

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

October 12, 2017

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, October 12, 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:

Aaron Evans, Attorney, Sorling Northrup
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
Brandon Risse, Claimant
Ed Fisher, Claimant's Attorney

Minutes of the Previous Meeting

The minutes of the September 14, 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 Chairman Iglarsh and by unanimous vote, the minutes were approved as submitted.

Routine Claims Report

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

Old Business

Wenona McKeown - Non-Occupational Disability – Medical Consultant Review

Wenona McKeown works as an Employment Security Program Representative for the Illinois Department of Employment Security. She last worked June 12, 2014 and began a medical leave of absence on June 13, 2014. She has not returned to work.

Ms. McKeown attended a Independent Medical Exam on May 13, 2017. The physician who performed her evaluation noted that he did not find her disabled from performing her job duties at this time.

Ms. McKeown attended an Internist Independent Medical Exam on May 27, 2017. The physician who performed her evaluation noted that he did not find her disabled from performing her job duties at this time. He stated that based on the job duties outlined, she does not appear to be disabled from her position.

Ms. McKeown requested a hearing before the Executive Committee that was held on July 13, 2017. She was informed that she could submit further medical evidence to support her request to remain on SERS Non-occupational disability benefits. Medical evidence dated July 28, 2017 from her treating physician was provided for further review.

Medical Consultant 063 reviewed Ms. McKeown's file on August 11, 2017 and was of the opinion that the evidence in her file does not support a condition which would prevent Ms. McKeown from performing the tasks outlined in her Job Duty Statement and that she is capable of returning to work.

Medical Consultant 070 reviewed Ms. McKeown's file on September 2, 2017 and was of the opinion that based on the medical evidence in her file, as of this date, Ms. McKeown does retain the ability to perform all the duties of her job.

Ms. McKeown's non-occupational disability benefits were suspended on July 31, 2017. She disagrees with the temporary denial of her benefits and is asking the Executive Committee to consider overturning this decision.

At the September, 2017 meeting, the Executive Committee agreed to defer the case until more information was received from the Department of Employment Security regarding Ms. McKeown's job duties.

After receiving more specific information from the Department of Employment Security regarding Ms. McKeown's job duties and some discussion, a motion was made by Chairman Iglarsh to approve her request to rescind the denial of disability benefits. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Discussion – Action on Deferred Waivers

Executive Secretary Blair stated that action needed to be taken soon on the waiver cases that have been deferred. After some discussion, the Executive Committee agreed to have the SERS attorney review the law and create an issue paper to be presented to the SERS Board at their October meeting to decide on how to move forward in the future.

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

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

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

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

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

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

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

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

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

New Business

Brandon Risse – Appeal Suspension of Non-Occupational Disability Benefits – Personal Hearing – 9:00am Springfield

Brandon Risse works as a Correctional Counselor II for the Illinois Department of Corrections, Robinson Correctional Center. He last worked October 13, 2015 and began a medical leave of absence on November 9, 2015 due to multiple medical issues. He has not returned to work.

Mr. Risse attended an Independent Medical Exam on June 5, 2017. The exam concluded that Mr. Risse is not disabled from his job duties and is able to return to work. His non-occupational disability benefits were suspended on July 31, 2017. Mr. Risse disagrees with the temporary denial of his benefits and has requested a personal hearing before the Executive Committee.

After hearing the facts of Mr. Risse's case, a motion was made by Executive Secretary Blair to approve Mr. Risse's request to rescind the suspension of his disability benefits. The motion was seconded by Chairman Iglarsh and all were in favor.

John Derek Kowalski – Request to Establish Alternative Formula Service Credit

John Derek 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 decided to uphold the denial of Mr. Kowalski's request to establish service credit under the alternative formula for the period of his lay-off. Mr. Kowalski has requested a personal hearing via telephone to appeal the decision of the Executive Committee at the July, 2017 meeting.

After hearing the facts of the case, the Executive Committee decided to refer it to the SERS attorney for legal review and recommendation.

Nathaniel Bryant – Appeal to Revoke Level Income Option

Nathaniel Bryant retired effective January 1, 2013. He chose the level income option for age 66 years and 0 months. The level income option is increasing his pension by \$741.80 per month. Mr. Bryant applied for Social Security benefits at age 62. Effective December 1, 2018, his pension will be reduced by \$1,417.00 for the level income option.

Mr. Bryant is requesting to revoke the level income option from his pension.

After reviewing the facts of the case, a motion was made by Chairman Iglarsh to deny Mr. Bryant's request. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Michael Moody – Request to Reinstate Retirement Account

Michael Moody's account became eligible for write-off in June, 2017. Contributions in the amount of \$8,668.30 and 47.00 months of creditable service were written off.

Mr. Moody has supplied SERS with a new address and proper identification. He is requesting that his account be reinstated so he can apply for a reciprocal pension benefit.

After reviewing the facts of the case, a motion was made by Vice-Chairperson Morris to approve Mr. Moody's request to reinstate his account. The motion was seconded by Chairman Iglarsh and all were in favor.

Margaret Johnson – Re-Appeal to Revoke Level Income Option

Margaret Johnson retired effective December 1, 2005. She chose the level income option for age 66 years and 0 months. The level income option increased her pension by \$232.17 per month.

Effective April 1, 2017, her pension was reduced by \$757.00 per month as this was the amount Ms. Johnson provided SERS at the time of her retirement that she would be eligible to receive from Social Security.

At the April, 2017 meeting of the Executive Committee, Ms. Johnson's request to revoke the level income option was denied. Ms. Johnson is requesting a re-appeal to revoke the level income option.

After discussing the facts of the case, a motion was made by Executive Secretary Blair to deny Ms. Johnson's request to revoke the level income option. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Peggy Morgan – Request to Receive Survivor Contribution Refund

Peggy Morgan retired effective October 1, 2017. Ms. Morgan has an unmarried son who is under 22 years old and a full-time student.

Ms. Morgan is requesting the survivor contribution refund. Her son, Seth Morgan, has completed an agreement to waive any possible future survivor benefits he may be entitled to upon her death.

After reviewing the facts of the case and some discussion, a motion was made by Executive Secretary Blair to deny Ms. Morgan's request to receive the survivor contribution refund. The motion was seconded by Chairman Iglarsh and all were in favor.

Michael Bracey – Request to Waive Interest on Survivor Contribution Refund Payment

Michael Bracey retired effective January 1, 2017. His marital status on the retirement application was marked "single" and he received a survivor contribution refund in the amount of \$7,314.24.

Mr. Bracey states that he was given incorrect information regarding the survivor contribution refund at the time of his retirement and is requesting to repay the refund as soon as possible without interest.

After some discussion, a motion was made by Executive Secretary Blair to deny Mr. Bracey's request to repay his survivor contribution refund without interest. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Amber Clendenen and Cody Malin – Request to Split Death Benefits – Mbr: Kim Malin

Kim Malin, an active state employee, died on August 16, 2017. A death benefit is payable in the amount of \$111,984.53.

Mr. Malin listed three beneficiaries. First was his wife, Judith Malin, who died on October 12, 2013. Second is his daughter Amber Clendenen and third is his son, Cody Malin.

Amber and Cody are requesting to split the death benefit as they believe that was their father's intention. Each has signed an agreement to that effect.

After reviewing the case, a motion was made by Chairman Iglarsh to approve the request of Amber Clendenen and Cody Malin to split their father's death benefit. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Thomas Kavelman – Request to Retire Reciprocally

Thomas Kavelman retired with the Teacher's Retirement System in 2006. At that time he had 7.25 months of service with SERS. In 2008 he purchased his qualifying period of 5.25 months, giving him the necessary 12.00 months for a reciprocal pension. Mr. Kavelman should not have served a qualifying period because he was a member of TRS.

Mr. Kavelman was issued a required distribution payment in August, 2017 due to his age. He has returned the refund payment and is requesting a reciprocal pension with TRS.

After reviewing the facts of the case and some discussion, a motion was made by Executive Secretary Blair to approve Mr. Kavelman's request for a reciprocal pension with payment for actual service credit accrued. The motion was seconded by Chairman Iglarsh and all were in favor.

Dametria Price – Request to Reinstate Retirement Account

Dametria Price's retirement account was written off in 2005. Since then, she has returned to state employment and was most recently on disability.

Ms. Price is requesting the reinstatement of the portion of her account that was written off in 2005 and to date has not been reinstated.

After reviewing the facts of the case, a motion was made by Chairman Iglarsh to approve Ms. Price's request to reinstate her retirement account. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Crystal Mayfield – Request to Reinstate Retirement Account

Crystal Mayfield's retirement account was written off in early 2017. Since then, she has requested a termination refund of her SERS contributions.

Ms. Mayfield is requesting the reinstatement of her account so a resignation refund can be processed.

After some discussion, a motion was made by Vice-Chairperson Morris to approve Ms. Mayfield's request to reinstate her account. The motion was seconded by Chairman Iglarsh and all were in favor.

Francisco Palos – Request to Reinstate Retirement Account

Francisco Palos' account was written off in early 2017. Since then, he has requested a termination refund of his SERS contributions.

Mr. Palos is requesting the reinstatement of his account so a resignation refund can be processed.

After reviewing the case, a motion was made by Chairman Iglarsh to approve Mr. Palos' request to reinstate his retirement account. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Clarence Stephenson – Request to Reinstate Retirement Account

Clarence Stephenson's account was written off in early 2017. Since then, he has requested a termination refund of his SERS contributions.

Mr. Stephenson is request the reinstatement of his account so a resignation refund can be processed.

After reviewing the facts of the case, a motion was made by Chairman Iglarsh to approve Mr. Stephenson's request to reinstate his retirement account. The motion was seconded by Vice-Chairperson Morris and all were in favor.

Dotty Blank – Request to Purchase Leave of Absence Extending Beyond One Year

Dotty Blank requested an optional service purchase for several leaves of absence. One period in particular extended April 7, 2016 through May 8, 2017. There was 0.75 months of service credit missing from this LOA period. Since this leave of absence was for a period of more than one year, it is not an eligible service purchase under the law. Ms. Blank had full service credit for all other leaves of absences within her account.

After some discussion, a motion was made by Chairman Iglarsh to deny Ms. Blank's request to purchase her leave of absence extending beyond one year. The motion was seconded by Executive Secretary Blair and all were in favor.

Julie Maze – Optional Service Purchase with No Interest

Julie Maze requested an estimate to reestablish SERS service for a period that she had taken a refund. A personnel liaison at her facility had informed her that she had to withdraw her SERS retirement contributions when she left because she wasn't vested.

Ms. Maze is contending that she should be allowed to repay the refund without interest because of the misinformation that she had been provided with at her agency.

After reviewing the facts of the case, a motion was made by Chairman Iglarsh to deny Ms. Maze's request to repay her refund without interest. The motion was seconded by Executive Secretary Blair and all were in favor.

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

Maria 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 intent and pay death benefits to her designated beneficiaries in lieu of her estate.

After reviewing the facts of the case and some discussion, a motion was made by Executive Secretary Blair to pay Ms. Sanchez's death benefits to her designated beneficiaries contingent upon a small estate affidavit submitted by Mr. Sanchez. The motion was seconded by Chairman Iglarsh and all were in favor.

Cathollene Owens – Appeal to Reduce Overpayment Repayment Amount

Cathollene Owens was approved for a non-occupational benefit from SERS effective December 16, 2014.

Ms. Owens was approved for a retroactive Social Security disability benefit effective April 2015. The retroactive benefit created an overpayment with SERS totaling \$17,080.00 through January 31, 2016.

SERS sent Ms. Owens a notification letter on February 24, 2016 explaining the calculation of the overpayment and what was due SERS.

Ms. Owens entered into a repayment agreement with SERS on March 16, 2016. The agreement was to deduct \$350.00 per month from her monthly annuity benefit and apply to the overpayment. The current balance of the overpayment is \$10,780.00.

Ms. Owens is currently receiving a disability benefit in the monthly gross amount of \$1,620.00. Monthly deductions of \$149.58 for state health, dental and life insurance and \$350.00 applied toward the SERS overpayment reduces her monthly check to \$1,120.42.

Ms. Owens is eligible to retire. She is appealing to reduce the monthly deduction of \$350.00 due to out of pocket medical expenses.

After reviewing the facts of the case, a motion was made by Chairman Iglarsh to deny Ms. Owens' request to reduce her overpayment deduction. The motion was seconded by Executive Secretary Blair and all were in favor.

Steve Samuel – Request to Defer Overpayment Repayment Until May 2018

Steve Samuel was approved for a temporary disability benefit from SERS effective May 20, 2016.

Mr. Samuel received a Worker's Compensation settlement in the amount of \$75,700.00 in January of 2017, after attorney fees and other expenses were deducted.

Mr. Samuel received temporary disability benefits from SERS for the period of May 20, 2016 through December 31, 2016 because his Worker's Compensation claim had initially been denied. He appealed and subsequently received a settlement, which created an overpayment of disability benefits from SERS. SERS sent an overpayment notification letter to Mr. Samuel on January 19, 2017 detailing how the overpayment of benefits in the amount of \$12,323.93 was calculated.

Mr. Samuel is currently receiving monthly occupational benefits in the gross amount of \$1,101.95. A monthly deduction of \$386.19 for state health, dental and life insurance reduces his monthly check to \$715.76. No payment for the overpayment is currently being deducted from his monthly check.

Mr. Samuel is not eligible for a pension until October 1, 2019. He is requesting that payments be deferred until May of 2018 when his monthly SERS benefit will increase to \$4,374.57 due to his offset being removed, then be allowed a monthly payment of \$350.00 until the balance of the overpayment is paid in full.

After review of the case and some discussion, a motion was made by Chairman Iglarsh to deny Mr. Samuel's request for deferral of repayment, but to allow a repayment amount of \$100.00 per month until May of 2018 at which the payment would revert to half of the gross amount of his benefit. The motion was seconded by Executive Secretary Blair and all were in favor.

Discussion – Medical Documentation in Meeting Books

The Executive Committee held a discussion on the inclusion of medical documentation in the meeting books. In order to provide more security with regards to members' medical documentation, it was decided that Executive Secretary Blair would look into getting the Committee members access to a secure site in order to retrieve their meeting books in the future.

There being no further business to be brought before the Committee, the meeting was adjourned at 11:55 a.m.

The next meeting of the Executive Committee is scheduled for November 9th, 2017, in the Springfield office, with video conferencing in Chicago.

Loren Iglarsh, Chairman

David Morris, Vice-Chairperson

Timothy Blair, Executive Secretary