalind Leonard-Coleman – Refund of Contributions Repay

Rosalind Leonard-Coleman was discharged from her Agency on December 29, 2006. She applied for a Refund of Contribution from SERS in April of 2007. A refund of \$18,927.92 was paid in May of 2007 (\$11,000 rollover and \$7,927.92 less federal withholding).

In June of 2007, The Civil Service Commission agreed to reverse the discharge. The agreement stated that Ms. Leonard-Coleman would be placed on a 65 day non paid suspension in lieu of discharge. She was to receive 23 days of wages at her rate of pay at the time of discharge. Two business days, two sick days, and four vacation days would be reinstated to her accumulated benefit time as stated in the agreement. She was reinstated to her former position. No promise was made to give her any greater or further consideration.

A letter was sent to Ms. Leonard-Coleman on May 5, 2011 allowing a one-time interest free repayment of the \$18,927.92. It is not clear as to why this was sent several years after the agreement, but it appears that SRS was contacted by the member at this time requesting repayment of the contributions and enclosed a copy of the settlement agreement. The letter was sent to the correct address. There was no response to this letter which according to SERS Accounting was sent twice.

In June of 2014 another billing was sent to Ms. Leonard-Coleman (which she requested June 2014). This billing included interest. There was no response to this billing. The member contacted SERS again in November of 2016 and April of 2018 and billing letters were sent with no response from Ms. Leonard-Coleman. Both billings included interest.

Ms. Leonard-Coleman contacted SERS in March or April of 2019 regarding her insurance at retirement. She was told her insurance would be based on 13 years of service and she disagreed. She said all her years (32) would count. When told that she took a refund in 2007 and it was never repaid, she argued that all her time was restored due to the settlement which was inaccurate.

Ms. Leonard-Coleman was never offered repayment without interest. She was told she had received an initial non interest billing in 2007 to which she never responded and had not responded to several other billings. She said she did not receive the non interest billing and the other billings she received were too expensive. She confirmed the address on all billings was correct.

She is now appealing to repay the 2007 refund without interest even though the two letters were sent to the address she confirmed was correct. She received the billings with interest, and all (non interest and interest) were sent to the correct address.

Ms. Leonard-Coleman was told that the account would be reviewed with management. After review and it was apparent that she simply ignored all billings, she was told she would have to repay with interest in order to have those additional years restored. She requested an appeal to repay the refund with no interest.

After some discussion, Executive Secretary Blair moved to deny Mr. Leonard-Coleman's request to repay the refund with no interest, seconded by Chairman Iglarsh. All were in favor.

#### Anastasia Palivos – Requesting SERS Participation

Anastasia Palivos originally declared in error that she did not wish to participate in the State Employees' Retirement System (SERS).

Ms. Palivos requested to change the election to participate in SERS.

After review and discussion, Chairman Iglarsh moved to approve Mr. Palivos' request to participate in SERS, seconded by Executive Secretary Blair. All were in favor.

#### Nicole Weston – Appealing Deduction of Disability Towards Overpayment

Nicole Weston works at the Department of Human Services as a Human Services Caseworker. She went on a 6P temporary disability benefit and SERS paid her from May 15, 2017 to July 15, 2018. Ms. Weston filed and won a grievance against her agency and they went back and paid her from January 1, 2018 through July 15, 2018. This created an overpayment totaling \$14,189.95.

Ms. Weston then went out on a non-service connected leave of absence on December 4, 2018. She received a 6B nonoccupational disability benefit from January 4, 2019 through January 6, 2019 in the amount of \$192.05. Ms. Weston returned to work on January 7, 2019.

Because Ms. Weston had an overpayment, this disability check was pulled and credited toward her overpayment. Ms. Weston has now filed for bankruptcy and she does not feel

that SERS had a right to apply her disability check to her overpayment. She is appealing SERS' decision to apply her disability check to her overpayment secondary to her bankruptcy status.

After some discussion, Vice-Chairperson Morris moved to deny Ms. Weston's appeal to stop the deduction from her disability check that is applied to her overpayment, seconded by Chairman Iglarsh. All were in favor.

**Add ons:**

Patricia Ortiz – Occupational Disability – 12 Month Filing Limitation

Patricia Ortiz works as a business manager for DHS. She was injured on January 14, 2014 and last worked on June 5, 2014. She began a medical leave of absence on July 1, 2014 due to a work-related injury. She returned to work on October 6, 2014.

She has requested a written appeal to the Executive Committee so that the 12 month filing limitation can be waived. The member indicates that she was not aware of this benefit. She was paid TTD for this time period.

The member's request was denied in accordance with Chapter 40 Pensions 5/14-123(a).

After some discussion, Vice-Chairperson Morris moved to approve Ms. Ortiz's request to waive the 12 month filing limitation, seconded by Chairman Iglarsh. All were in favor.

Lucyna Watson – Nonoccupational Disability – 90 Day Filing Limitation

Lucyna Watson is appealing the denial of disability based on the 90 day rule. She was removed from the payroll January 23, 2019. Her 90 days expired April 22, 2019. The application came in from the member April 26, 2019. SERS sent agency forms March 23, 2019. The medical was received April 26, 2019. She has not returned to work.

The member's request was denied in accordance with Chapter 40 ILCS 5/14-124.

After some discussion, Chairman Iglarsh moved to approve Ms. Watson's request to waive the 90 day filing limitation, seconded by Vice-Chairperson Morris. All were in favor.

Sharde Sherrill – Nonoccupational Disability – 90 Day Filing Limitation

Sharde Sherrill is appealing the denial of disability based on the 90 day rule. She was removed from the payroll September 14, 2018. Her 90 days expired December 12, 2018. The application came in from the member September 14, 2018. SERS sent agency forms September 21, 2018. The medical was received February 28, 2019. She has not returned to work.

The member's request was denied in accordance with Chapter 40 ILCS 5/14-124.

After some discussion, Chairman Iglarsh moved to approve Ms. Sherrill's request to waive the 90 day filing limitation, seconded by Vice-Chairperson Morris. All were in favor.

Karen Irwin – Request to Reinstate Member Account - Member Returned to State Payroll

Karen Irwin's account was written-off in a prior fiscal year. Since then the member has returned to active state payroll.

The Accounting Division is requesting the Executive Committee to reinstate the SERS member account that was written off so that the written off prior service can be added to the current active service.

After review and discussion, Executive Secretary Blair moved to approve the reinstatement of member account, seconded by Vice-Chairperson Morris. All were in favor.

There being no further business to be brought before the Committee, the meeting was adjourned at 2:55 p.m.

The next meeting of the Executive Committee is scheduled for June 13, 2019, 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