

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
November 13, 2014

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, November 13, 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
Kathy Yemm, Manager, Claims Division
Don Williams, Supervisor, Disability Section
Kerry Walker, Disability Section
Michael Noblet, Supervisor, Pension & Death Section
Cory Mitchell, Pension and Death Section
Joseph Maggio, Manager, Service and Refunds Division
Charlene Necco, Claimant; Janet Cash (Claimant's sister)
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the October 7, 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 Executive Secretary Blair 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 October, 2014 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of October, 2014, as prepared by staff, was reviewed by the Executive Committee. There being no additions or corrections, on motion by Executive Secretary Blair and seconded by Vice Chairperson Laidlaw, and by unanimous vote, the Routine Claims and Denials Report was approved as submitted.

Old Business

Shawn Holmes – Military Service – Attorney Recommendation

Shawn P. Holmes is requesting that he be allowed to purchase 16 months of military service credit, even though he terminated employment on November 11, 2013. Mr. Holmes was advised on several occasions that he must establish military service credit while he was an employee of the state.

Mr. Holmes was present at the October 7, 2014 meeting and stated he was never verbally told he needed to purchase the military service credit before leaving state service, or he would have done so. Documentation in the file indicated he was advised of this on more than one occasion. The case was referred to SERS' attorney, Steve Bochenek, for a recommendation.

At the November 13, 2014 meeting Attorney Bochenek presented a recommendation, No. 2014-06, which provides that the Petitioner is not entitled to purchase permissive service credit for active military service since Petitioner was not an employee.

A motion was made by Executive Secretary Blair to adopt the recommendation, seconded by Chairman Iglarsh. All were in favor.

John Hartnett – Level Income – RTW - Deferred

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 Section is seeking advice as to whether his "second" retirement would be calculated using the level income option since his "first" retirement was based on Mr. Hartnett selecting a level income option. Attorney Bochenek previously advised the Committee that the Pension Code was silent on this question, but that there were difficulties in continuing with the initial election.

At the May Executive Committee meeting, Steve Bochenek, SERS' attorney, recommended working up figures on different scenarios to propose to Mr. Hartnett. Tim Blair will send these scenarios to Attorney Bochenek for review and consideration of whether any new policies should be adopted by the Executive Committee regarding this issue.

The Committee deferred the case until further information is received.

Benita Walker – Disability Benefits Suspended

Benita Walker works as an Account Clerk II for the Illinois Department of Corrections at Stateville Correctional Center. She last worked on January 6, 2014 and began her medical leave of absence on January 7, 2014.

Her file went for medical review on April 22, 2014. At that time, it was determined that although this member did have a medical impairment, it was established that the severity and limitations did not preclude the performance of sedentary work as was described. It was therefore determined that the medical evidence in file did not substantiate the presence of a disabling impairment.

Her nonoccupational disability claim went before the Executive Committee April 10, 2014 and was denied. Ms. Walker disagrees with the temporary denial of her benefits and is requesting a written appeal.

At the August 14, 2014 Executive Committee meeting, Chairman Iglarsh stated that the system needed neurological notes regarding Ms. Walker before making a decision. The matter was deferred.

Benita Walker was seen by her primary care provider on August 11, 2014. The office progress notes are not relevant to the allegations made for disability. There is nothing in this information that warrants changing the opinions already expressed by SERS' medical consultant. The case was deferred for the receipt of neurological and/or ENT findings.

At the November 13, 2014 Executive Committee meeting staff reported that no additional neurological or ENT medical reports had been received.

After reviewing the facts of the case, Executive Secretary Blair made a motion to deny Benita Walker's request for disability benefits, seconded by Chairman Iglarsh. All were in favor.

New Business

Emmanuel Ford – Occupational Disability 12 Month Waiver

Emmanuel Ford works as an Engineering Tech III for the Department of Transportation. His last day worked was July 20, 2012 and he began a service connected leave of absence on August 4, 2012. He returned to work April 17, 2013. He was paid TTD.

Mr. Ford is appealing the one year filing limitation.

After the committee reviewed the case, a motion was made by Vice Chairperson Laidlaw to approve the 12 month waiver, seconded by Chairman Iglarsh. All were in favor.

Roy Devon – Occupational Disability 12 Month Waiver

Roy Devon works as a Highway Maintainer for IDOT. He last worked on June 10, 2009. He began a medical leave of absence on June 10, 2009.

He has requested a written appeal to the Executive Committee so that the 12 month filing limitation can be waived. He was paid TTD for this time period.

After the committee reviewed the case, a motion was made by Chairman Iglarsh to approve the 12 month waiver, seconded by Vice Chairperson Laidlaw. All were in favor.

Brad Smrcina – Pension – Reinstatement of Write Off

Brad Smrcina's account was written off on June 13, 2005. He had 123 months of service and \$9,447.36 in contributions at the time of the write off. We were recently contacted by Mr. Smrcina requesting the forms necessary to apply for this pension. Before the packet can be mailed out, the Executive Committee would need to approve reinstating his account.

After reviewing the facts of the case and some discussion, Vice Chairperson Laidlaw moved to approve reinstating Mr. Smrcina's account, seconded by Chairperson Iglarsh. All were in favor.

Dean Lessman – Pension – Wants to Retire Retroactively (Effective August 1, 2014)

Dean Lessman received a workers' compensation settlement. The settlement was used by Tristar to pay the weekly benefits of TTD from August 1, 2014 until October 23, 2014 and the remaining amount was paid in a lump sum.

Mr. Lessman was not aware that Tristar was paying his benefits this way. He would have rather been paid his whole workers' compensation settlement and began his pension effective August 1, 2014.

Mr. Lessman is asking to receive a retroactive pension annuity effective August 1, 2014 and to repay the disability benefits he had received for the months of August 1, 2014 through September 30, 2014.

Based upon the facts of the case and information submitted, a motion was made by Vice Chairperson Laidlaw to allow Mr. Lessman to waive the disability and retire effective August 1, 2014. The motion was seconded by Chairman Iglarsh; all were in favor.

Charlene Necco – Reduction in Payment Plan for Overpayment – Personal Appeal

Charlene Necco is currently receiving nonoccupational disability benefits from SERS.

With the assistance of Midwest Disability, Ms. Necco was approved for retroactive Social Security Disability benefits. This created an overpayment with SERS totaling \$26,690.00 for the period of August 1, 2012 through May 31, 2014.

Following the initial billing letter of \$26,690.00 dated June 19, 2014, Ms. Necco contacted SERS stating she did not have the funds to repay. She was advised a repayment agreement could be arranged for a period of up to five years with a monthly repayment amount of \$445.00.

On August 22, 2014 Attorney Terry Foster contacted SERS by letter indicating Ms. Necco needed to appeal the monthly repayment amount as she could not meet other financial obligations with a monthly repayment plan of \$445.00.

SERS received a letter dated September 16, 2014 from Attorney Foster requesting an extension for the appeal due to an unexpected hospitalization of Ms. Necco and stated the preferred monthly repayment amount of \$250.00.

Attorney Terry J. Foster requested a personal hearing with the Executive Committee in a letter dated October 8, 2014 regarding a reduced payment arrangement.

On October 14, 2014 SERS received correspondence from Attorney Foster along with extensive supporting documentation of Ms. Necco's expenses, including bank statements, drug store receipts, utility bills, etc.

Full recovery of the requested monthly repayment amount of \$250 would take a total of 107 months, or 8 years and 11 months. Since the maximum time allowed for repayment is normally 60 months or five years, the Claims Division is requesting guidance on whether to accept the \$250 monthly payment.

Charlene Necco was present at the November hearing, along with her sister, Janet Cash. Ms. Necco signed a Waiver of Procedures waiving the formal hearing process. Ms. Necco presented her request and offered that she did not feel she could pay the higher repayment rate even with retiring and receiving a higher benefit effective November 1, 2014. Ms. Necco acknowledged that she had received her pension packet in the mail and had completed the application; however, she could not locate the pension application. She is willing and agreed to complete the application today, November 13, 2014, in order to apply for retirement benefits retroactive to November 1, 2014.

After reviewing the facts of this case and some discussion, Chairman Iglarsh made a motion to begin deducting \$400 per month from Ms. Necco's retirement annuity, resulting in the remaining balance being higher than if she remained on disability benefits. This motion was seconded by Vice Chairperson Laidlaw. All were in favor.

After further discussion, the Committee recommended referring Ms. Necco's appeal to SERS' attorney.

There being no further business to be brought before the Committee, the meeting was adjourned at 10:30 a.m.

The next meeting of the Executive Committee is scheduled for Thursday, December 11, 2014, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh
Chairman

Lori Laidlaw
Vice Chairperson

Timothy Blair
Executive Secretary