

MINUTES  
OF THE MEETING OF  
THE EXECUTIVE COMMITTEE  
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS  
October 8, 2015

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, October 8, 2015 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 (absent)  
Timothy Blair, Executive Secretary

Others Present:

Stephen Bochenek, Attorney  
Jeff Houch, Assistant Executive Secretary  
Kathy Yemm, Claims Manager  
Don Williams, Supervisor, Disability Section  
Kerry Walker, Disability Section  
Cory Mitchell, Pension and Death Section  
Joe Maggio, Service and Refunds Manager  
Jennifer Staley, Recording Secretary

Minutes of the Previous Meeting

The minutes of the September 10, 2015 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 Chairman Iglarsh and seconded by Executive Secretary Blair, and by unanimous vote, the minutes were approved as submitted.

Routine Claims & Denial Report

The Routine Claims and Denials Report for the month of September, 2015 was presented. Following review and discussion, the Routine Claims and Denials Report for the period of September, 2015, as prepared by staff, was reviewed by the Executive Committee. There being no additions or corrections, on motion by Chairman Iglarsh and seconded by Executive Secretary Blair, and by unanimous vote, the Routine Claims and Denials Report was approved as submitted.

## Old Business

### Brenda Sawyer – Temporary Disability - Deferred

Ms. Sawyer is employed by the Secretary of State as an Administrative Assistant III Case Worker. Ms. Sawyer last worked June 10, 2014 and began a medical leave of absence June 16, 2014. She was expected to be off work for 8 weeks but at this time she is still off work.

Ms. Sawyer filed a workers' compensation claim which was denied on June 20, 2014. She has applied for temporary disability benefits through SERS.

Ms. Sawyer had an allergic reaction at work on June 10, 2014. Ms. Sawyer was referred to Phillip Wuertz, LCSW, whom she has been seeing since September 2, 2014.

Ms. Sawyer's file was reviewed by Medical Consultant #70. Overall, the history demonstrates that she is an insightful and compliant person. There has been improvement since the initial event, and a good prognosis is anticipated. In my opinion the illness is not severe, and she is not considered to be disabled from performing the duties of her job.

Ms. Sawyer was seen by Louis B. Cady, M.D. It is his opinion she has continuously, since June 14, 2014, been unable to perform her position or, in fact, be engaged in any active employment. Given the circumstances, she is not able to perform the duties assigned to her at this time.

Medical Consultant #70 reviewed Dr. Cady's report and opined Ms. Sawyer has been diagnosed with an unusual illness, which may have work implications, but the other symptoms do not prevent the performance of work.

Ms. Sawyer was evaluated on March 31, 2015 by M.A. Park, M.D., at Mayo Clinic. Medical Consultant #70 reviewed Dr. Park's medical records and opined the latest medical data does not support the presence of a disability.

Ms. Brenda Sawyer was present at the May 14, 2015 meeting and gave an in-depth accounting of her illness. She stated she is still undergoing medical testing and depending on the outcome, will see if her condition could be treated or controlled.

After hearing the basis of the appeal at the May 14<sup>th</sup> Executive Committee, Attorney Reid-Peterson advised she will pass on the information to Attorney Bochenek.

Ms. Sawyer's agency was contacted regarding her working conditions to see if anything could be altered to accommodate her situation in the work environment. At the present time, nothing would be done.

After some discussion by the Executive Committee at its June, 2015 meeting, the case was referred to Attorney Bochenek for a recommendation to present at the July Executive Committee meeting.

At the July, 2015 Executive Committee meeting the Committee determined that since a medical basis, as well as a psychiatric basis, was being asserted as the reason for the disability, the Committee needed to refer this matter to one of the medical consultants for the System for their review and opinion.

At the August and September, 2015 Executive Committee meetings it was noted that no additional medical information had been submitted from the medical consultant. The case was deferred until such information is received.

At the October, 2015 meeting it was noted that there was new medical information on Ms. Sawyer. SERS provided the system attorney with the new medical information for review and referred the matter to the system's attorney for recommendation at the November, 2015 meeting.

### Joyce Fisher – Payment Plan

Joyce Fisher incurred an overpayment of her temporary disability benefits due to the approval of retroactive social security disability benefits (SSA) which were applied for by Midwest Disability on behalf of SERS.

Upon receipt of her second billing letter from the Vouchering Section, Ms. Fisher called SERS and stated that she did not know that she had to pay the funds back to SERS that she had received from SSA. At that time, Scott Ladendorf of the Vouchering section informed her that the longest repayment agreement that SERS could enter into would be for 60 months, which would equal \$635.00 per month. Ms. Fisher indicated that she wouldn't be able to pay her bills with that deduction amount and was then informed about the appeal process.

Ms. Fisher is now requesting a repayment plan in which the deduction would be anywhere from 10% to 15% of her current monthly disability benefit from SERS (currently \$1,840.00 after the SSA offset). A deduction of 10% would equal \$184.00 per month (taking over 17 years to repay), while a deduction of 15% would equal \$276.00, which would equal a repayment over approximately 11.5 years.

Ms. Fisher was eligible to begin drawing a pension effective October 1, 2014 at the rate of \$2,190.00 per month; however, she has remained on disability. Her current estimated gross pension benefit as of May 1, 2015 is \$2,300.00 per month.

A repayment contract would be required to cover both a current monthly installment payment amount and a higher repayment amount once she goes on pension. It would also include terms to cover payroll deduction if she would return to work, applying an amount payable to a survivor, as well as any lump sum refund or death benefit should one become payable. Based on Ms. Fisher's current retirement account, contributions are on deposit totaling \$41,193.57 and her overpayment balance is \$38,080.00.

The Vouchering Section is seeking the opinion of the Committee regarding a suggested monthly repayment amount that would be allowed, both currently while on disability and when Ms. Fisher begins receiving her pension benefit.

At the June 11, 2015 Executive Committee meeting a motion was made by Chairman Iglarsh to keep the repayment amount the same, seconded by Vice Chairperson Morris. All were in favor.

Since the June, 2015 meeting decision, Joyce Fisher again sent in a request to be considered to repay at a lower repayment rate. Any further decision will be deferred until a SERS

representative talks to Ms. Fisher about her benefit plans (disability vs. pension). Cory Mitchell will follow-up with Ms. Fisher.

At the October 8, 2015 meeting, after some discussion, a motion was made by Executive Secretary Blair to deny the request by Ms. Fisher to be considered at a lower repayment rate, seconded by Chairman Iglarsh. All were in favor. The Pension Section will work with Ms. Fisher to explore different options.

#### Mark Mason – SSA Overpayment

Mark Mason is a security guard for the Secretary of State Police. Due to an illness, Mr. Mason had been at Mayo Clinic from December, 2014 through August, 2015.

Mr. Mason received social security disability effective November 24, 2014, creating an overpayment of nonoccupational disability benefits from November 24, 2014 through July 31, 2015 in the amount of \$10,728.03.

Mr. Mason doesn't believe any offset should be taken for his social security disability. He is appealing the overpayment and the requirement to pay it back.

Mr. Mason made a personal appeal at the September 10, 2015 meeting in Springfield. After hearing his reason for the appeal, the Executive Committee advised Mr. Mason to make an appointment with an advisor to see what his benefit options are and then work with him on the best scenario for him to repay the money.

Prior to the October 8<sup>th</sup>, 2015 Executive Committee meeting, Cory Mitchell, of the Pension Section, gave Mr. Mason two different benefit options and explained how the overpayment repayment process would work for each scenario. Mr. Mason has until November 30, 2015 to decide which option he will take. The case is deferred until an option is chosen.

#### New Business

##### Sheila Hager – Cost to Repay Survivor Contribution Refund

Sheila Hager retired January 1, 2003. She was divorced and did not list any dependent children on her retirement application so a survivor contribution refund was issued to the member.

Ms. Hager contacted SERS in August, 2015 about any benefits her disabled adult son may be eligible to receive upon her death. It was explained to Ms. Hager that she would need to repay the survivor contribution refund to qualify her son for survivor benefits. The cost to repay the refund was mailed to the member.

Ms. Hager had requested a personal appeal of the repayment of the survivor contribution refund and interest and still have her son qualify for survivor benefits. Ms. Hager was scheduled for a personal appeal at the October 2015 meeting but did not attend.

Afer some discussion, a motion was made by Executive Secretary Blair to deny Ms. Hager's request to appeal the repayment of the survivor contribution refund, seconded by Chairman Iglarsh. All were in favor.

#### Jerry Lambert – Refund/SSA applied for

Jerry Lambert's half time ran out for his nonoccupational benefits on May 31, 2015. Mr. Lambert then requested a refund of his service credits. Because Mr. Lambert has applied for social security, we sent him a letter telling him we could wait for up to a year before granting him his refund.

In Mr. Lambert's letter of appeal he states he would happily refund the social security overpayment. Because Mr. Lambert's half time ceased he has no other monies and this would help in the short run to take care of bills.

After some discussion, Chairman Iglarsh made a motion to deny Mr. Lambert's request for a refund of his contributions at this time (up to a year), seconded by Executive Secretary Blair. All were in favor.

#### Seann Dillon – Social Security overpayment

Seann Dillon applied for social security benefits on his own. During a crossmatch with social security, it was discovered Mr. Dillon had received social security benefits. Social security provided us the award letter dated August 3, 2015. The member passed away in August 2015. The member's wife was upset she received our overpayment letter 3 weeks after his death.

The social security disability was retroactive to November 2014. The overpayment period is from December 16, 2014 through July 31, 2015 equaling \$14,754.16.

In Ms. Dillon's letter of appeal she indicated that she is upset it took our office so long to find out the member was on social security benefits. In Mr. Dillon's application for nonoccupational disability dated February 17, 2015, Mr. Dillon indicated he had not applied for social security. The application also states, "If I receive a SSA retroactive disability award, this will create an overpayment of SERS disability benefits which I will have to pay back to SERS."

Ms. Dillon is asking SERS to waive the overpayment.

After some discussion, Executive Secretary Blair made a motion to deny Ms. Dillon's request to waive the overpayment, seconded by Chairman Iglarsh. All were in favor.

#### Shucooly Beechum – 12 month waiver

Shucooly Beechum works as a Juvenile Justice Specialist for IDOC. She last worked on May 22, 2012. She began a medical leave of absence on May 25, 2013.

She was being paid extended benefits and now she is being paid TTD for this time period. She has requested a written appeal to the Executive Committee asking that the 12 month filing limitation be waived.

After some discussion, a motion was made by Chairman Iglarsh to approve the waiver of the 12 month filing limitation, seconded by Executive Secretary Blair. All were in favor.

#### Catherine Spurlock – 12 month waiver

Catherine Spurlock is requesting a waiver of the 12 month filing period for occupational disability. Ms. Spurlock was assaulted by a resident and received extended benefits. The member failed to apply for occupational disability when her extended benefits ran out.

Ms. Spurlock thought she had met the “rule of 85” when she came in to apply for her pension. There is a 2 year gap when she was off for her work related injury. Ms. Spurlock later settled her workers’ compensation claim where TTD was disputed from June, 2001 through June, 2003.

Ms. Spurlock is wanting occupational disability for the disputed period of TTD so that she could retire under the “rule of 85”.

After some discussion, a motion was made by Executive Secretary Blair to approve the 12 month waiver, seconded by Chairman Iglarsh. All were in favor.

#### Robin Bruner – Nonoccupational disability

Robin Bruner works as a highway maintainer for the Department of Transportation. He last worked on June 30, 2015. He began a medical leave of absence on July 8, 2015. The member was released to return to work on July 27, 2015. He was not off 30 days for this condition and therefore is not entitled to a disability benefit.

Mr. Bruner was placed on a nonoccupational leave July 27, 2015 for a different condition for which he received nonoccupational disability with an effective date of August 26, 2015.

Mr. Bruner has requested a written appeal to the Executive Committee so that he can have an earlier onset date from his first medical leave.

After discussing the case, a motion was made by Executive Secretary Blair to deny Mr. Bruner’s request for an earlier onset date, seconded by Chairman Iglarsh. All are in favor.

### Thomas Lowery – Retroactive occupational disability

Thomas Lowery retired from the State effective July 1, 2015. He has now requested a review by the Executive Committee for additional service credits for the following time periods:

- ½ month – November 2013
- ½ month – December 2013
- ½ month – February 2014
- ¾ month – March 2014
- ½ month – April 2014

The reason Mr. Lowery didn't receive service credits for the above time periods was that he returned to State employment part-time from his work related injury. Once he is employed by the State he is no longer eligible for occupational disability. Mr. Lowery did receive service credits for the part-time work he performed for the State. He received TTD from workers' compensation for the time periods he was off.

Mr. Lowery is asking for retroactive credit for the months listed above. He says if he should have been eligible for occupational disability for that time period, he is also applying for retroactive disability pay.

After some discussion, a motion was made by Executive Secretary Blair to deny Mr. Lowery's request for additional disability/service credit, seconded by Chairman Iglarsh. All were in favor.

### Phyllis Wilder – Exceeded Gainful Employment – Direction from Executive Committee

Phyllis Wilder is a nurse at the Manteno V.A. receiving nonoccupational disability benefits. While on disability benefits Ms. Wilder worked at Continuum Pediatric Nursing. She exceeded the earnings limitation by \$4,095.77 in the third quarter of 2014 and by \$5,741.03 in the fourth quarter of 2014, for a total of \$9,836.80.

The excess earnings were discovered in an IDES report from April of 2016. Ms. Wilder was sent a letter dated May 13, 2015 informing her SERS believed she had exceeded her earnings limitation and requested payroll records. The Disability Section was finally able to get payroll records on September 17, 2015.

A review of Ms. Wilder's certificates of disability from March 16, 2015 and August 14, 2015 were marked that she had not exceeded the earnings limitation.

The Disability Section is seeking direction from the Executive Committee for submitting this member for possible fraud, and sending a gainful employment overpayment agreement. In regards to potential fraud investigations, they are also wanting guidance on whether to suspend the disability benefit. The Executive Committee determined we should send the second GE letter along with the Disability Earnings Agreement. Additionally, we should ask for the full payment within 30 days of the date of the letter. If not repaid in 30 days, we will suspend benefits.

### Amy Gilmore – Exceeded Gainful Employment

Amy Gilmore exceeded the quarterly earnings agreement for the second time in the 3<sup>rd</sup> and 4<sup>th</sup> quarter of 2014. Ms. Gilmore had previously exceeded the earnings limit in the 2<sup>nd</sup> quarter of 2014. Due to this being her second time, her benefits were suspended the day after the last quarter the member exceeded, January 1, 2015.

Ms. Gilmore exceeded the 2<sup>nd</sup> quarter by \$491.59 and has repaid the overpayment. She exceeded the 3<sup>rd</sup> and 4<sup>th</sup> quarter combined by \$882.04. She worked at Steak and Shake and Casey's. There will also be an overpayment of benefits due to benefits being suspended January 1, 2015 and her disability benefit paid through August 31, 2015. Member's gross benefit is \$3,633.07 a month. If the suspension is upheld this will create an overpayment of \$29,064.56.

SERS has requested an earnings report from IDES for Ms. Gilmore's 2015 earnings to determine if she has stayed under the \$2,490 per quarter in 2015.

In her appeal letter Ms. Gilmore indicated that she took her daughters and left her husband in February 2014. She started back to work with Steak and Shake and she said they didn't follow schedule for the end of shifts. As soon as she was aware of the overpayment she switched jobs and went to work at Casey's. She apologizes for misunderstanding the limits.

After reviewing the case, Chairman Iglarsh motioned to approve Ms. Gilmore's benefit for reinstatement, seconded by Executive Secretary Blair. All were in favor.

### Michael Kaiser – Reinstatement of Account

This account was written off in May 1975. Contributions in the amount of \$7.68 and 1 month of creditable service were written off in May 1975. Michael Kaiser has requested to establish service credit.

After some discussion, Chairman Iglarsh made a motion to approve the reinstatement of account, seconded by Executive Secretary Blair. All were in favor.

### Ashley O'Quinn – Nonoccupational disability

Ashley O'Quinn works as a mental health tech for the Department of Human Services. She last worked on June 14, 2015. She began a medical leave of absence on June 16, 2015. She has returned to work on September 21, 2015.

The claim was reviewed by an SERS medical consultant on August 14, 2015 and September 17, 2015. The findings were "not disabled".

Ms. O'Quinn has requested a written appeal of her denial.

After reviewing the case, Chairman Iglarsh made a motion to deny Ms. O'Quinn's appeal of the denial, seconded by Executive Secretary Blair. All were in favor.



There being no further business to be brought before the Committee, the meeting was adjourned at 11:05 a.m.

The next meeting of the Executive Committee is scheduled for November 12, 2015, 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