

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

November 9, 2017

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, November 9, 2017 at 8:30 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
Steve Bochenek, SERS Attorney
Kathy Yemm, Manager, Claims Division
Alan Fowler, Manager, Accounting Division
Don Williams, Supervisor, Disability Section
Cory Mitchell, Acting Supervisor, Pension and Death Section
Jessica Blood, Recording Secretary
Martin Van Kampen, Claimant
Paul Bervid, Claimant's Attorney

Minutes of the Previous Meeting

The minutes of the October 12, 2017 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 October, 2017 was presented. Following review and discussion, the Routine Claims Report for the period of October, 2017, as prepared by staff, was received by the Executive Committee.

Old Business

Joel Sanchez – Request to Recognize Beneficiary Designation Form Dated August 23, 2016

Maria Nildes Sanchez passed away on September 14, 2017. On September 14, 2016, SERS received a beneficiary designation form from Ms. Sanchez naming her two sons – Francisco O. Sanchez and Joel F. Sanchez as her beneficiaries for death benefits.

The beneficiary designation form was returned to Ms. Sanchez due to missing addresses for her beneficiaries. Ms. Sanchez's caregiver, Samantha Laureano, stated that she mailed the corrected beneficiary form to SERS but it was never received. Because SERS never received the beneficiary form with the beneficiaries' addresses included, Ms. Sanchez's death benefits have now been made payable to her estate.

Mr. Sanchez is requesting that SERS recognize Ms. Sanchez's beneficiary form dated August 23, 2016 as her true wishes and intent and pay death benefits to her designated beneficiaries in lieu of her estate.

After reviewing the case and some discussion, a motion was made by Chairman Iglarsh to approve Mr. Sanchez's request for SERS to recognize Maria Sanchez's beneficiary designation form dated August 23, 2016. The motion was seconded by Vice-Chairperson Morris and passed with Executive Secretary Blair abstaining from the vote.

Dave Oleson - Occupational Disability – Re-appeal for 12 Month Waiver

Dave Oleson worked as a Correctional Officer for the State of Illinois Department of Corrections. He stopped working on January 7, 2008 and began a medical leave of absence on January 15, 2008. He has never returned to work.

Mr. Oleson is entitled to occupational disability benefits since the time he was placed on TTD benefits through the IWCC; he states that he was unaware of the 12 month filing rule and would like the Executive Committee to waive the filing limitation.

Dave Oleson is appealing the denial of his disability benefits. He is requesting that the 12 month rule be waived. He has been receiving TTD benefits since January 15, 2008. Mr. Oleson's appeal was initially denied at the January, 2017 meeting of the Executive Committee.

After some discussion, a motion was made by Executive Secretary Blair to uphold the denial of Mr. Oleson's request to waive the 12 month filing limitation, seconded by Vice Chairperson Morris. All were in favor.

Brad Grotefendt - Occupational Disability – Waiver of 12 Month Filing Period

Brad Grotefendt works as in Lottery Sales for Illinois Lottery. He last worked on October 1, 2010. Mr. Grotefendt began a medical leave of absence on December 1, 2010 due to multiple injuries. He returned to work on October 15, 2011 and then went off work again on March 21, 2012. He began a medical leave on March 22, 2012 due to the same

impairments. Mr. Grotefendt underwent additional surgeries due to a separate medical issue.

Mr. Grotefendt states that he had trouble applying for benefits in a timely manner due to his health issues. He was paid Temporary Total Disability for this time period. He is requesting that the Executive Committee waive the 12 month filing limitation.

After reviewing the facts of the case, a motion was made by Chairman Iglarsh to approve Mr. Grotefendt's request to waive the 12 month filing limitation. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Julie Landrus – Occupational Disability – Waiver of 12 Month Filing Period

Julie Landrus works as a Mental Health Technician II for the Department of Human Services. Her last day of work was September 19, 2015 and she began her service connected leave of absence on September 27, 2015 due to injuries. She returned to work March 20, 2017.

Ms. Landrus is appealing the 12 month filing limitation.

After review of the case and some discussion, a motion was made by Executive Secretary Blair to approve Ms. Landrus' request to waive the 12 month filing limitation. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Venasa Veal – Occupational Disability – Waiver of 12 Month Filing Period

Venasa Veal works as a Mental Health Technician II for Ludeman Developmental Center. She last worked on December 11, 2012. She began a medical leave of absence on December 24, 2012 due to an injury. She received Temporary Total Disability benefits from December 1, 2011 through May 30, 2012.

Ms. Veal began receiving extended benefits as of May 16, 2012 which should have ended May 15, 2013. However, her agency continued to mistakenly pay her extended benefits until March 15, 2016. Ms. Veal started receiving TTD benefits again on December 1, 2013 through November 25, 2016. For the time periods of May 16, 2012 through May 30, 2012 and December 1, 2013 through March 15, 2016 she received both extended benefits and TTD benefits.

Ms. Veal is requesting that the 12 month filing limitation be waived. Based on the information provided, a motion was made by Vice-Chairperson Morris to deny Ms. Veal's request to waive the 12 month filing limitation. The motion was seconded by Executive Secretary Blair and all were in favor.

Claudia Kemple – Non-Occupational Disability – Waiver of 90 Day Filing Period

Claudia Kemple works as an Executive II for the Department on Aging. Ms. Kemple last worked on December 16, 2016. She began a medical leave of absence on April 24, 2017. She returned to work on June 19, 2017.

Ms. Kemple was born with a condition that was exacerbated during her pregnancy and was taken off work on December 16, 2016. Her baby was born on January 2, 2017, however her condition did not improve. Ms. Kemple underwent surgery related to this condition on April 27, 2017.

Ms. Kemple's agency failed to inform her of the SERS non-occupational disability benefit and she was not made aware of the benefit until a family member informed her. She is requesting that the 90 day filing limitation be waived.

After some discussion, a motion was made by Chairman Iglarsh to approve Ms. Kemple's request to waive the 90 day filing limitation. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Kelly Moore – Occupational Disability – Waiver of 12 Month Filing Period

Kelly Moore worked as a Correctional Officer for the Department of Corrections. Ms. Moore began receiving workers' compensation benefits on December 27, 2012. TriStar stopped her workers' compensation benefits July 31, 2016 because of non-compliance with her vocational rehabilitation. She has permanent restrictions.

Ms. Moore was assaulted by an inmate and this resulted in four surgeries. Ms. Moore states she did not receive any paperwork concerning an occupational benefit from SERS.

Mr. Moore is requesting that the 12 month filing limitation be waived. Ms. Moore would also be eligible for a temporary disability benefit from SERS as of July 17, 2016.

After reviewing the file, a motion was made by Chairman Iglarsh to approve Ms. Moore's request to waive the 12 month filing limitation. The motion was seconded by Executive Secretary Blair and all were in favor.

Rosalind Williams – Occupational Disability – Waiver of 12 Month Filing Period

Rosalind Williams works as a Juvenile Justice Agent for the Department of Juvenile Justice. Her last day worked was August 14, 2015. She began a service connected leave of absence on August 25, 2015 due to multiple medical issues. Ms. Williams has not returned to work and is being paid Temporary Total Disability.

Ms. Williams is requesting that the 12 month filing limitation be waived. After review of the case and some discussion, a motion was made by Executive Secretary Blair to approve Ms. Williams' request to waive the 12 month filing limitation. The motion was seconded by Chairman Iglarsh and all were in favor.

Shelly Cartwright – Non-Occupational Disability – Waiver of 90 Day Filing Period

Shelly Cartwright was removed from payroll on February 10, 2017. Her 90 day window expired May 10, 2017. SERS sent her agency forms on March 27, 2017 and received Ms. Cartwright's application on August 14, 2017. Her medical documentation was received

April 10, 2017. Ms. Cartwright is appealing the denial of her disability benefits based on the 90 day filing limitation.

After reviewing the facts of the case, a motion was made by Vice-Chairperson Morris to approve Ms. Cartwright's request to waive the 90 day filing limitation. The motion was seconded by Chairman Iglarsh and all were in favor.

Ruby Payne – Occupational Disability – Waiver of 12 Month Filing Period

Ruby Payne worked as a Corrections Medical Tech for the Department of Corrections. She last worked on March 3, 2012. She began a medical leave of absence on March 11, 2012 due to injuries sustained while responding to a medical emergency at work.

Ms. Payne stated that she did not apply for SERS disability benefits because she was confused about the process. She is requesting that the 12 month filing period be waived.

After reviewing the case and some discussion, a motion was made by Vice-Chairperson Morris to approve Ms. Payne's request to waive the 12 month filing limitation. The motion was seconded by Chairman Iglarsh and all were in favor.

John Derek Kowalski – Request to Establish Alternative Formula Service Credit – Referred for Recommendation

John Kowalski has requested to establish creditable service for a period of layoff under the alternative formula.

The law allows an employee who was laid-off, but returned to any State employment to establish creditable service for the period of lay off, not to exceed 3 years, provided that (1) the applicant applies for the creditable service within six months after July 27, 2010, and (2) the applicant does not receive credit for that period under any other provisions of this Code.

For service established, the requested employee contributions shall be based on the rate of compensation earned by the employee on the date of returning to employment after the layoff and the contribution rate then in effect.

At the July, 2017 meeting, the Executive Committee voted to uphold the previous denial of Mr. Kowalski's request to establish creditable service for a period of layoff under the alternative formula. Following a personal hearing via telephone at the October, 2017 meeting, the Executive Committee decided to refer the case to the SERS attorney for review and recommendation.

Attorney Bochenek presented recommendation No. 2017-8 to the Committee to deny Mr. Kowalski's request to establish creditable service for a period of layoff under the alternative formula. After some discussion, a motion was made by Chairman Iglarsh to accept Recommendation No. 2017-8. The motion was seconded by Vice-Chairperson Morris and all were in favor.

New Business

Martin Van Kampen – SSA Overpayment and Constitutionality – Personal Hearing – 9:00am Chicago

Martin Van Kampen is an Assistant Attorney General. Mr. Van Kampen has requested a personal hearing. He is appealing the constitutionality of SERS offsetting his Social Security Disability award. If it is determined that SERS can offset his Social Security Disability award, then he is requesting SERS reduce the amount they are recovering for the overpayment. SERS is currently taking half of his gross income.

After hearing the facts of the case and some discussion, the Executive Committee decided to refer the case to SERS Attorney Bochenek for review and recommendation.

Linda Ingram – Appeal for Retirement Date Effective August 1, 2017

Linda Ingram applied for a retirement annuity to begin on August 1, 2017.

Prior to her retirement, Ms. Ingram contacted her retirement coordinator at the Department of Employment Security and was advised that she was eligible to retire on August 1, 2017. Ms. Ingram was eligible for a reduced retirement at this date, but was only .25 month short of meeting the Rule of 85.

Ms. Ingram is requesting a pension effective date of August 1, 2017 as she was told by her agency that she was eligible to retire on this date.

After discussing the case, a motion was made by Executive Secretary Blair to deny Ms. Ingram's request for a retirement date effective August 1, 2017. The motion was seconded by Vice-Chairperson Morris and all were in favor.

James Blades – Appeal for Retirement Date Effective September 1, 2017

James Blades applied for a retirement annuity to begin on September 1, 2017.

When his retirement was ready to be processed, it was discovered that he was not eligible to retire on this date. Mr. Blades is under the alternative formula. He is 50 years old with 290.00 months in the alternative formula and 22.25 months in the regular formula. His 40 unpaid sick days add an additional 2.00 months of service credit towards his alternative formula service. He needs 300.00 months under the alternative formula to be eligible. Mr. Blades is 8.00 months short of meeting the eligibility requirements.

Mr. Blades is requesting a pension effective date of September 1, 2017.

After reviewing the facts of the case and some discussion, a motion was made by Executive Secretary Blair to deny Mr. Blades' request for a retirement date effective September 1, 2017. The motion was seconded by Chairman Iglarsh and all were in favor.

Claude Peper – Request for Reinstatement of Account

Claude Peper's account became eligible for write-off in June, 2017. Contributions in the amount of \$19.72 and .75 month of creditable service were written off.

Mr. Peper died on December 3, 2015. His beneficiaries have submitted applications for the death benefit and death certificates for the member and his primary beneficiary.

The Pension and Death Section is requesting the Executive Committee move to approve reinstatement of this account so a lump sum death benefit can be paid to the surviving beneficiaries.

After some discussion, a motion was made by Vice-Chairperson Morris to approve the request to reinstatement Mr. Peper's account. The motion was seconded by Chairman Iglarsh and all were in favor.

Valerie Carter – Non-Occupational Disability – Waiver of 90 Day Filing Period

Valerie Carter is appealing the denial of disability based on the 90 day filing limitation. Ms. Carter was removed from payroll September 10, 2016. Her 90 days expired December 8, 2016. The notification came in from the agency October 18, 2016. Her application was received August 4, 2017. Her medical documentation was received June 20, 2017. Ms. Carter returned to work June 19, 2017.

After discussing the facts of the case, a motion was made by Chairman Iglarsh to approve Ms. Carter's request to waive the 90 day filing period. The motion was seconded by Executive Secretary Blair and all were in favor.

Gilda Alrasheedy – Temporary Disability – Waiver of 12 Month Filing Period

Gilda Alrasheedy is appealing the denial of disability based on the one year filing limitation. She was removed from payroll November 1, 2015. Her one year expired on November 1, 2016. The notification came in from the agency on January 1, 2016. Her application and medical documentation were received September 28, 2017. Ms. Alrasheedy has not returned to work.

After reviewing the facts of the case, a motion was made by Chairman Iglarsh to approve Ms. Alrasheedy's request to waive the 12 month filing period. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Paula Cobb – Non-Occupational Disability – Waiver of 90 Day Filing Period

Paula Cobb is appealing the denial of disability based on the 90 day filing rule. She was removed from payroll June 17, 2017. Her 90 days expired on September 14, 2017. The notification came in from the agency and SERS sent Ms. Cobb the forms on July 24, 2017. SERS received her application and medical documentation on October 16, 2017. She returned to work July 24, 2017.

After reviewing the case and some discussion, a motion was made by Executive Secretary Blair to approve Ms. Cobb's request to waive the 90 day filing period. The motion was seconded by Chairman Iglarsh and all were in favor.

Michael Ferguson – Appeal for Retirement Date Effective September 1, 2017

Michael Ferguson applied for a retirement annuity to begin on September 1, 2017.

When his retirement was ready to be processed, it was discovered that he was eligible to retire on this date, but at a reduced rate due to his age. Mr. Ferguson is 5.00 months short of meeting the Rule of 85.

Mr. Ferguson is requesting to purchase his 6.00 month qualifying period and still retire on September 1, 2017.

If this is not allowed, Mr. Ferguson is eligible for a retirement annuity on December 1, 2017 if he is allowed to retain his service credit for his paid sick and vacation days although it will be 91 days from his separation and the limit is 90 days.

After discussing the facts of the case, a motion was made by Chairman Iglarsh to approve Ms. Ferguson's request for a retirement date effective September 1, 2017. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Kevin Richardson – Request Reduction in SSA Overpayment Repayment Amount

Kevin Richardson was approved for a Non-Occupational disability benefit from SERS effective May 4, 2013.

Mr. Richardson was approved for a retroactive Social Security disability benefit effective January 1, 2017. The retroactive benefit created an overpayment to SERS totaling \$7,288.00 from January 1, 2017 through April 30, 2017.

SERS sent Mr. Richardson a notification letter on May 16, 2017 explaining the calculation of the overpayment and what was due SERS.

As stated in the SERS Board Policy, the Overpayment Section is to deduct half of the gross of any benefit being paid toward an overpayment owed to SERS.

Mr. Richardson is currently receiving a monthly gross benefit of \$1,405.53. SERS began deductions of \$702.00 per month beginning with his July, 2017 benefit. His current overpayment balance is \$4,480.00. Based on current deductions, the overpayment will be paid in seven months.

Mr. Richardson is requesting a reduction in the repayment amount from \$702.00 per month to \$100.00 per month due to expenses. \$100.00 per month would increase the repayment time to 45 months. Mr. Richardson is not eligible for a pension.

After reviewing the case and some discussion, a motion was made by Executive Secretary Blair to deny Mr. Richardson's request to reduce the amount of his SSA

overpayment repayment. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Khalilah Muhammad – Request Reduction in ARCP Overpayment Repayment Amount

Khalilah Muhammad participated in the Alternative Retirement Cancellation Payment (ARCP) that was offered in 2006. This option allowed him to resign state employment and receive payment of double his contributions with double interest. Mr. Muhammad received \$19,536.54.

Public Act 93-0839 states that if an ARCP recipient returns to state employment, the member must repay the ARCP portion of the payout within 60 days of the return to state employment.

Mr. Muhammad returned to state employment August 14, 2017. He was sent a letter on October 3, 2017 requesting repayment of the ARCP portion. Mr. Muhammad's ARCP portion is \$10,932.54 (\$8,604.00 in contributions plus double interest of \$2,328.54).

The current policy in place for repayment of ARCP is based upon the amount owed. Mr. Muhammad owes \$10,932.54. Based on that amount, his payment should be 20% of his gross salary not to exceed five years (60 months/120 pay periods). Based upon this calculation, Mr. Muhammad's required payment would be \$437.70 per pay period and the overpayment would be repaid within 12 months.

Mr. Muhammad is requesting payments of \$40.00. He is not eligible for a pension. After reviewing the facts of the case, a motion was made by Executive Secretary Blair to deny Mr. Muhammad's request to reduce his ARCP overpayment repayment amount. The motion was seconded by Chairman Iglarsh and all were in favor.

Ineligible Survivors – SERS Pension and Death Section Request for Termination of Benefits

Through an audit of survivor annuities, it was discovered that SERS was paying several spouses a monthly benefit although the member had received the survivor contribution refund at the time of retirement.

Letters were mailed to the survivors informing them of the situation and providing the appeal process. No appeals have been received at this time.

The Pension and Death Claims Section is requesting approval to terminate these survivor benefits.

After some discussion, a motion was made by Chairman Iglarsh to approve termination of the survivor benefits for ineligible survivors. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Cherryl Walker – Request Reduction in SSA Overpayment Repayment Amount

Cherryl Walker was approved for a Non-Occupational benefit from SERS effective October 18, 2015.

Ms. Walker was approved for a retroactive Social Security disability benefit effective March 1, 2016. The retroactive benefit created an overpayment from SERS totaling \$16,986.00 from March 1, 2016 through February 28, 2017.

SERS sent the member a notification letter on September 21, 2017 explaining the calculation of the overpayment and what was due SERS.

Ms. Walker paid SERS \$12,766.50 and the check is in the process of clearing the bank. Once the check clears, it will be applied to the overpayment, reducing the balance to \$4,219.50. Ms. Walker opted to have federal tax deducted from her award which created her overpayment.

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.

Ms. Walker retired November 1, 2017 with an estimated gross pension of \$1,557.07 per month. Monthly deductions of \$83.65 federal tax, \$143.00 for state health and dental and \$778.54 for the repayment of the overpaid benefits will reduce her monthly check to \$551.88.

Due to expenses, Ms. Walker is appealing to reduce her monthly overpayment deduction from \$778.54 which would repay the balance in six months, to \$400.00 which would repay the balance in eleven months.

After discussing the facts of the case, a motion was made by Executive Secretary Blair to approve Ms. Walker's request to reduce her SSA overpayment repayment. The motion was seconded by Vice-Chairperson Morris and carried with Chairman Iglarsh recusing himself due to association with Ms. Walker.

Marvin Harrison – Request Reduction in SSA Overpayment Repayment Amount

Marvin Harrison was approved for a Non-Occupational disability benefit from SERS effective June 11, 2014.

Mr. Harrison was approved for a retroactive Social Security disability benefit effective June 1, 2015. The retroactive benefit created an overpayment to SERS totaling \$51,122.00 from June 1, 2016 through July 31, 2017.

SERS sent the member a notification letter on August 24, 2017 explaining 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. Due to his child support deduction, half of the gross of \$1,092.62 per month was reduced to \$830.62 per month.

Mr. Harrison is currently receiving a monthly gross benefit of \$2,185.23. SERS began deductions of \$830.62 per month beginning with his October, 2017 check. His current overpayment balance is \$50,291.38. Based on current deductions, the overpayment will be paid in 62 months.

Mr. Harrison is requesting a reduction in the repayment amount from \$830.62 per month to \$800.00 per month due to expenses. \$800.00 per month would increase the repayment time to 64 months.

After speaking to Mr. Harrison about retirement, he emailed another request to have payments reduced to an amount that would be repaid over four or five years, whether he is receiving disability or a pension. Mr. Harrison is eligible for a pension.

After review of the case and some discussion, a motion was made by Executive Secretary Blair to deny Mr. Harrison's request to reduce his SSA overpayment repayment amount. 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 11:50 a.m.

The next meeting of the Executive Committee is scheduled for December 14th, 2017, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary