

MINUTES
OF THE MEETING OF
THE EXECUTIVE COMMITTEE
STATE EMPLOYEES' RETIREMENT SYSTEM OF ILLINOIS
September 12, 2013

A meeting of the Executive Committee of the State Employees' Retirement System of Illinois was held on Thursday, September 12, 2013, at 8:30 A.M. in the System's Springfield office at 2101 S. Veterans Parkway with videoconferencing in SERS Chicago Office.

Committee members present:

Loren Iglarsh, Chairperson
Timothy Blair, Executive Secretary
Lori Laidlaw, Vice Chairperson

Others Present:

Steve Bochenek, Attorney
Kathy Yemm, Manager, Claims Division
Michael Noblet, Supervisor, Pensions & Deaths Section
Don Williams, Supervisor, Disability Section
Kerry Walker, Assistant Supervisor, Disability Section
Cory Michelle, Assistant Supervisor, Pensions & Deaths Section
Dawn Blakeman, Recording Secretary
Kimberly Watson, Hearing
Michael Young, Attorney for Kimberly Watson

Minutes of the Previous Meeting

The minutes of the August 15, 2013 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 Secretary Blair 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 August, 2013 were presented. Following review and discussion, the Routine Claims and Denials Report for the period of August, 2013, as prepared by staff was received by the Executive Committee.

Old Business

Phillip J. Saupe

Pension/Reciprocal

The System's attorney submitted a recommendation to deny Mr. Saupe's first appeal based on the facts and findings on file in this case for the Committee's review. Following discussion, on motion by Chairman Iglarsh, seconded by Secretary Blair, and by unanimous vote, the Committee accepted Recommendation No. 2013-05 in the matter of Phillip J. Saupe. A copy of this recommendation has been made a part of this member's file.

Mr. Saupe submitted a second appeal to transfer approximately 1 year of service credit from SERS back to SURS so that he would qualify independently with SURS. He would then purchase a year from Mount Vernon Police Pension Fund which would be transferred to SERS. He is appealing to the Executive Committee to be allowed to transfer the service back to SURS and purchase the service to transfer into SERS and also retire independently with SERS so that his current pension would not have to be proportionally reduced.

Based on the facts in this case and information submitted, Executive Secretary Blair moved approval of this appeal by Phillip Saupe. Vice chairperson Laidlaw seconded the motion, and all were in favor.

Michelle Flowers

Occupational Disability

Michelle Flowers works for a state agency and a medical leave of absence was granted. Based upon a review of the file and information submitted, the Committee finds Ms. Flowers works for a state agency, and was granted a medical leave of absence. On June 10, 2012 the System's medical consultant reviewed the entire file. The review indicated the medical information in the file failed to substantiate a disability. Pursuant to the denial of disability benefits, Michelle Flowers requested and previously attended a personal hearing with the Executive Committee. Ms. Flowers explained the job duty statement was incorrect and that she would get more medical information.

The Committee agreed to have Ms. Flowers complete a new job duty statement. SERS also agreed to have her supervisor do the same. The information would then be sent to the Disability Supervisor for review. Ms. Flowers also agreed to send additional medical records for review. The Committee agreed to defer this matter at this time in order to obtain the additional information. Additional information was received and reviewed.

Following discussion, the Committee agreed to refer this matter to SERS Attorney for a recommendation based on the facts and findings in file for presentation at the next meeting. The System's attorney submitted a recommendation to deny based on the facts and findings on file for the Committee's review. Following discussion, on motion by Executive Secretary Blair, seconded by Vice Chairperson Laidlaw, and by unanimous vote, the Committee accepted Recommendation No. 2013-001. A copy of this recommendation has been made a part of the member's file.

Ms. Flowers had a personal appeal on October 11, 2012. She was appealing the denial of her future occupational benefits. Her claim was deferred so additional evidence could be obtained. The additional medical was submitted and reviewed by the System's medical consultant on December 16, 2012 who determined that the medical information failed to substantiate a disabling condition. On February 14, 2013, the Executive Committee reviewed the appeal of the denial and denied her claim. Ms. Flowers is now requesting a re-appeal of the denial.

Following a review of the file and some discussion, Vice Chairperson Laidlaw moved to approve Ms. Flowers request to re-appeal the denial. Chairman Iglarsh seconded the motion and all were in favor. On February 14, 2013, the Executive Committee reviewed the appeal of the denial and denied her claim. Ms. Flowers is now requesting another re-appeal of the denial as she has new medical to present. Following a review of the file and some discussion, Vice Chairperson Laidlaw moved to approve Ms. Flowers request to re-appeal the denial of the re-appeal. Chairman Iglarsh seconded the motion and all were in favor. Ms. Flowers attended another personal hearing with her Attorney Jim Vainikos on August 15, 2013. She is appealing the denial of her future occupational benefits.

Her claim was previously deferred so additional evidence could be obtained. The additional medical was submitted and reviewed by the System's medical consultant on July 4, 2013 who determined that the medical information failed to substantiate a disabling condition. Ms. Flowers completed another job duty statement and the committee agreed to have the SERS medical consultant review the complete file.

Rosilyn Hall

Temporary Disability Overpayment

Yvonne Peter has Power of Attorney for her Mother Rosilyn Hall and has requested in a letter dated June 6, 2013 to attend a personal hearing with the Executive Committee.

Ms. Peter's attended a personal hearing and presented on her mother's behalf. She explained when the annual statement arrived it said her mother could take a refund of contributions, she felt relieved thinking she would have help to care for her mother. She stated her mother had endowed several operations to correct the injury that was the cause of her occupational disability.

The disability Supervisor Mr. Williams explained to Ms. Peter's that her mother incurred an overpayment of temporary disability benefits from SERS due to her approval of Workers' compensation benefits for the same time period. After Ms. Hall received the lump sum payment from Workers' compensation in 1996, SERS employees then attempted to contact Ms. Hall by letters and phone regarding the overpayment. However, after several unsuccessful attempts of collection through SERS and two Collection Agencies, SERS placed an Involuntary Withholding order with the State of Illinois Comptroller's office against Rosilyn Hall's social security number.

After some discussion it was determined that SERS will research Ms. Hall's disability further by contacting her doctors and having them forward any additional information to the Disability Supervisor for review.

After a review of the file and some discussion, Chairman Iglarsh moved to deny the appeal of Rosilyn Hall for a reinstatement of disability benefits due to the medical information failing to substantiate a disabling condition. In addition, the claims division is to pursue the existing overpayment. Following discussion, the Committee agreed to refer this matter to SERS Attorney for recommendation based on the facts and findings in file for presentation at the next meeting.

New Business

Kimberly Watson

Non-Occupational Disability

Ms. Watson works for a state agency and was granted a medical leave of absence. Based upon a review of the file and information submitted, the Committee finds Ms. Kimberly Watson is a state employee and was granted a medical leave of absence. Ms. Kimberly Watson requested and appeared before the Committee with her Attorney Mr. Michael Young. She has stated at the time of her initial injury she was contracted and paid from Capital Strategies to work at IDOT.

Kimberly Watson received occupational disability benefits as follows:

- 1) 11/22/10 was injured while working on contract for Illinois Transportation
- 2) 04/11/11 was reinstated as a State employee
- 3) 10/07/11-04/10/12 1st medical leave of absence to repair 11/22/10 injury
- 4) 10/15/12-03/31/13 2nd medical leave of absence to repair 11/22/10 injury

Ms. Watson was paid disability from her employer. However, since she was not on State disability she would not receive service credit for the 11.5 months she was disable. Ms. Watson feels she should not have to purchase the monthly service credit and is requesting we give her the 11.5 months of service credit. Following a review of the file the Committee agreed to approve the appeal to grant service credit for the period of 10/07/11 through 4/10/12 and 10/15/12 through 3/31/13. Upon execution and receipt of an agreement, SERS will credit her service time.

After some discussion, Chairman Iglarsh moved approval of the appeal of Kimberly Watson to be granted service credit. Vice Chairperson Laidlaw seconded the motion and all were in favor.

George Bastin

Occupational Disability

Mr. Bastin worked for a state agency and was granted a service connected leave of absence. Based on a review of the file and information submitted the Committee finds George Bastin began receiving occupational disability benefits from the Retirement System while receiving Workers' Compensation temporary total disability since April 10, 2010.

Mr. Bastin recently received his Workers' Compensation settlement and as a result of the settlement his SERS occupational disability benefit has been adjusted according to the terms of the settlement. Mr. Bastin is entitled to an occupational benefit of 75% his salary and his settlement with Workers Compensation created an overpayment. In a letter dated August 27, 2013 George Bastin is requesting his monthly re-payment schedule for the overpayment be reduced. Based on the facts of this case and information submitted, the Committee recommends adjusting Mr. Bastin's repayment schedule to an 8 month extension of the overpayment of benefits.

Following discussion, Secretary Blair moved to approve the appeal of George Bastin for an adjustment to an 8 month extension. Vice Chairperson Laidlaw seconded the motion, which unanimously passed.

Michael Renner

Pension

Mr. Renner has applied for a retirement annuity from the System to be effective August 1, 2013. Mr. Renner wants to retire reciprocally with State Employees' Retirement System (SERS) and with Illinois Municipal Retirement Fund (IMRF). Based on a review of the file and information

submitted, the Committee finds Michael Renner worked for a state agency and resigned from his position.

Prior to application for his retirement annuity, Mr. Renner received two unaudited retirement annuity estimates. These estimates indicated Mr. Renner qualified for an unreduced retirement annuity effective August 1, 2013 under the "Rule of 85." When Mr. Renner's pension was ready to be calculated, it was discovered that one (1) month of service was concurrent, which left Mr. Renner .75 month short of meeting the Rule of 85. He is eligible to retire with a reduced pension because he is over 55 years of age and has over 25 years of service credit. Michael Renner has submitted a written appeal requesting that his retirement annuity be calculated effective August 1, 2013 without the reduction.

After discussion the Committee recommended approval of Michael Renner's appeal to retire without the reduction. Following a review of the file and some discussion, Chairman Iglarsh moved to approve the appeal of Michael Renner. Vice Chairperson Laidlaw seconded the motion and all were in favor.

Russell Rothchild

Disability/Pension

Mr. Rothchild works for a state agency and has been on occupational leave since 1997. Based upon a review of the file and information submitted, the Committee finds Mr. Russell Rothchild worked for a state agency, and was granted a medical leave of absence.

Mr. Rothchild has been receiving a monthly occupational disability benefit since 01/21/1997 with annual increases. As per law his retirement account has been credited with wages and contributions based on his rate when he went off the payroll in 1997 and he will turn 65 on 09/11/2013. His occupational benefit will cease as of 09/30/2013.

Russell Rothchild has sent in an appeal letter dated August 21, 2013. He states that he has been receiving occupational disability for 16 years and receiving annual increases however his rate and average final compensation have stayed the same for 16 years and if he has to go on pension he would lose a considerable amount monthly and that that would not be fair to him.

Based on the facts of this case and information submitted, the Committee recommends deferring the appeal of Russell Rothchild at this time.

Mark McKinlay

Occupational Disability/12 months

This account became eligible for a write off in June, 2006. Contributions in the amount of \$70.03 were written off on June 23, 2006. Scot Settles-Ballard has contacted us regarding his account and has requested a refund. The Service & Refunds Division is requesting the Executive Committee to approve the reinstatement of this account so that a refund may be paid.

Following a review of the file and some discussion, Secretary Blair moved approval of the appeal of Scot Settles-Ballard request for reinstatement of her account. Chairman Iglarsh seconded the motion and all were in favor.

COLA Policy

At the August 15, 2013 meeting of the Executive Committee, the cost of living increase for January 1st birthdays was discussed (Michael Schneider). Based upon a review of 14 ILCS 5/14 – 114 (a), it was determined that annuitants who have a January 1st birthday and have been retired for at least one year, should receive their first increase on January 1st provided they meet all other eligibility criteria for the cost of living increase. Based upon that discussion, Mr. Schneider's appeal was granted and the Executive Committee asked staff to update the policy which will be made part of the Pension Section Procedures Manual. The following policy was approved by the Executive Committee at the September 12, 2013 meeting.

Note regarding January 1st birthdays:

Effective August 15, 2013, a member whose birthday is on January 1 will receive the automatic increase on that date provided the member has been retired for one year and meets all other eligibility criteria (Executive Committee approval September 12, 2013 (40 ILCS 5/14-114(a))).

There being no further business to be brought before the Committee, the meeting was adjourned at 10:40 A.M. The next meeting of the Executive Committee is scheduled for Tuesday, October 10, 2013, in the Springfield office, with video conferencing in Chicago if needed.

Loren Iglarsh
Chairman

Lori Laidlaw
Vice Chairperson

Timothy Blair
Executive Secretary